

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

1 HOUSE BILL NO. 924

2 INTRODUCED BY L. JONES, B. LER, C. COCHRAN, E. ALBUS, B. BARKER, D. BEDEY, M. BERTOGLIO, J.

3 FITZPATRICK, J. KARLEN, C. KEOGH, G. PARRY, L. REKSTEN, E. TILLEMAN, P. TUSS, K. WALSH

4

5 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING STATE FINANCE LAWS; CREATING

6 THE MONTANA GROWTH AND OPPORTUNITY TRUST; PROVIDING FOR TRANSFERS OF VOLATILE

7 REVENUES TO THE TRUST; PROVIDING FOR ANNUAL DISTRIBUTIONS OF INTEREST INCOME TO

8 STATE SPECIAL REVENUE ACCOUNTS; PROVIDING FOR REINVESTMENT OF A PORTION OF THE

9 TRUST FOR PENSIONS AND HOUSING; PROVIDING FOR CALCULATIONS RELATED TO VOLATILE

10 REVENUE; ESTABLISHING A STATE PROPERTY RELIEF ACCOUNT; ESTABLISHING A MONTANA

11 WATER DEVELOPMENT STATE SPECIAL REVENUE ACCOUNT; ESTABLISHING A BETTER LOCAL

12 BRIDGE ACCOUNT; ESTABLISHING A MONTANA EARLY CHILDHOOD ACCOUNT, BOARD, AND

13 FUNDING; PROVIDING PROPERTY TAX ASSISTANCE THAT IS DISTRIBUTED TO COUNTIES TO BE

14 DISTRIBUTED AS A CREDIT TO CERTAIN PRIMARY RESIDENCES; REQUIRING THE DEPARTMENT OF

15 REVENUE TO CERTIFY PRIMARY RESIDENCES; PROVIDING A PENALTY FOR FALSE OR FRAUDULENT

16 PRIMARY RESIDENCE APPLICATIONS; PROVIDING AN APPEALS PROCESS FOR CERTIFICATION OF A

17 PRIMARY RESIDENCE; PROVIDING A DEFINITION; ESTABLISHING A MONTANA EARLY CHILDHOOD

18 ACCOUNT BOARD AND PROVIDING GRANTS; TRANSFERRING AUTHORITY FOR CERTAIN HOUSING

19 LOANS FROM THE COAL TAX TRUST FUND TO THE MONTANA GROWTH AND OPPORTUNITY TRUST;

20 ESTABLISHING A PENSION FUND; REVISING USE OF THE MONTANA HOUSING INFRASTRUCTURE

21 REVOLVING LOAN FUND; LIMITING THE TRANSFER OF VOLATILE REVENUE WHEN GENERAL FUND

22 DEFICIT IS CERTIFIED OR OPERATING RESERVE IS ESTIMATED AT A CERTAIN AMOUNT; PROVIDING

23 FOR TRANSFERS FROM THE PENSION FUND TO THE TEACHERS' RETIREMENT SYSTEM OR THE

24 PUBLIC EMPLOYEES' RETIREMENT SYSTEM ON CERTIFICATION OF THE RETIREMENT SYSTEM

25 BOARD; PROVIDING FOR AN INCREASE TO THE EMPLOYER SUPPLEMENTAL CONTRIBUTION RATE;

26 PROVIDING FOR FUND TRANSFERS; PROVIDING APPROPRIATIONS; ESTABLISHING REPORTING

27 REQUIREMENTS; PROVIDING RULEMAKING AUTHORITY; AMENDING SECTIONS 15-7-102, 15-10-420,

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

1 15-15-101, 15-15-102, 15-15-103, 15-16-101, 15-17-125, 15-38-302, 17-6-308, 17-6-317, 17-6-801, 17-7-130,
2 17-7-133, 17-7-140, 19-3-316, 19-20-609, 85-1-631, 90-6-137, AND 90-6-603, MCA; AMENDING SECTION 5,
3 CHAPTER 48, LAWS OF 2023, AND SECTION 24, CHAPTER 722, LAWS OF 2023; REPEALING SECTION
4 17-7-134, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

5
6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

7
8 NEW SECTION. Section 1. Montana growth and opportunity trust. (1) There is a Montana growth
9 and opportunity trust in the permanent fund type funded by annual transfers of volatile revenues as provided for
10 in [section 4].

11 (2) Transfers into the trust are deposited as follows:

12 (a) one-half into the distribution portion of the trust; and

13 (b) one-half into the reinvestment portion of the trust.

14 (3) (A) Money deposited in the account established in this section must be invested by the board of
15 investments as provided by law.

16 (B) IF ALLOWED BY LAW, THE BOARD OF INVESTMENTS MAY INVEST FUNDS IN THE TRUST IN HIGHER-
17 YIELDING INVESTMENTS.

18 (4) A bill appropriating funds from the corpus of the trust must be treated in the same manner as a
19 bill creating state debt and requires a vote of two-thirds of the members of each house of the legislature for
20 passage.

21
22 NEW SECTION. Section 2. Distributions from Montana growth and opportunity trust. (1) One-
23 half of interest earnings from the Montana growth and opportunity trust established in [section 1] are allocated
24 as follows:

25 (a) 20% to the Montana local disaster resiliency fund established in 17-7-133, up to \$15 million a
26 year;

27 (b) 20% to the state property tax ~~relief~~ ASSISTANCE account established in ~~[section 6]~~ [SECTION 13],

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

1 up to \$15 million a year;

2 (c) 20% to the Montana water development state special revenue account established in [section
3 7] [SECTION 14], up to \$15 million a year;

4 (d) 20% to the better local bridge state special revenue account established in [section 8] [SECTION
5 15], up to \$15 million a year; and

6 (e) 20% to the Montana early childhood state special revenue account established in [section 9]
7 [SECTION 16], up to \$15 million a year.

8 (2) Any remaining interest earnings after the distribution in subsection (1) must be transferred into
9 the capital developments long-range building program account established in 17-7-209 MONTANA GROWTH AND
10 OPPORTUNITY TRUST ESTABLISHED IN [SECTION 1].

11
12 NEW SECTION. Section 3. Reinvestment of growth and opportunity trust. One-half of interest
13 earnings AND TRANSFERS INTO from the Montana growth and opportunity trust established in [section 1] are
14 allocated as follows:

15 (1) 50% to the pension fund provided for in [section 10] [SECTION 17] UNTIL THE BALANCE IN THE
16 FUND EQUALS \$750 MILLION; and

17 (2) 50% to a Montana housing infrastructure revolving loan fund provided for in 17-6-801 UNTIL THE
18 BALANCE IN THE FUND EQUALS \$750 MILLION.

19 (3) ANY REMAINING TRANSFER AMOUNT MUST REMAIN IN THE REINVESTMENT PORTION OF THE TRUST AND
20 IS NOT ALLOCATED TO ANY PURPOSE.

21
22 NEW SECTION. Section 4. Volatile revenue -- transfer to Montana growth and opportunity
23 trust. (1) Starting in the fiscal year beginning July 1, 2027, and in each subsequent fiscal year by November 1,
24 the state treasurer shall ~~transfer one-half of~~ CALCULATE the amount of volatile revenue from the general fund for
25 that fiscal year. THE STATE TREASURER SHALL TRANSFER ONE-FOURTH OF THE AMOUNT OF VOLATILE REVENUE BY
26 NOVEMBER 1 AND ONE-FOURTH OF THE AMOUNT OF VOLATILE REVENUE BY MAY 1 to the Montana growth and
27 opportunity trust established in [section 1].

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

- 1 (2) The amount of volatile revenue is an amount equal to:
- 2 (a) the sum of capital gains volatile revenue and partnership volatile revenue; and
- 3 (b) a portion of interest earnings from the treasury cash account in 17-6-202 as ~~calculated~~ DEFINED
- 4 pursuant to subsection (3).
- 5 (3) The amount of interest earnings from the treasury cash account in 17-6-202 ~~to be transferred~~
- 6 DEFINED as volatile revenue pursuant to subsection (2) is the difference between:
- 7 (a) the estimate of interest earnings on the treasury cash account in 17-6-202 as provided in the
- 8 most recent official revenue estimate provided for in 5-5-227; and
- 9 (b) the lowest actual amount of interest earnings on the treasury cash account in 17-6-202 within
- 10 the most recent 10 years of available data as certified to the legislative fiscal analyst and the budget director by
- 11 the department of administration.
- 12 (4) For the purposes of this section, the following calculations apply:
- 13 (a) "Capital gains increment" is the difference between:
- 14 (i) the current calendar year's capital gains estimate as described in the most recent official
- 15 revenue estimate provided for in 5-5-227; and
- 16 (ii) the lowest reported capital gains income from any year within the most recent 10 years of
- 17 available data, as published in the department of revenue's biennial report provided for in 15-1-205.
- 18 (b) "Capital gains volatile revenue" is calculated by multiplying the capital gains increment by the
- 19 rate established in 15-30-2103(2)(a)(ii).
- 20 (c) "Partnership increment" is the difference between:
- 21 (i) the current calendar year's rents, royalty, and partnership estimate as described in the most
- 22 recent official revenue estimate provided for in 5-5-227; and
- 23 (ii) the lowest reported rents, royalty, and partnership income from any year within the most recent
- 24 10 years of available data, as published in the department of revenue's biennial report provided for in 15-1-205.
- 25 (d) "Partnership volatile revenue" is calculated by multiplying the partnership increment by the rate
- 26 established in 15-30-2103(1)(a)(ii).
- 27

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

SECTION 5. SECTION 15-7-102, MCA, IS AMENDED TO READ:

"15-7-102. Notice of classification, market value, and taxable value to owners -- appeals. (1) (a)

Except as provided in 15-7-138, the department shall mail or provide electronically to each owner or purchaser under contract for deed a notice that includes the land classification, market value, and taxable value of the land and improvements owned or being purchased. A notice must be mailed or, with property owner consent, provided electronically to the owner only if one or more of the following changes pertaining to the land or improvements have been made since the last notice:

- (i) change in ownership;
- (ii) change in classification;
- (iii) change in valuation; or
- (iv) addition or subtraction of personal property affixed to the land.

