



AN ACT PROVIDING ACCESS TO WATER FOR AN ATTENDANT CITY OR TOWN; CREATING THE TOWN OF COLSTRIP WATER INFRASTRUCTURE MITIGATION ACCOUNT; AND AMENDING SECTION 15-35-108, MCA.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1. Town of Colstrip water infrastructure mitigation account.** (1) There is a town of Colstrip water infrastructure mitigation account within the state special revenue fund established in 17-2-102.

(2) There must be deposited in the account money allocated pursuant to 15-35-108(11).

(3) Money deposited in the account must be transferred to the town of Colstrip and may be used to pay for costs to ensure a water supply is available to the town if the proximate coal-fired generating unit closes or retires, and the town is unable to access a water supply.

(4) The department shall review this account every 10 years to confirm the funding level remains sufficient to meet the purposes of this section. The department shall report its finding to the economic affairs interim committee in accordance with 5-11-210.

**Section 2.** Section 15-35-108, MCA, is amended to read:

**"15-35-108. (Temporary) Disposal of severance taxes.** Severance taxes collected under this chapter must, in accordance with the provisions of 17-2-124, be allocated as follows:

(1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX, section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the board of investments as provided by law.

(2) The amount of 12% of coal severance tax collections is allocated to the major repair long-range building program account established in 17-7-221.

(3) The amount of 0.90% in fiscal year 2020 and 0.93% in fiscal year 2021 and in each fiscal year thereafter must be allocated for provision of basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking and must be deposited in the basic library services account established in 22-1-202.

(4) The amount of 3.77% in fiscal year 2020 and 3.71% in fiscal year 2021 and in each fiscal year thereafter must be allocated to the department of natural resources and conservation for conservation districts and deposited in the conservation district account established in 76-15-106.

(5) The amount of 0.79% in fiscal year 2020 and 0.82% in fiscal year 2021 and in each fiscal year thereafter must be allocated to the Montana Growth Through Agriculture Act and deposited in the growth through agriculture account established in 90-9-104.

(6) The amount of 1.27% must be allocated to a permanent fund account for the purpose of parks acquisition or management. Income from this permanent fund account, excluding unrealized gains and losses, must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.

(7) The amount of 0.95% must be allocated to the debt service fund type to the credit of the renewable resource loan debt service fund.

(8) The amount of 0.63% must be allocated to a trust fund for the purpose of protection of works of art in the capitol and for other cultural and aesthetic projects. Income from this trust fund account, excluding unrealized gains and losses, must be appropriated for protection of works of art in the state capitol and for other cultural and aesthetic projects.

(9) The amount of 5.8% must be credited to the coal natural resource account established in 90-6-1001(2).

(10) After the allocations are made under subsections (2) through (9), \$250,000 for the fiscal year must be credited to the coal and uranium mine permitting and reclamation program account established in 82-4-244.

(11) After the allocations are made under subsections (2) through (10), \$2 million for the fiscal year must be credited to the town of Colstrip water infrastructure mitigation account established in [section 1].

~~(44)(12)(a)~~ Subject to subsection ~~(44)(b)~~ (12)(b), all other revenue from severance taxes collected

under the provisions of this chapter must be credited to the general fund of the state.

(b) The interest income of the coal severance tax permanent fund that is deposited in the general fund is statutorily appropriated, as provided in 17-7-502, on July 1 each year as follows:

- (i) to the department of agriculture:
  - (A) \$65,000 for the cooperative development center;
  - (B) \$900,000 for the growth through agriculture program provided for in Title 90, chapter 9;
  - (C) \$600,000 for the Montana food and agricultural development program provided for in Title 80, chapter 11;
- (ii) to the department of commerce:
  - (A) \$325,000 for a small business development center;
  - (B) \$50,000 for a small business innovative research program;
  - (C) \$625,000 for certified regional development corporations;
  - (D) \$500,000 for the Montana manufacturing extension center at Montana state university-Bozeman; and
  - (E) \$300,000 for export trade enhancement. (Terminates June 30, 2027--secs. 13, 15, 18, Ch. 343, L. 2019.)

**15-35-108. (Effective July 1, 2027) Disposal of severance taxes.** Severance taxes collected under this chapter must, in accordance with the provisions of 17-2-124, be allocated as follows:

- (1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX, section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the board of investments as provided by law.
- (2) The amount of 12% of coal severance tax collections is allocated to the major repair long-range building program account established in 17-7-221.
- (3) The amount of 0.90% in fiscal year 2020 and 0.93% in fiscal year 2021 and in each fiscal year thereafter must be allocated for provision of basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking and must be deposited in the basic library services account established in 22-1-202.
- (4) The amount of 3.77% in fiscal year 2020 and 3.71% in fiscal year 2021 and in each fiscal year

thereafter must be allocated to the department of natural resources and conservation for conservation districts and deposited in the conservation district account established in 76-15-106.

(5) The amount of 0.79% in fiscal year 2020 and 0.82% in fiscal year 2021 and in each fiscal year thereafter must be allocated to the Montana Growth Through Agriculture Act and deposited in the growth through agriculture account established in 90-9-104.

(6) The amount of 1.27% must be allocated to a permanent fund account for the purpose of parks acquisition or management. Income from this permanent fund account, excluding unrealized gains and losses, must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.

(7) The amount of 0.95% must be allocated to the debt service fund type to the credit of the renewable resource loan debt service fund.

(8) The amount of 0.63% must be allocated to a trust fund for the purpose of protection of works of art in the capitol and for other cultural and aesthetic projects. Income from this trust fund account, excluding unrealized gains and losses, must be appropriated for protection of works of art in the state capitol and for other cultural and aesthetic projects.

(9) The amount of 5.8% must be credited to the coal natural resource account established in 90-6-1001(2).

(10) After the allocations are made under subsections (2) through (9), \$250,000 for the fiscal year must be credited to the coal and uranium mine permitting and reclamation program account established in 82-4-244.

(11) After the allocations are made under subsections (2) through (10), \$2 million for the fiscal year must be credited to the town of Colstrip water infrastructure mitigation account established in [section 1].

~~(11)~~(12) All other revenue from severance taxes collected under the provisions of this chapter must be credited to the general fund of the state."

- END -

I hereby certify that the within bill,  
HB 368, originated in the House.

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Chief Clerk of the House

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Speaker of the House

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2025.

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President of the Senate

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2025.

HOUSE BILL NO. 368

INTRODUCED BY G. PARRY

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