

## 1 HOUSE BILL NO. 472

2 INTRODUCED BY J. GILLETTE

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS ON STATE SETTLEMENT PROCEEDS;  
5 REQUIRING THAT SETTLEMENT PROCEEDS BE DEPOSITED IN THE STATE GENERAL FUND;  
6 PROVIDING THAT DEFRAYING COSTS OF LITIGATION IS A DISCRETIONARY USE OF FUNDS;  
7 PROVIDING EXCEPTIONS; PROVIDING AN APPROPRIATION; AMENDING SECTIONS 30-14-143 AND 30-  
8 14-226, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

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12 NEW SECTION. **Section 1. Settlement funds.** (1) Except as provided in [section 4] and this section,  
13 a settlement agreement or amounts otherwise ordered to be paid based on claims or litigation made on behalf  
14 of the state or its citizens by the department of justice or any other state agency, after reducing the amount for  
15 any costs and expenses incurred to obtain the recovery and attorney fees, whether or not received as a result  
16 of litigation, must be deposited in the state general fund.

17 (2) This section does not apply to:  
18 (a) settlements executed before [the effective date of this act];  
19 (b) any money received for the Montana tobacco settlement trust fund, as authorized in Article 12  
20 of the Montana constitution;  
21 (c) any money recovered pursuant to 30-14-143 and 30-14-226;  
22 (d) funds designated in the settlement agreement as restitution that must be disbursed to victims;  
23 (e) funds otherwise authorized for disbursement pursuant to Title 30, chapter 10, and Title 33; and  
24 (f) recoveries relating to natural resource damages for restoration and remediation activities or  
25 cost recovery, which must be directed to state special revenue accounts.

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27 **Section 2.** Section 30-14-143, MCA, is amended to read:

28 **"30-14-143. Disposition of civil fines, settlement proceeds, amounts awarded in judgments,**

**costs, and fees.** (1) (a) Except as provided in subsection (1)(c), all civil fines, settlement proceeds ~~not otherwise designated for a specific use pursuant to court order~~, amounts awarded in judgments, costs, and fees received or recovered by the department pursuant to this part must be deposited into a state special revenue account to the credit of the department, ~~and must~~ Balances in this account may be used to defray the expenses of the department in discharging its administrative and regulatory powers and duties in relation to this part.

(b) At the end of each biennium, the balance in the state special revenue account may not exceed three times the amount of the budget appropriated to the department to discharge its powers and duties under this part for that biennium. Funds received before July 1, 2025, that are ~~otherwise~~ obligated to implement the provisions of the settlement agreement are not considered part of the balance of the state special revenue account. Any excess civil fines, settlement proceeds ~~not otherwise designated for a specific use pursuant to court order~~, amounts awarded in judgment, judgments, costs, or fees recovered by the department pursuant to this part must be transferred to the general fund no later than the first business day in January of the subsequent biennium.

(c) All civil fines received or recovered by the department pursuant to 30-14-144 must be deposited in the general fund.

(2) All civil fines, settlement proceeds, amounts awarded in judgments, costs, and fees received or recovered by a county attorney pursuant to this part must be paid to the general fund of the county in which the action was commenced."

**Section 3.** Section 30-14-226, MCA, is amended to read:

**"30-14-226. Disposition of civil fines, settlement proceeds, amounts awarded in judgments, costs, and fees.** (1) All civil fines, settlement proceeds ~~not otherwise designated for a specific use pursuant to court order~~, amounts awarded in judgments, costs, and fees received or recovered by the department pursuant to this part must be deposited into a state special revenue account to the credit of the department, ~~and must~~ Balances in this account may be used to defray the expenses of the department in discharging its administrative and regulatory powers and duties in relation to this part.

(2) At the end of each biennium, the balance in the state special revenue account may not exceed three times the amount of the budget appropriated to the department to discharge its powers and duties under

1 this part for that biennium. Funds received before July 1, 2025, that are otherwise obligated to implement the  
2 provisions of the settlement agreement are not considered part of the balance of the state special revenue  
3 account. Any excess civil fines, settlement proceeds ~~not otherwise designated for a specific use pursuant to~~  
4 ~~court order~~, amounts awarded in judgment judgments, costs, or fees recovered by the department pursuant to  
5 this part must be transferred to the general fund no later than the first business day in January of the  
6 subsequent biennium."

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8 **NEW SECTION. Section 4. Exceptions related to settlement proceed allocation.** The governor  
9 may authorize money obtained through a settlement agreement to be allocated in a manner different than  
10 required by [section 1], 30-14-143, and 30-14-226.

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12 **NEW SECTION. Section 5. Reporting requirement.** The governor shall report to the legislative  
13 finance committee if the authority provided for in [section 4] is utilized to distribute settlement proceeds in a  
14 manner different than that required by [section 1], 30-14-143, and 30-14-226.

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16 **NEW SECTION. Section 6. Appropriation.** There is appropriated \$10,000 from the general fund to  
17 the office of the governor for the biennium beginning July 1, 2025, to report on the use of authority pursuant to  
18 [sections 4 and 5].

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20 **NEW SECTION. Section 7. Codification instruction.** [Sections 1, 4, and 5] are intended to be  
21 codified as an integral part of Title 2, chapter 15, and the provisions of Title 2, chapter 15, apply to [sections 1,  
22 4, and 5].

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24 **NEW SECTION. Section 8. Effective date.** [This act] is effective July 1, 2025.

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