(b) The notice must include the following for the taxpayer's informational and informal classification and appraisal review purposes:

(i) a notice of the availability of all the property tax assistance programs available to property taxpayers, including the state property tax assistance provided for in [section 3234], the intangible land value assistance program provided for in 15-6-240, the property tax assistance programs provided for in Title 15, chapter 6, part 3, and the residential property tax credit for the elderly provided for in 15-30-2337 through 15-30-2341;

(ii) the total amount of mills levied against the property in the prior year;

(iii) the market value for the prior reappraisal cycle;

(iv) if the market value has increased by more than 10%, an explanation for the increase in valuation;

(v) a statement that the notice is not a tax bill; and

(vi) a taxpayer option to request an informal classification and appraisal review by checking a box on the notice and returning it to the department.

(c) When the department uses an appraisal method that values land and improvements as a unit, including the sales comparison approach for residential condominiums or the income approach for commercial

1 property, the notice must contain a combined appraised value of land and improvements.

2 (d) Any misinformation provided in the information required by subsection (1)(b) does not affect the
3 validity of the notice and may not be used as a basis for a challenge of the legality of the notice.

4 (2) (a) Except as provided in subsection (2)(c), the department shall assign each classification and
5 appraisal to the correct owner or purchaser under contract for deed and mail or provide electronically the notice
6 in written or electronic form, adopted by the department, containing sufficient information in a comprehensible
7 manner designed to fully inform the taxpayer as to the classification and appraisal of the property and of
8 changes over the prior tax year.

9 (b) The notice must advise the taxpayer that in order to be eligible for a refund of taxes from an
10 appeal of the classification or appraisal, the taxpayer is required to pay the taxes under protest as provided in
11 15-1-402.

12 (c) The department is not required to mail or provide electronically the notice to a new owner or
13 purchaser under contract for deed unless the department has received the realty transfer certificate from the
14 clerk and recorder as provided in 15-7-304 and has processed the certificate before the notices required by
15 subsection (2)(a) are mailed or provided electronically. The department shall notify the county tax appeal board
16 of the date of the mailing or the date when the taxpayer is informed the information is available electronically.

17 (3) (a) If the owner of any land and improvements is dissatisfied with the appraisal as it reflects the
18 market value of the property as determined by the department or with the classification of the land or
19 improvements, the owner may request an informal classification and appraisal review by submitting an
20 objection on written or electronic forms provided by the department for that purpose or by checking a box on the
21 notice and returning it to the department in a manner prescribed by the department.

22 (i) For property other than class three property described in 15-6-133, class four property
23 described in 15-6-134, class ten property described in 15-6-143, and centrally assessed property described in
24 15-23-101, the objection must be submitted within 30 days from the date on the notice.

25 (ii) For class three property described in 15-6-133, class four property described in 15-6-134, and
26 class ten property described in 15-6-143, the objection may be made only once each valuation cycle. An
27 objection must be made in writing or by checking a box on the notice within 30 days from the date on the

1 classification and appraisal notice for a reduction in the appraised value to be considered for both years of the
2 2-year valuation cycle. An objection made more than 30 days from the date of the classification and appraisal
3 notice will be applicable only for the second year of the 2-year valuation cycle. For an objection to apply to the
4 second year of the valuation cycle, the taxpayer shall make the objection in writing or by checking a box on the
5 notice no later than June 1 of the second year of the valuation cycle or, if a classification and appraisal notice is
6 received in the second year of the valuation cycle, within 30 days from the date on the notice.

7 (iii) For centrally assessed property described in 15-23-101(2)(a), the objection must be submitted
8 within 20 days from the date on the notice. A taxpayer may submit an objection up to 10 days after this deadline
9 on request to the department.

10 (iv) (A) For centrally assessed property described in 15-23-101(2)(b) and (2)(c), an objection to the
11 valuation or classification may be made only once each valuation cycle. An objection must be made in writing
12 within the time period specified in subsection (3)(a)(iii) for a reduction in the appraised value to be considered
13 for both years of the 2-year valuation cycle. An objection made after the deadline specified in subsection
14 (3)(a)(iii) will be applicable only for the second year of the 2-year valuation cycle. For an objection to apply to
15 the second year of the valuation cycle, the taxpayer shall make the objection in writing no later than June 1 of
16 the second year of the valuation cycle or, if a classification and appraisal notice is received in the second year
17 of the valuation cycle, within the time period specified in subsection (3)(a)(iii).

18 (B) If a property owner has exhausted the right to object to a valuation, as provided for in
19 subsection (3)(a)(iv)(A), the property owner may ask the department to consider extenuating circumstances to
20 adjust the value of property described in 15-23-101(2)(b) or (2)(c). Occurrences that may result in an
21 adjustment to the value include but are not limited to extraordinary, unusual, or infrequent events that are
22 material in nature and of a character different from the typical or customary business operations, that are not
23 expected to recur frequently, and that are not normally considered in the evaluation of the operating results of a
24 business, including bankruptcies, acquisitions, sales of assets, or mergers.

25 (b) If the objection relates to residential or commercial property and the objector agrees to the
26 confidentiality requirements, the department shall provide to the objector, by posted mail or electronically, within
27 8 weeks of submission of the objection, the following information:

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

1 (i) the methodology and sources of data used by the department in the valuation of the property;

2 and

3 (ii) if the department uses a blend of evaluations developed from various sources, the reasons that
4 the methodology was used.

5 (c) At the request of the objector or a representative of the objector, and only if the objector or
6 representative signs a written or electronic confidentiality agreement, the department shall provide in written or
7 electronic form:

8 (i) comparable sales data used by the department to value the property;

9 (ii) sales data used by the department to value residential property in the property taxpayer's
10 market model area; and

11 (iii) if the cost approach was used by the department to value residential property, the
12 documentation required in 15-8-111(3) regarding why the comparable sales approach was not reliable.

13 (d) For properties valued using the income approach as one approximation of market value, notice
14 must be provided that the taxpayer will be given a form to acknowledge confidentiality requirements for the
15 receipt of all aggregate model output that the department used in the valuation model for the property.

16 (e) The review must be conducted informally and is not subject to the contested case procedures
17 of the Montana Administrative Procedure Act. As a part of the review, the department may consider the actual
18 selling price of the property and other relevant information presented by the taxpayer in support of the
19 taxpayer's opinion as to the market value of the property. The department shall consider an independent
20 appraisal provided by the taxpayer if the appraisal meets standards set by the Montana board of real estate
21 appraisers and the appraisal was completed within 6 months of the valuation date pursuant to 15-8-201. If the
22 department does not use the appraisal provided by the taxpayer in conducting the appeal, the department shall
23 provide to the taxpayer the reason for not using the appraisal. The department shall give reasonable notice to
24 the taxpayer of the time and place of the review.

25 (f) After the review, the department shall determine the correct appraisal and classification of the
26 land or improvements and notify the taxpayer of its determination by mail or electronically. The department may
27 not determine an appraised value that is higher than the value that was the subject of the objection unless the

1 reason for an increase was the result of a physical change in the property or caused by an error in the
2 description of the property or data available for the property that is kept by the department and used for
3 calculating the appraised value. In the notification, the department shall state its reasons for revising the
4 classification or appraisal. When the proper appraisal and classification have been determined, the land must
5 be classified and the improvements appraised in the manner ordered by the department.

6 (4) Whether a review as provided in subsection (3) is held or not, the department may not adjust
7 an appraisal or classification upon the taxpayer's objection unless:

8 (a) the taxpayer has submitted an objection on written or electronic forms provided by the
9 department or by checking a box on the notice; and

10 (b) the department has provided to the objector by mail or electronically its stated reason in writing
11 for making the adjustment.

12 (5) A taxpayer's written objection or objection made by checking a box on the notice and
13 supplemental information provided by a taxpayer that elects to check a box on the notice to a classification or
14 appraisal and the department's notification to the taxpayer of its determination and the reason for that
15 determination are public records. The department shall make the records available for inspection during regular
16 office hours.

17 (6) Except as provided in 15-2-302 and 15-23-102, if a property owner feels aggrieved by the
18 classification or appraisal made by the department after the review provided for in subsection (3), the property
19 owner has the right to first appeal to the county tax appeal board and then to the Montana tax appeal board,
20 whose findings are final subject to the right of review in the courts. The appeal to the county tax appeal board,
21 pursuant to 15-15-102, must be filed within 30 days from the date on the notice of the department's
22 determination. A county tax appeal board or the Montana tax appeal board may consider the actual selling price
23 of the property, independent appraisals of the property, negative property features that differentiate the subject
24 property from the department's comparable sales, and other relevant information presented by the taxpayer as
25 evidence of the market value of the property. If the county tax appeal board or the Montana tax appeal board
26 determines that an adjustment should be made, the department shall adjust the base value of the property in
27 accordance with the board's order."

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2

SECTION 6. SECTION 15-10-420, MCA, IS AMENDED TO READ:

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"15-10-420. Procedure for calculating levy. (1) (a) Subject to the provisions of this section, a

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governmental entity that is authorized to impose mills may impose a mill levy sufficient to generate the amount

5

of property taxes actually assessed in the prior year plus one-half of the average rate of inflation for the prior 3

6

years. The maximum number of mills that a governmental entity may impose is established by calculating the

7

number of mills required to generate the amount of property tax actually assessed in the governmental unit in

8

the prior year based on the current year taxable value, less the current year's newly taxable value, plus one-half

9

of the average rate of inflation for the prior 3 years.

10

(b) A governmental entity that does not impose the maximum number of mills authorized under

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subsection (1)(a) may carry forward the authority to impose the number of mills equal to the difference between

12

the actual number of mills imposed and the maximum number of mills authorized to be imposed. The mill

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authority carried forward may be imposed in a subsequent tax year.

14

(c) For the purposes of subsection (1)(a), the department shall calculate one-half of the average

15

rate of inflation for the prior 3 years by using the consumer price index, U.S. city average, all urban consumers,

16

using the 1982-84 base of 100, as published by the bureau of labor statistics of the United States department of

17

labor.

18

(2) A governmental entity may apply the levy calculated pursuant to subsection (1)(a) plus any

19

additional levies authorized by the voters, as provided in 15-10-425, to all property in the governmental unit,

20

including newly taxable property.

21

(3) (a) For purposes of this section, newly taxable property includes:

22

(i) annexation of real property and improvements into a taxing unit;

23

(ii) construction, expansion, or remodeling of improvements;

24

(iii) transfer of property into a taxing unit;

25

(iv) subdivision of real property; and

26

(v) transfer of property from tax-exempt to taxable status.

27

(b) Newly taxable property does not include an increase in value that arises because of an

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

1 increase in the incremental value within a tax increment financing district.

2 (4) (a) For the purposes of subsection (1), the taxable value of newly taxable property includes the
3 release of taxable value from the incremental taxable value of a tax increment financing district because of:

4 (i) a change in the boundary of a tax increment financing district;

5 (ii) an increase in the base value of the tax increment financing district pursuant to 7-15-4287; or

6 (iii) the termination of a tax increment financing district.

7 (b) If a tax increment financing district terminates prior to the certification of taxable values as
8 required in 15-10-202, the increment value is reported as newly taxable property in the year in which the tax
9 increment financing district terminates. If a tax increment financing district terminates after the certification of
10 taxable values as required in 15-10-202, the increment value is reported as newly taxable property in the
11 following tax year.

12 (c) For the purpose of subsection (3)(a)(ii), the value of newly taxable class four property that was
13 constructed, expanded, or remodeled property since the completion of the last reappraisal cycle is the current
14 year market value of that property less the previous year market value of that property.

15 (d) For the purpose of subsection (3)(a)(iv), the subdivision of real property includes the first sale
16 of real property that results in the property being taxable as class four property under 15-6-134 or as
17 nonqualified agricultural land as described in 15-6-133(1)(c).

18 (5) Subject to subsection (8), subsection (1)(a) does not apply to:

19 (a) school district levies established in Title 20; or

20 (b) a mill levy imposed for a newly created regional resource authority.

21 (6) For purposes of subsection (1)(a), taxes imposed do not include net or gross proceeds taxes
22 received under 15-6-131 and 15-6-132.

23 (7) In determining the maximum number of mills in subsection (1)(a), the governmental entity:

24 (a) may increase the number of mills to account for a decrease in reimbursements; and

25 (b) may not increase the number of mills to account for a loss of tax base because of legislative
26 action that is reimbursed under the provisions of 15-1-121(7); and

27 (c) may not include revenue distributed to a county to provide state property tax assistance

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

1 pursuant to [section 3234](#).

2 (8) The department shall calculate, on a statewide basis, the number of mills to be imposed for
3 purposes of 15-10-109, 20-9-331, 20-9-333, 20-9-360, and 20-25-439. However, the number of mills calculated
4 by the department may not exceed the mill levy limits established in those sections. The mill calculation must
5 be established in tenths of mills. If the mill levy calculation does not result in an even tenth of a mill, then the
6 calculation must be rounded up to the nearest tenth of a mill.

7 (9) (a) The provisions of subsection (1) do not prevent or restrict:

8 (i) a judgment levy under 2-9-316, 7-6-4015, or 7-7-2202;

9 (ii) a levy to repay taxes paid under protest as provided in 15-1-402;

10 (iii) an emergency levy authorized under 10-3-405, 20-9-168, or 20-15-326;

11 (iv) a levy for the support of a study commission under 7-3-184;

12 (v) a levy for the support of a newly established regional resource authority;

13 (vi) the portion that is the amount in excess of the base contribution of a governmental entity's
14 property tax levy for contributions for group benefits excluded under 2-9-212 or 2-18-703;

15 (vii) a levy for reimbursing a county for costs incurred in transferring property records to an
16 adjoining county under 7-2-2807 upon relocation of a county boundary;

17 (viii) a levy used to fund the sheriffs' retirement system under 19-7-404(3)(b); or

18 (ix) a governmental entity from levying mills for the support of an airport authority in existence prior
19 to May 7, 2019, regardless of the amount of the levy imposed for the support of the airport authority in the past.

20 The levy under this subsection (9)(a)(ix) is limited to the amount in the resolution creating the authority.

21 (b) A levy authorized under subsection (9)(a) may not be included in the amount of property taxes
22 actually assessed in a subsequent year.

23 (10) A governmental entity may levy mills for the support of airports as authorized in 67-10-402, 67-
24 11-301, or 67-11-302 even though the governmental entity has not imposed a levy for the airport or the airport
25 authority in either of the previous 2 years and the airport or airport authority has not been appropriated
26 operating funds by a county or municipality during that time.

27 (11) The department may adopt rules to implement this section. The rules may include a method for

1 calculating the percentage of change in valuation for purposes of determining the elimination of property, new
2 improvements, or newly taxable value in a governmental unit."

3
4 **SECTION 7. SECTION 15-15-101, MCA, IS AMENDED TO READ:**

5 **"15-15-101. County tax appeal board -- meetings and compensation.** (1) The board of county
6 commissioners of each county shall appoint a county tax appeal board, with a minimum of three members and
7 with the members to serve staggered terms of 3 years each. The members of each county tax appeal board
8 must be residents of the county in which they serve. A person may not be a member of a county tax appeal
9 board if the person was an employee of the department less than 36 months before the date of appointment.

10 (2) (a) The members receive compensation as provided in subsection (2)(b) and travel expenses,
11 as provided for in 2-18-501 through 2-18-503, only when the county tax appeal board meets to hear taxpayers'
12 appeals from property tax assessments or when they are attending meetings called by the Montana tax appeal
13 board. Travel expenses and compensation must be paid from the appropriation to the Montana tax appeal
14 board.

15 (b) (i) The daily compensation for a member is as follows:

16 (A) \$45 for 4 hours of work or less; and

17 (B) \$90 for more than 4 hours of work.

18 (ii) For the purpose of calculating work hours in this subsection (2)(b), work includes hearing tax
19 appeals, deliberating with other board members, and attending meetings called by the Montana tax appeal
20 board.

21 (3) Office space and equipment for the county tax appeal boards must be furnished by the county.
22 All other incidental expenses must be paid from the appropriation of the Montana tax appeal board.

23 (4) The county tax appeal board shall hold an organizational meeting each year on the date of its
24 first scheduled hearing, immediately before conducting the business for which the hearing was otherwise
25 scheduled. At the organizational meeting, the members shall choose one member as the presiding officer of the
26 board. The county tax appeal board shall continue in session from July 1 of the current tax year until December
27 31 of the current tax year to hear protests concerning assessments made by the department until the business

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

1 of hearing protests is disposed of and may meet after December 31 to hear an appeal at the discretion of the
2 county tax appeal board.

3 (5) In counties that have appointed more than three members to the county tax appeal board, only
4 three members shall hear each appeal. The presiding officer shall select the three members hearing each
5 appeal.

6 (6) In connection with an appeal, the county tax appeal board may change any assessment or fix
7 the assessment at some other level or determine eligibility as a primary residence pursuant to [section 3335].

8 Upon notification by the county tax appeal board, the county clerk and recorder shall publish a notice to
9 taxpayers, giving the time the county tax appeal board will be in session to hear scheduled protests concerning
10 assessments and the latest date the county tax appeal board may take applications for the hearings. The notice
11 must be published in a newspaper if any is printed in the county or, if none, then in the manner that the county
12 tax appeal board directs. The notice must be published by May 15 of the current tax year.

13 (7) Challenges to a department rule governing the assessment of property or to an assessment
14 procedure apply only to the taxpayer bringing the challenge and may not apply to all similarly situated taxpayers
15 unless an action is brought in the district court as provided in 15-1-406."

16

17 **SECTION 8. SECTION 15-15-102, MCA, IS AMENDED TO READ:**

18 **"15-15-102. Application for reduction in valuation -- certification as primary residence.** (1) The
19 county tax appeal board may not reduce the valuation of property may not be reduced by the county tax appeal
20 board or review eligibility as a primary residence under [section 3335] unless either the taxpayer or the
21 taxpayer's agent makes and files a written application for reduction with the county tax appeal board.

22 (2) The application for reduction may be obtained at the local appraisal office or from the county
23 tax appeal board. The completed application must be submitted to the county clerk and recorder. The date of
24 receipt is the date stamped on the appeal form by the county clerk and recorder upon receipt of the form. The
25 county tax appeal board is responsible for obtaining the applications from the county clerk and recorder.

26 (3) One application for reduction may be submitted during each valuation cycle. The application
27 must be submitted within the time periods provided for in 15-7-102(3)(a) or [section 3537].

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

(4) A taxpayer who receives an informal review by the department of revenue as provided in 15-7-102(3)(a)(i) and (3)(a)(ii) or [section 3537] may appeal the decision of the department of revenue to the county tax appeal board as provided in [section 35(2)37(2)] and 15-7-102(6). The taxpayer may not file a subsequent application for reduction for the same property with the county tax appeal board during the same valuation cycle.

(5) If the department's determination after review is not made in time to allow the county tax appeal board to review the matter during the current tax year, the appeal must be reviewed during the next tax year, but the decision by the county tax appeal board is effective for the year in which the request for review was filed with the department. The application must state the post-office address of the applicant, specifically describe the property involved, and state the facts upon which it is claimed the reduction should be made or the property should be certified as a primary residence."

SECTION 9. SECTION 15-15-103, MCA, IS AMENDED TO READ:

"15-15-103. Examination of applicant -- failure to hear application. (1) Before the county tax appeal board grants any application or makes any reduction applied for, it shall examine on oath the person or agent making the application with regard to the value of the property of the person or eligibility as a primary residence pursuant to [section 3335]. A reduction may not be made or a property certified as a primary residence unless the applicant makes an application, as provided in 15-15-102, and attends the county board hearing. An appeal of the county board's decision may not be made to the Montana tax appeal board unless the person or the person's agent has exhausted the remedies available through the county board. In order to exhaust the remedies, the person or the person's agent shall attend the county board hearing. On written request by the person or the person's agent and on the written concurrence of the department, the county board may waive the requirement that the person or the person's agent attend the hearing. The testimony of all witnesses at the hearing and the deliberation of the county tax appeal board in rendering a decision must be electronically recorded and preserved for 1 year. If the decision of the county board is appealed, the record of the proceedings, including the electronic recording of all testimony and the deliberation of the county tax appeal board, must be forwarded, together with all exhibits, to the Montana board. The date of the hearing, the

proceedings before the county board, and the decision must be entered upon the minutes of the county board, and the county board shall notify the applicant of its decision by mail within 3 days. A copy of the minutes of the county board must be transmitted to the Montana board no later than 3 days after the county board holds its final hearing of the year.

(2) (a) Except as provided in 15-15-201, if a county board refuses or fails to hear a taxpayer's timely application for a reduction in valuation of property or eligibility as a primary residence, the taxpayer's application is considered to be granted on the day following the county board's final meeting for that year. The department shall enter the appraisal, or classification, or eligibility as a primary residence sought in the application in the property tax record. An application is not automatically granted for the following appeals:

(i) those listed in 15-2-302(1); and
(ii) if a taxpayer's appeal from the department's determination of classification or appraisal made pursuant to 15-7-102 was not received in time, as provided for in 15-15-102, to be considered by the county board during its current session.

(b) The county board shall provide written notification of each application that was automatically granted pursuant to subsection (2)(a) to the department, the Montana board, and any affected municipal corporation. The notice must include the name of the taxpayer and a description of the subject property.

(3) The county tax appeal board shall consider an independent appraisal provided by the taxpayer if the appraisal meets standards set by the Montana board of real estate appraisers and the appraisal was conducted within 6 months of the valuation date. If the county tax appeal board does not use the appraisal provided by the taxpayer in conducting the appeal, the county board shall provide to the taxpayer the reason for not using the appraisal."

SECTION 10. SECTION 15-16-101, MCA, IS AMENDED TO READ:

"15-16-101. Treasurer to publish notice -- manner of publication. (1) Within 10 days after the receipt of the property tax record, the county treasurer shall publish a notice specifying:

(a) that one-half of all taxes levied and assessed will be due and payable before 5 p.m. on the next November 30 or within 30 days after the notice is postmarked and that unless paid prior to that time the amount

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

1 then due will be delinquent and will draw interest at the rate of 5/6 of 1% a month from the time of delinquency
2 until paid and 2% will be added to the delinquent taxes as a penalty;

3 (b) that one-half of all taxes levied and assessed will be due and payable on or before 5 p.m. on
4 the next May 31 and that unless paid prior to that time the taxes will be delinquent and will draw interest at the
5 rate of 5/6 of 1% a month from the time of delinquency until paid and 2% will be added to the delinquent taxes
6 as a penalty; and

7 (c) the time and place at which payment of taxes may be made.

8 (2) (a) The county treasurer shall send to the last-known address of each taxpayer a written notice,
9 postage prepaid, showing the amount of taxes and assessments due for the current year and the amount due
10 and delinquent for other years. The written notice must include:

11 (i) the taxable value of the property;

12 (ii) the total mill levy applied to that taxable value;

13 (iii) itemized city services and special improvement district assessments collected by the county;

14 (iv) the number of the school district in which the property is located;

15 (v) the amount of the total tax due itemized by mill levy that is levied as city tax, county tax, state
16 tax, school district tax, and other tax and, for a primary residence, the total amount of state property tax
17 assistance received under [section 3234];

18 (vi) an indication of which mill levies are voted levies, including voted levies to impose a new mill
19 levy, to increase a mill levy that is required to be submitted to the electors, or to exceed the mill levy limit
20 provided for in 15-10-420;

21 (vii) except as provided in subsection (2)(c), an itemization of the taxes due for each mill levy and a
22 comparison to the amount due for each mill levy in the prior year; and

23 (viii) a notice of the availability of all the property tax assistance programs available to property
24 taxpayers, including the state property tax assistance provided for in [section 3234], the intangible land value
25 assistance program provided for in 15-6-240, the property tax assistance programs under Title 15, chapter 6,
26 part 3, and the residential property tax credit for the elderly under 15-30-2337 through 15-30-2341.

27 (b) If a tax lien is attached to the property, the notice must also include, in a manner calculated to

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

draw attention, a statement that a tax lien is attached to the property, that failure to respond will result in loss of property, and that the taxpayer may contact the county treasurer for complete information.

(c) The information required in subsection (2)(a)(vii) may be posted on the county treasurer's website instead of being included on the written notice.

(3) The municipality shall, upon request of the county treasurer, provide the information to be included under subsection (2)(a)(iii) ready for mailing.

(4) The notice in every case must be given as provided in 7-1-2121. Failure to publish or post notices does not relieve the taxpayer from any tax liability. Any failure to give notice of the tax due for the current year or of delinquent tax will not affect the legality of the tax.

(5) If the department revises an assessment that results in an additional tax of \$5 or less, an additional tax is not owed and a new tax bill does not need to be prepared."

SECTION 11. SECTION 15-17-125, MCA, IS AMENDED TO READ:

"15-17-125. Attachment of tax lien and preparation of tax lien certificate. (1) (a) The county treasurer shall attach a tax lien no later than the first working day in August to properties on which the taxes are delinquent and for which proper notification was given as provided in 15-17-122 and subsection (4) of this section. Upon attachment of a tax lien, the county is the possessor of the tax lien unless the tax lien is assigned pursuant to 15-17-323.

(b) The county treasurer may not attach a tax lien to a property on which taxes are delinquent but for which proper notice was not given.

(2) After attaching a tax lien, the county treasurer shall prepare a tax lien certificate that must contain:

(a) the date on which the property taxes became delinquent;

(b) the date on which a property tax lien was attached to the property;

(c) the name and address of record of the person to whom the taxes were assessed;

(d) a description of the property on which the taxes were assessed;

(e) a separate listing of the amount of the delinquent taxes, penalties, interest, and costs;

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

(f) a statement that the tax lien certificate represents a lien on the property that may lead to the issuance of a tax deed for the property;

(g) a statement specifying the date on which the county or an assignee will be entitled to a tax deed; and

(h) an identification number corresponding to the tax lien certificate.

(3) The tax lien certificate must be signed by the county treasurer. A copy of the tax lien certificate must be filed by the treasurer in the office of the county clerk. A copy of the tax lien certificate must also be mailed to the person to whom the taxes were assessed, at the address of record, together with a notice that the person may contact the county treasurer for further information on property tax liens.

(4) Prior to attaching a tax lien to the property, the county treasurer shall send notice of the pending attachment of a tax lien to the person to whom the property was assessed. The notice must include the information listed in subsection (2), state that the tax lien may be assigned to a third party, and provide notice of the availability of all the property tax assistance programs available to property taxpayers, including the state property tax assistance provided for in [section 3234], the property tax assistance programs under Title 15, chapter 6, part 3, and the residential property tax credit for the elderly under 15-30-2337 through 15-30-2341. The notice must have been mailed at least 2 weeks prior to the date on which the county treasurer attaches the tax lien.

(5) The county treasurer shall file the tax lien certificate with the county clerk and recorder."

Section 12. Section 15-38-302, MCA, is amended to read:

"15-38-302. Natural resources projects state special revenue account created -- revenue allocated -- limitations on appropriations from account. (1) There is a natural resources projects state special revenue account within the state special revenue fund established in 17-2-102.

(2) There must be paid into the natural resources projects state special revenue ~~account money~~ allocated from:

(a) the interest income of the resource indemnity trust fund under the provisions of 15-38-202;

(b) the resource indemnity and ground water assessment tax under the provisions of 15-38-106;

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

1 (c) the oil and natural gas production tax as provided in 15-36-331; and
2 (d) the excess of the coal severance tax proceeds allocated by 85-1-603 to the renewable
3 resource loan debt service fund above debt service requirements as provided in and subject to the conditions of
4 85-1-619; and

5 (e) 10% of the interest earned from the Montana water development state special revenue account
6 established in ~~section 7-1~~ [SECTION 14] to be used for water storage pilot projects and dam inspections required
7 under 85-15-213.

8 (3) Appropriations may be made from the natural resources projects state special revenue account
9 for grants and loans for designated projects and the activities authorized in 85-1-602 and 90-2-1102.

10 (4) The account retains its own interest."

11
12 **NEW SECTION. Section 13. State property tax relief ASSISTANCE account.** ~~(1) There is a state~~
13 ~~property tax assistance account in the state special revenue fund established in 17-2-102 to the credit of the~~
14 ~~department of revenue. The revenue allocated to the account must be used to provide tax relief.~~

15 ~~(2) The account retains its own interest. (1) THERE IS A STATE PROPERTY TAX ASSISTANCE ACCOUNT IN~~
16 ~~THE STATE SPECIAL REVENUE FUND ESTABLISHED IN 17-2-102. THE REVENUE ALLOCATED TO THE ACCOUNT AS~~
17 ~~PROVIDED IN [SECTION 2] MUST BE DEPOSITED IN THE ACCOUNT AND DISTRIBUTED AS PROVIDED IN THIS SECTION.~~

18 ~~(2) (A) AT THE END OF EACH FISCAL YEAR, THE DEPARTMENT SHALL DETERMINE THE AMOUNT OF~~
19 ~~PROPERTY TAX ASSISTANCE PER PRIMARY RESIDENCE BY SUBTRACTING THE AMOUNTS LISTED IN SUBSECTION (2)(C)~~
20 ~~AND DIVIDING THE REMAINDER BY THE TOTAL NUMBER OF PRIMARY RESIDENCES CERTIFIED PURSUANT TO [SECTION~~
21 ~~3335].~~

22 ~~(B) BY AUGUST 31 OF EACH YEAR, THE DEPARTMENT SHALL DISTRIBUTE TO EACH COUNTY THE PROPERTY~~
23 ~~TAX ASSISTANCE PER PRIMARY RESIDENCE MULTIPLIED BY THE NUMBER OF PRIMARY RESIDENCES WITHIN THE COUNTY.~~
24 ~~THE COUNTY SHALL DEPOSIT THE MONEY IN THE ACCOUNT IN WHICH PROPERTY TAX REVENUE IS HELD AND USE THE~~
25 ~~DISTRIBUTION TO PROVIDE PROPERTY TAX ASSISTANCE PURSUANT TO [SECTION 3234].~~

26 ~~(C) THE DEPARTMENT MAY RETAIN 2% OF THE REVENUE ALLOCATED TO THE ACCOUNT FOR~~
27 ~~ADMINISTERING THE CERTIFICATION OF PRIMARY RESIDENCES UNDER [SECTION 3335] AND SHALL RETAIN \$100,000 FOR~~

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

1 APPEALS GRANTED UNDER [SECTION 3537].

2 (3) THE DEPARTMENT SHALL PROVIDE EACH COUNTY WITH A LIST OF PROPERTY IN THE COUNTY THAT THE
3 DEPARTMENT CERTIFIES PURSUANT TO [SECTION 3335] QUALIFIES AS A PRIMARY RESIDENCE TO ENABLE THE COUNTY
4 TREASURER TO ADMINISTER THE PROPERTY TAX ASSISTANCE.

5 (4) A PAYMENT REQUIRED PURSUANT TO THIS SECTION MAY BE WITHHELD IF, FOR MORE THAN 90 DAYS, A
6 LOCAL GOVERNMENT FAILS TO:

7 (A) FILE A FINANCIAL REPORT REQUIRED BY 15-1-504;

8 (B) REMIT ANY AMOUNTS COLLECTED ON BEHALF OF THE STATE AS REQUIRED BY 15-1-504; OR

9 (C) REMIT ANY OTHER AMOUNTS OWED TO THE STATE OR ANOTHER TAXING JURISDICTION.

10
11 NEW SECTION. Section 14. Montana water development state special revenue account. (1) (a)
12 There is a Montana water development state special revenue fund as provided for in 17-2-102 to the credit of
13 the department of natural resources and conservation.

14 (b) The fund retains its own interest.

15 (c) The account is composed of revenue gifted to the state or transferred to the account by the
16 legislature and interest generated by the account.

17 (2) Ninety percent of the earnings from the investment must be distributed to the water storage
18 state special revenue account established in 85-1-631.

19 (3) Ten percent of the earnings from the investment must be distributed to the natural resources
20 projects state special revenue account established in 15-38-302 to be used for water storage pilot projects and
21 dam inspections required under 85-15-213.

22
23 NEW SECTION. Section 15. Better local bridge state special revenue account -- rulemaking. (1)
24 There is an account in the state special revenue fund provided for in 17-2-102 to be known as the better local
25 bridge fund account to the credit of the department of transportation.

26 (2) There must be deposited in the account money received pursuant to [section 4].

27 (3) The account may be used for:

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

(a) grants to local government for the costs associated with engineering and construction of local, off-system bridges; and

(b) administrative costs for the department of transportation, not to exceed 5% of revenue received.

(4) Grants to local governments must include no less than 20% local matching funds.

(5) The department shall enact rules for distribution of annual grants to local governments.

(6) The account retains its own interest.

NEW SECTION. Section 16. Montana early childhood account -- non-supplantation

NONSUPPLANTATION of funds. (1) There is a Montana early childhood account in the state special revenue fund in the state treasury to the credit of the department of public health and human services. ~~The money in the account is allocated to the Montana early childhood account board established in [section 11] for funding services and activities under and payment of administrative costs of the programs described in [section 12].~~

(2) Funds deposited in the Montana early childhood account may only be used for the programs and grants authorized in [section 12] ~~[SECTION 18]~~ ~~[section 19]~~ and may not be used to pay the expenses of any other program or service administered in whole or in part by the department of public health and human services or any other state government entity.

(3) The account retains its own interest.

NEW SECTION. Section 17. Pension fund. There is a pension portion of the Montana growth and opportunity trust established [section 1].

(2) The account is funded by a distribution pursuant to 17-6-214, 17-7-130, and transfers made pursuant to [section 4].

(3) Funds in the account may only be used to transfer into a state-administered pension fund.

(4) In any 2-year period, no more than \$300 million may be transferred from the pension section of the Montana growth and opportunity trust for the purposes outlined in ~~19-3-316 and 19-20-609~~ SUBSECTIONS (5) AND (6).

(5) (a) On certification by the teachers' retirement board, the state treasurer shall transfer no more than 25% of the balance of this fund to the teachers' retirement system to ensure that the system meets its long-term rate of return assumption if the inception-to-date market rate of return as of June 30 in the previous 2 consecutive fiscal years is less than the current actuarially assumed rate of return set by the teachers' retirement board.

(b) The amount of a transfer authorized in subsection (5)(a) is limited to the amount necessary to bring the inception-to-date market rate of return as of June 30 in the previous fiscal year up to the actuarially assumed rate of return set by the teachers' retirement board.

(c) When applicable, the teachers' retirement board shall determine and shall certify to the state treasurer the amount of the transfer required under this section. The state treasurer shall transfer the certified amount to the pension trust fund within 30 days following receipt of certification from the teachers' retirement board.

(6) (a) On certification by the public employees' retirement board, the state treasurer shall transfer no more than 25% of the balance of this fund to the public employees' retirement system to ensure that the system meets its long-term rate of return assumption if the inception-to-date market rate of return as of June 30 in the previous 2 consecutive fiscal years is less than the current actuarially assumed rate of return set by the public employees' retirement board.

(b) The amount of a transfer authorized in subsection (6)(a) is limited to the amount necessary to bring the inception-to-date market rate of return as of June 30 in the previous fiscal year up to the actuarially assumed rate of return set by the public employees' retirement board.

(c) When applicable, the public employees' retirement board shall determine and shall certify to the state treasurer the amount of the transfer required under this section. The state treasurer shall transfer the certified amount to the pension trust fund within 30 days following receipt of certification from the public employees' retirement board.

NEW SECTION. Section 18. Montana early childhood account board. (1) There is a Montana early childhood account board consisting of seven members appointed by the governor as follows:

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

(a) two members who are employees of the department of public health and human services, including one employee of the early childhood and family support division and one employee of the division of the department that oversees American Indian health;

(b) one member who is an employee of the department of labor and industry;

(c) one member who is an employee of the office of public instruction;

(d) one member who is an employee of the department of commerce;

(e) two members representing state and local community early childhood organizations;

(f) two Montana child-care providers; and

(g) a parent with a child or children in child care.

(2) A member's term is 3 years. Initial appointments may specify a shorter length of the initial term to stagger the terms. Vacancies must be filled for the balance of an unexpired term. A member of the board may be reappointed.

(3) The board is allocated to the department of public health and human services for administrative purposes only, as provided in 2-15-121. The department may employ staff and adopt rules to carry out the duties as described in [sections 18 through 21].

(4) Unless otherwise provided by law, each member is entitled to be reimbursed for travel expenses incurred, as provided in 2-18-501 through 2-18-503, while performing board duties.

~~NEW SECTION. Section 11. Montana early childhood account board. (1) There is a Montana early childhood account board consisting of seven members appointed by the governor as follows:~~

~~(a) two members who are employees of the department of public health and human services, including one employee of the early childhood and family support division and one employee of the division of the department that oversees American Indian health;~~

~~(b) one member who is an employee of the department of labor and industry;~~

~~(c) one member who is an employee of the office of public instruction;~~

~~(d) one member who is an employee of the department of commerce; and~~

~~(e) two members representing state and local community early childhood organizations.~~

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

(2) — A member's term is 3 years. Initial appointments may specify a shorter length of the initial term to stagger the terms. Vacancies must be filled for the balance of an unexpired term. A member of the board may be reappointed.

(3) — The board is allocated to the department of public health and human services for administrative purposes only, as provided in 2-15-121. The board may employ staff to carry out its duties as described in [sections 11 through 14].

(4) — Unless otherwise provided by law, each member is entitled to be reimbursed for travel expenses incurred, as provided in 2-18-501 through 2-18-503, while performing board duties.

NEW SECTION. Section 19. Eligible uses of Montana early childhood grants ACCOUNT. (1) The Montana early childhood account board established in [section 11] ~~DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES~~ The Montana early childhood account board established in [section 18] shall use the money in the Montana early childhood account provided for in [section 9] [SECTION 16] to fund services and activities under the eligibility criteria below related to a broad range of programs operated by nonprofit or public community-based educational or service organizations or early childhood coalitions ~~PROVIDED FOR IN SUBSECTION (2) TO SUPPORT THE CHILD-CARE SYSTEM IN MONTANA~~ approved by the Montana early childhood account board established in [section 18].

(2) Eligible purposes for which the board may authorize grants for which the board may authorize include:

(a) early care and education provider support and workforce development, including:

(i) technical assistance grants that offer funding to start or expand child-care businesses, community-level partnerships, and program access strategies;

(ii) grants to support early childhood postsecondary education, certifications, apprenticeship, training, and continuing education to grow the workforce of early childhood professionals; and

(iii) recruitment and retention grants to provide workforce benefits, stipends, or supplements to retain qualified workers;

(b) quality improvement initiatives, including accreditation support, curriculum development, safety

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

1 upgrades, and supports for infants, toddlers, and children with special needs;

2 (c) affordability initiatives, including expansion of licensed before-school and after-school care, the
3 state child care subsidy program, and temporary child care assistance programs for families facing sudden
4 financial hardship;

5 (d) innovation initiatives, including community child-care expansion programs and early learning
6 and early childhood intervention access programs; and

7 (e) emergency assistance and disaster relief programs for impacted child-care facilities.

8 (3) In administering FUNDING FROM the early childhood grant program ACCOUNT, the board

9 DEPARTMENT-board shall:

10 (a) determine funding priorities for services and activities using the department of public health and
11 human services' early childhood system strategic plan and comprehensive fiscal analysis;

12 (b) establish further criteria for the receipt of program funds;

13 (c) monitor the expenditure of funds by organizations receiving funds under this section;

14 (d) evaluate the efficacy of services and activities funded under this section; and and

15 ~~(e) — adopt rules necessary to implement this section; AND~~

16 ~~(F)(e)~~ CONSULT STAKEHOLDERS TO ADVISE AND INFORM IMPLEMENTATION.

17 (4) By September 1 of each year, the board DEPARTMENT shall report to the education interim
18 committee and the children, families, health, and human services interim committee in accordance with 5-11-
19 210 on the services and activities funded under this section.

20
21 NEW SECTION. Section 13. Gifts and grants to programs. The Montana early childhood account
22 board may accept contributions, gifts, and grants, of money or otherwise, to the programs described in [section
23 12]. Monetary gifts, contributions, and grants earmarked for the Montana early childhood account must be paid
24 into the account established in [section 9].

25
26 NEW SECTION. Section 20. Gifts and grants to programs. (1) The Montana early childhood
27 account board may accept contributions, gifts, and grants, of money or otherwise, to the programs described in

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

[section 19]. Monetary gifts, contributions, and grants earmarked for the Montana early childhood account must be paid into the account established in [section 16] and expended pursuant to 17-8-101(2).

(2) Funds accepted pursuant to this section may qualify for the Montana endowment tax credit.

NEW SECTION. Section 21. Program costs -- annual report. ~~(1) The costs incurred by the Montana early childhood account board in administering the programs described in [section 12] must be paid for with money from the Montana early childhood account provided for in [section 9]. The board shall keep costs to a minimum and use existing office space, personnel, equipment, and supplies of the department of public health and human services to the extent possible.~~ (1) The costs incurred by the Montana early childhood account board in administering the programs described in [section 19] must be paid for with money from the Montana early childhood account provided for in [section 16]. The board shall keep costs to a minimum and use existing office space, personnel, equipment, and supplies of the department of public health and human services to the extent possible.

~~(2)(1)(2)~~ (a)(a) By September 1 of each year, the department shall provide a written report to the children, families, health, and human services interim committee in accordance with 5-11-210.

~~(b)(2)(b)~~ The report must include the following information for each PROGRAM OR grant:

~~(i)(A)(i)~~ the project or activity for which it was awarded;

~~(ii)(B)(ii)~~ the amount of the grant;

~~(iii)(C)(iii)~~ proposed and actual uses of grant funds;

~~(iv)(D)(iv)~~ the duration; and

~~(v)(E)(v)~~ its recipient.

Section 22. Section 17-6-308, MCA, is amended to read:

"17-6-308. Authorized investments. (1) Except as provided in subsections (2) through ~~(8)-(7)~~ of this section and subject to the provisions of 17-6-201, the Montana permanent coal tax trust fund must be invested as authorized by rules adopted by the board.

(2) The board may make loans from the permanent coal tax trust fund to the capital reserve

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

1 account created pursuant to 17-5-1515 to establish balances or restore deficiencies in the account. The board
2 may agree in connection with the issuance of bonds or notes secured by the account or fund to make the loans.
3 Loans must be on terms and conditions determined by the board and must be repaid from revenue realized
4 from the exercise of the board's powers under 17-5-1501 through 17-5-1518 and 17-5-1521 through 17-5-1529,
5 subject to the prior pledge of the revenue to the bonds and notes.

6 (3) The board shall manage the seed capital and research and development loan portfolios
7 created by the former Montana board of science and technology development. The board shall establish an
8 appropriate repayment schedule for all outstanding research and development loans made to the university
9 system. The board is the successor in interest to all agreements, contracts, loans, notes, or other instruments
10 entered into by the Montana board of science and technology development as part of the seed capital and
11 research and development loan portfolios, except agreements, contracts, loans, notes, or other instruments
12 funded with coal tax permanent trust funds. The board shall administer the agreements, contracts, loans, notes,
13 or other instruments funded with coal tax permanent trust funds. As loans made by the former Montana board
14 of science and technology development are repaid, the board shall deposit the proceeds or loans made from
15 the coal severance tax trust fund in the coal severance tax permanent fund until all investments are paid back
16 with 7% interest.

17 (4) The board shall allow the Montana facility finance authority to administer \$15 million of the
18 permanent coal tax trust fund for capital projects. Until the authority makes a loan pursuant to the provisions of
19 Title 90, chapter 7, the funds under its administration must be invested by the board pursuant to the provisions
20 of 17-6-201. As loans for capital projects made pursuant to this subsection are repaid, the principal and interest
21 payments on the loans must be deposited in the coal severance tax permanent fund until all principal and
22 interest have been repaid. The board and the authority shall calculate the amount of the interest charge.
23 Individual loan amounts may not exceed 10% of the amount administered under this subsection.

24 ~~(5) The board shall allow the board of housing to administer \$50 million of the permanent coal tax~~
25 ~~trust fund for the purposes of the Montana veterans' home loan mortgage program provided for in Title 90,~~
26 ~~chapter 6, part 6.~~

27 ~~(6) The board shall allow the board of housing to administer \$65 million of the permanent coal tax~~

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

~~trust fund for the purpose of providing loans for the development and preservation of homes and apartments to assist low-income and moderate-income persons with meeting their basic housing needs pursuant to 90-6-137.~~

~~(7)(5)~~ (a) Subject to subsections ~~(7)(b) and (7)(c)~~ (5)(b) and (5)(c), the board may make working capital loans from the permanent coal tax trust fund to an owner of a coal-fired generating unit.

(b) Loans may be provided in accordance with subsection ~~(7)(a)~~ (5)(a) to an owner to finance:

(i) the everyday operations and required maintenance of a coal-fired generating unit of which an owner has a shared interest;

(ii) the purchase of an additional interest in a coal-fired generating unit of which an owner has a shared interest;

(iii) the purchase of coal to use at a coal-fired generating unit or improvements necessary to utilize coal from a different source at a coal-fired generating unit. When considering loan requests made under this subsection ~~(7)(b)(iii)~~ (5)(b)(iii), the board shall give preference to requests that allow for utilization of coal resources located in Montana or allow for improvements to utilize coal resources located in Montana that are determined to be economically feasible.

(iv) the purchase of electric transmission lines and associated facilities of a design capacity of 500 kilovolts or more primarily used to transmit electricity generated by a coal-fired resource;

(v) costs related to decommissioning and remediation of a coal-fired generating unit or affected property to meet applicable legal obligations as defined in 75-8-103; or

(vi) any combination of subsections ~~(7)(b)(i) through (7)(b)(v)~~ (5)(b)(i) through (5)(b)(v).

(c) The board may charge a working capital loan application fee of up to \$500.

~~(8)(6)~~ The board may make loans from the permanent coal tax trust fund to a city, town, county, or consolidated city-county government impacted by the closure of a coal-fired generating unit to secure and maintain existing infrastructure.

~~(9)(7)~~ The board shall adopt rules to allow a nonprofit corporation to apply for economic assistance. The rules must recognize that different criteria may be needed for nonprofit corporations than for for-profit corporations.

~~(10)(8)~~ All repayments of proceeds pursuant to subsection (3) of investments made from the coal

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

severance tax trust fund must be deposited in the coal severance tax permanent fund. By August 1, 2025, all loans administered by funds in the permanent coal tax trust fund must be instead administered by the funds in the Montana growth and opportunity trust provided for in [section 1]."

Section 23. Section 17-6-317, MCA, is amended to read:

"17-6-317. Participation by private financial institutions -- rulemaking. (1) (a) The board may

jointly participate with private financial institutions in making loans to a business enterprise if the loan will:

(i) result in the creation of a business estimated to employ at least 10 people in Montana on a permanent, full-time basis;

(ii) result in the expansion of a business estimated to employ at least an additional 10 people in Montana on a permanent, full-time basis; or

(iii) prevent the elimination of the jobs of at least 10 Montana residents who are permanent, full-time employees of the business.

(b) Loans under this section may be made only to:

(i) business enterprises that are producing or will produce value-added products or commodities; or

(ii) owners of coal-fired generating units for the purposes established in ~~17-6-308(7)~~ 17-6-308(5).

(c) A loan made pursuant to this section does not qualify for a job credit interest rate reduction under 17-6-318.

(2) A loan made pursuant to this section may not exceed 1% of the coal severance tax permanent fund and must comply with each of the following requirements:

(a) (i) The business enterprise seeking a loan must have a cash equity position equal to at least 25% of the total loan amount.

(ii) A participating private financial institution may not require the business to have an equity position greater than 50% of the total loan amount.

(iii) If additional security or guarantees, exclusive of federal guarantees, are required to cover a participating private financial institution, then the additional security or guarantees must be proportional to the

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

- 1 amount loaned by all participants, including the board of investments.
- 2 (b) The board shall provide 75% of the total loan amount.
- 3 (c) The term of the loan may not exceed 15 years.
- 4 (d) The board shall charge interest at the following annual rate:
- 5 (i) 2% for the first 5 years if 15 or more jobs are created or retained;
- 6 (ii) 4% for the first 5 years if 10 to 14 jobs are created or retained;
- 7 (iii) 6% for the second 5 years; and
- 8 (iv) the board's posted interest rate for the third 5 years, but not to exceed 10% a year.
- 9 (e) (i) The interest rates in subsections (2)(d)(i) and (2)(d)(ii) become effective when the board
- 10 receives certification that the required number of jobs has been created or as provided in subsection (2)(e)(ii). If
- 11 the board disburses loan proceeds prior to creation of the required jobs, the loan must bear interest at the
- 12 board's posted rate.
- 13 (ii) In establishing interest rates under subsections (2)(d)(i) and (2)(d)(ii) for preventing the
- 14 elimination of jobs, the board shall require the submission of financial data that allows the board to determine if
- 15 the loan and interest rate will in fact prevent the elimination of jobs.
- 16 (f) If a business entitled to the interest rate in subsection (2)(d)(i) or (2)(d)(ii) reduces the number
- 17 of required jobs, the board may apply a graduated scale to increase the interest rate, not to exceed the board's
- 18 posted rate.
- 19 (g) For purposes of calculating job creation or retention requirements, the board shall use the
- 20 state's average weekly wage, as defined in 39-71-116, multiplied by the number of jobs required. This
- 21 calculated number is the minimum aggregate salary threshold that is required to be eligible for a reduced
- 22 interest rate. If individual jobs created pay less than the state's average weekly wage, the borrower shall create
- 23 more jobs to meet the minimum aggregate salary threshold. If fewer jobs are created or retained than required
- 24 in subsection (2)(d)(i) or (2)(d)(ii) but aggregate salaries meet the minimum aggregate salary threshold, the
- 25 borrower is eligible for the reduced interest rate. A job paying less than the minimum wage, provided for in 39-
- 26 3-409, may not be included in the required number of jobs.
- 27 (h) (i) A participating private financial institution may charge interest in an amount equal to the

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

1 national prime interest rate, adjusted on January 1 of each year, but the interest rate may not be less than 6%
2 or greater than 12%.

3 (ii) At the borrower's discretion, the borrower may request the lead lender to change this prime
4 rate to an adjustable or fixed rate on terms acceptable to the borrower and lender.

5 (iii) A participating private financial institution, or lead private financial institution if more than one is
6 participating, may charge a 0.5% annual service fee.

7 (i) The business enterprise may not be charged a loan prepayment penalty.

8 (j) The loan agreement must contain provisions providing for pro rata lien priority and pro rata
9 liquidation provisions based on the loan percentage of the board and each participating private lender.

10 (3) If a portion of a loan made pursuant to this section is for construction, disbursement of that
11 portion of the loan must be made based on the percentage of completion to ensure that the construction portion
12 of the loan is advanced prior to completion of the project.

13 (4) A private financial institution shall participate in a loan made pursuant to this section to the
14 extent of 85% of its lending limit or 25% of the loan, whichever is less. However, the board's participation in the
15 loan must be 75% of the loan amount.

16 (5) (a) Except as provided in subsections (5)(b) and (5)(c), a business enterprise receiving a loan
17 under the provisions of this section may not pay bonuses or dividends to investors until the loan has been paid
18 off, except that incentives may be paid to employees for achieving performance standards or goals.

19 (b) A business enterprise for the production of ethanol to be used as provided in Title 15, chapter
20 70, part 5, may pay dividends to investors and bonuses to employees if the business enterprise is current on its
21 loan payments and has available funds equal to at least 15% of the outstanding principal balance of the loan.

22 (c) A public utility may pay dividends to investors and bonuses to employees if the public utility is
23 current on its loan payments and has available funds equal to at least 15% of the outstanding principal balance
24 of the loan.

25 (6) The board may adopt rules that it considers necessary to implement this section."
26

27 **Section 24.** Section 17-6-801, MCA, is amended to read:

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

1 **"17-6-801. Montana housing infrastructure revolving loan fund account.** ~~(1) There is a Montana~~
2 housing infrastructure revolving loan fund account ~~within the state special revenue fund type established in 17-~~
3 2-102 in the Montana growth and opportunity trust to the credit of the board of investments. ~~Money deposited in~~
4 the account established in this section ~~must be invested by the board of investments as provided by law.~~

5 ~~(2) The principal of the account may only be appropriated by a vote of two thirds of the members~~
6 ~~of each house of the legislature."~~

7
8 **Section 25.** Section 17-7-130, MCA, is amended to read:

9 **"17-7-130. Budget stabilization reserve fund -- rules for deposits and transfers -- purpose. (1)**
10 There is an account in the state special revenue fund established by 17-2-102 known as the budget
11 stabilization reserve fund.

12 (2) The purpose of the budget stabilization reserve fund is to mitigate budget reductions when
13 there is a revenue shortfall.

14 (3) Except as provided in subsection (4), by August 15 following the end of each fiscal year, an
15 amount equal to the balance of unexpended and unencumbered general fund money appropriated in excess of
16 0.5% of the total general fund money appropriated for that fiscal year must be transferred by the state treasurer
17 from the general fund to the budget stabilization reserve fund. General fund appropriations that continue from a
18 fiscal year to the next fiscal year and any general fund appropriations made pursuant to 10-3-310 or 10-3-312
19 are excluded from the calculation.

20 (4) The provisions of subsection (3) do not apply in a fiscal year in which reductions required by
21 17-7-140 occur or if a transfer pursuant to subsection (3) would require reductions pursuant to 17-7-140.

22 (5) If the transfer provided for in subsection (3) increases the balance in the budget stabilization
23 reserve fund to exceed 16% of all general revenue appropriations in the second year of the biennium, the
24 amount in excess is transferred to the capital developments long-range building program account established in
25 17-7-209.

26 (6) By August 1 of each year, the department of administration shall certify to the legislative fiscal
27 analyst and the budget director the following:

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

(a) the unaudited, unassigned ending fund balance of the general fund for the most recently completed fiscal year; and

(b) the amount of unaudited general fund revenue and transfers into the general fund received in the prior fiscal year recorded when that fiscal year's statewide accounting, budgeting, and human resource system records are closed. General fund revenue and transfers into the general fund are those recorded in the statewide accounting, budgeting, and human resource system using generally accepted accounting principles in accordance with 17-1-102.

(7) (a) The state treasurer shall calculate the operating reserve level of general fund balance defined in 17-7-102(12). The treasurer shall first apply the excess revenue to reach the operating reserve level general fund balance, if necessary.

(b) Once the general fund balance is at the reserve level, 75% of the remaining excess revenue is transferred as follows:

(i) to the budget stabilization reserve fund, until the amount in the fund is equal to 16% of all general revenue appropriations in the second year of the biennium; then

(ii) to the account established in 17-7-209, until the amount in the fund in excess of the amount needed for appropriations from the capital developments long-range building program account in the capital projects fund type is equal to 12% of all general revenue appropriations in the second year of the biennium.

(c) After the transfers in subsections (7)(b)(i) and (7)(b)(ii) have been made, if the balance of the budget stabilization reserve fund exceeds an amount equal to 16% of the general revenue appropriations in the second year of the biennium and the balance of the account established in 17-7-209 in excess of the amount needed for appropriations from the capital developments long-range building program account in the capital projects fund type exceeds 12% of all general revenue appropriations in the second year of the biennium, then:

(i) 75% of any funds in excess of that amount must be transferred to the ~~account established in 17-7-134~~ Montana growth and opportunity trust established in [section 1]; and

(ii) 25% of the funds in excess of that amount remain in the general fund.

(8) For the purposes of this section, the following definitions apply:

(a) "Adjusted compound annual growth rate revenue" means general fund revenue for the fiscal

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

1 year prior to the most recently completed fiscal year plus the growth amount.

2 (b) "Excess revenue" means the amount of general fund revenue, including transfers in, for the
3 most recently completed fiscal year minus adjusted compound annual growth rate revenue.

4 (c) "Growth amount" means general fund revenue for the fiscal year prior to the most recently
5 completed fiscal year multiplied by the growth rate.

6 (d) "Growth rate" means the annual compound growth rate of general fund revenue realized over
7 the period 12 years prior to the most recently completed fiscal year, including the most recently completed fiscal
8 year."

9

10 **Section 26.** Section 17-7-133, MCA, is amended to read:

11 **"17-7-133. (Temporary) Montana local disaster resiliency fund.** (1) ~~There is statutorily~~
12 ~~appropriated pursuant to 17-7-502 \$4 million per year beginning in the fiscal year beginning July 1, 2023, from~~
13 ~~the general fund. There is a Montana local disaster resiliency fund in the state special revenue fund in the state~~
14 ~~treasury to the credit of the department of military affairs.~~

15 (2) Eligible uses of the money are:

16 (a) state and local mitigation projects that reduce or eliminate long-term risk to people and property
17 from future disasters;

18 (b) the nonfederal cost share for personnel performing mitigation program management; and

19 (c) matching funds for grants for the purchase of hazardous material equipment and training to
20 increase local capacity to respond to incidents as defined in 10-3-1203 involving hazardous material.

21 (3) ~~The appropriation is void in any year that there is a projected general fund budget deficit~~
22 ~~pursuant to 17-7-140. (Terminates June 30, 2027--sec. 24, Ch. 722, L. 2023.)"~~

23

24 **Section 27.** Section 17-7-140, MCA, is amended to read:

25 **"17-7-140. Reduction in spending.** (1) (a) As the chief budget officer of the state, the governor shall
26 ensure that the expenditure of appropriations does not exceed available revenue. Except as provided in
27 subsection (2), in the event of a projected general fund budget deficit, the governor, taking into account the

criteria provided in subsection (1)(c), shall direct agencies to reduce spending in an amount that ensures that the projected ending general fund balance for the biennium will be at least:

(i) 4% of the general revenue appropriations for the second fiscal year of the biennium prior to October of the year preceding a legislative session;

(ii) 3% of the general revenue appropriations for the second fiscal year of the biennium in October of the year preceding a legislative session;

(iii) 2% of the general revenue appropriations for the second fiscal year of the biennium in January of the year in which a legislative session is convened; and

(iv) 1% of the general revenue appropriations for the second fiscal year of the biennium in March of the year in which a legislative session is convened.

(b) An agency may not be required to reduce general fund spending for any program, as defined in each general appropriations act, by more than 10% during a biennium. A governor may not reduce total agency spending in the biennium by more than 4% of the second year general revenue appropriations for the agency. Departments or agencies headed by elected officials or the board of regents may not be required to reduce general fund spending by a percentage greater than the percentage of general fund spending reductions required for the weighted average of all other executive branch agencies. The legislature may exempt from a reduction an appropriation item within a program or may direct that the appropriation item may not be reduced by more than 10%.

(c) The governor shall direct agencies to manage their budgets in order to reduce general fund expenditures. Prior to directing agencies to reduce spending as provided in subsection (1)(a), the governor shall direct each agency to analyze the nature of each program that receives a general fund appropriation to determine whether the program is mandatory or permissive and to analyze the impact of the proposed reduction in spending on the purpose of the program. An agency shall submit its analysis to the office of budget and program planning and shall at the same time provide a copy of the analysis to the legislative fiscal analyst. The report must be submitted in an electronic format. The office of budget and program planning shall review each agency's analysis, and the budget director shall submit to the governor a copy of the office of budget and program planning's recommendations for reductions in spending. The budget director shall provide a copy of

1 the recommendations to the legislative fiscal analyst at the time that the recommendations are submitted to the
2 governor and shall provide the legislative fiscal analyst with any proposed changes to the recommendations.
3 The recommendations must be provided in an electronic format. The recommendations must be provided to the
4 legislature in accordance with 5-11-210. The legislative finance committee shall meet within 20 days of the date
5 that the proposed changes to the recommendations for reductions in spending are provided to the legislative
6 fiscal analyst. The legislative fiscal analyst shall provide a copy of the legislative fiscal analyst's review of the
7 proposed reductions in spending to the budget director at least 5 days before the meeting of the legislative
8 finance committee. The committee may make recommendations concerning the proposed reductions in
9 spending. The governor shall consider each agency's analysis and the recommendations of the office of budget
10 and program planning and the legislative finance committee in determining the agency's reduction in spending.
11 Reductions in spending must be designed to have the least adverse impact on the provision of services
12 determined to be most integral to the discharge of the agency's statutory responsibilities.

13 (2) Reductions in spending for the following may not be directed by the governor:

- 14 (a) payment of interest and principal on state debt;
- 15 (b) the legislative branch;
- 16 (c) the judicial branch;
- 17 (d) the school BASE funding program, including special education;
- 18 (e) salaries of elected officials during their terms of office; and
- 19 (f) the Montana school for the deaf and blind.

20 (3) (a) As used in this section, "projected general fund budget deficit" means an amount, certified
21 by the budget director to the governor, by which the projected ending general fund balance for the biennium is
22 less than:

- 23 (i) 4% of the general revenue appropriations for the second fiscal year of the biennium prior to
24 October of the year preceding a legislative session;
- 25 (ii) 1.875% in October of the year preceding a legislative session;
- 26 (iii) 1.25% in January of the year in which a legislative session is convened; and
- 27 (iv) 0.625% in March of the year in which a legislative session is convened.

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

(b) In determining the amount of the projected general fund budget deficit, the budget director shall take into account revenue, established levels of appropriation, anticipated supplemental appropriations for school equalization aid and the cost of the state's wildland fire suppression activities exceeding the amount statutorily appropriated in 10-3-312, and anticipated reversions.

(4) If the budget director determines that an amount of actual or projected receipts will result in an amount less than the amount projected to be received in the revenue estimate established pursuant to 5-5-227, the budget director shall notify the revenue interim committee in accordance with 5-11-210 of the estimated amount. Within 20 days of notification, the revenue interim committee shall provide the budget director with any recommendations concerning the amount. The budget director shall consider any recommendations of the revenue interim committee prior to certifying a projected general fund budget deficit to the governor.

(5) If the budget director certifies a projected general fund budget deficit, the governor may authorize transfers to the general fund from certain accounts as set forth in subsection (6) (7).

(6) If the budget director certifies a projected general fund budget DEFICIT, THEN the governor may reduce-CANCEL the transfer REMAINING TRANSFERS of volatile revenue to the Montana growth and opportunity trust established in [section 1] by up 40 % of the transfer amount FOR THE BIENNIUM.

(6)(7) The governor may authorize transfers from the budget stabilization reserve fund provided for in 17-7-130. The governor may authorize \$3 of transfers from the fund for each \$1 of reductions in spending but may not authorize a transfer that would cause the balance of the budget stabilization reserve fund to be less than 6% of all general revenue appropriations in the second year of the biennium."

Section 28. Section 19-3-316, MCA, is amended to read:

"19-3-316. Employer contribution rates. (1) Each employer shall contribute to the system. Except as provided in subsection (2), the employer shall pay as employer contributions 6.9% of the compensation paid to all of the employer's employees plus any additional contribution under subsection (3), except for those employees properly excluded from membership. Of employer contributions made under this subsection for both defined benefit plan and defined contribution plan members, a portion must be allocated for educational programs as provided in 19-3-112. Employer contributions for members under the defined contribution plan

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

1 must be allocated as provided in 19-3-2117.

2 (2) Local government and school district employer contributions must be the total employer
3 contribution rate provided in subsection (1) minus the state contribution rates under 19-3-319.

4 (3) (a) Subject to subsection (4), each employer shall contribute to the system an additional
5 employer contribution equal to the percentage specified in subsection (3)(b) of the compensation paid to all of
6 the employer's employees, except for those employees properly excluded from membership.

7 (b) ~~The percentage of compensation to be contributed under subsection (3)(a) is 1.27% for fiscal~~
8 ~~year 2014 and increases by 0.1% each fiscal year through fiscal year 2024. For fiscal years beginning after~~
9 ~~June 30, 2024~~ 2025, the percentage of compensation to be contributed under subsection (3)(a) is 2.27%. For
10 fiscal years beginning after June 30, 2027, there is a 0.2% increase each fiscal year through the fiscal year
11 ending June 30, 2037. For fiscal years beginning after June 30, 2037, the percentage of compensation to be
12 contributed under subsection (3)(a) is 4.27%.

13 (4) (a) The board shall annually review the additional employer contribution provided for under
14 subsection (3) and recommend adjustments to the legislature as needed to maintain the amortization schedule
15 set by the board for payment of the system's unfunded liabilities.

16 (b) The employer contribution required under subsection (3) terminates on January 1 following the
17 board's receipt of the system's actuarial valuation if the actuarial valuation determines that terminating the
18 additional employer contribution pursuant to this subsection (4)(b) and reducing the employee contribution
19 pursuant to 19-3-315(2) would not cause the amortization period to exceed 25 years."

20

21 **Section 29.** Section 19-20-609, MCA, is amended to read:

22 **"19-20-609. Employer's supplemental contribution -- actuarially determined adjustments.** (1) (a)

23 Subject to subsections (1)(b) through (1)(d), each employer shall contribute to the retirement system a
24 supplemental amount equal to the percentage specified in subsection (1)(b) of total earned compensation of
25 each member employed during the whole or part of the preceding payroll period.

26 (b) ~~The percentage of compensation to be contributed under subsection (1)(a) is 1% for fiscal year~~
27 ~~2014 and increases by 0.1% each fiscal year through fiscal year 2024. For fiscal years beginning after June 30,~~

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

2024 July 1, 2025, through July 1, 2027, the percentage of compensation to be contributed under subsection (1)(a) is 2%. For fiscal years beginning after June 30, 2027, there is a 0.2% increase each fiscal year through the fiscal year ending June 30, 2037. For fiscal years beginning after June 30, 2037, the percentage of compensation to be contributed under subsection (1)(a) is 4%.

(c) The board may decrease the employer's supplemental contribution if:

(i) the average funded ratio of the system based on the last three actuarial valuations is equal to or greater than 90%;

(ii) the period necessary to amortize all liabilities of the system based on the most recent annual actuarial valuation is less than 15 years; and

(iii) the guaranteed annual benefit adjustment has been increased to the maximum allowed under 19-20-719.

(d) Following one or more decreases in the supplemental contribution rate pursuant to subsection (1)(c), the board may increase the supplemental contribution to a rate not to exceed 1% if:

(i) the average funded ratio of the system based on the last three annual actuarial valuations is equal to or less than 80%; and

(ii) the period necessary to amortize all liabilities of the system based on the most recent annual actuarial valuation is greater than 20 years.

(2) After the board has actuarially determined the need to impose, increase, or decrease a supplemental contribution rate under this section, the imposition, increase, or decrease is effective on the first day of July following the board's determination."

Section 30. Section 85-1-631, MCA, is amended to read:

"85-1-631. Water storage state special revenue account created -- revenues allocated -- appropriations from account. (1) There is a water storage state special revenue account within the state special revenue fund established in 17-2-102.

(2) There must be paid into the water storage state special revenue account:

(a) for the biennium beginning July 1, 2007, the proceeds of the resource indemnity and ground

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

1 water assessment tax as provided in 15-38-106; and

2 (b) money allocated from the resource indemnity trust fund interest earnings pursuant to 15-38-202
3 and all revenue of the works and other money as provided in 85-1-332; and

4 (c) 90% of the interest earned from the Montana water development state special revenue account
5 established in [section 7] [SECTION 14].

6 (3) All revenue provided from 85-1-332(1)(e) and (1)(f) deposited in the water storage state special
7 revenue account must be appropriated solely for the construction, operation, rehabilitation, expansion,
8 maintenance, and modification of state-owned water storage projects.

9 (4) Money that was not encumbered or expended from the water storage state special revenue
10 account during the previous biennium must remain in the account.

11 (5) Deposits to the water storage state special revenue account must be placed in short-term
12 investments and accrue interest, which must be deposited in the water storage state special revenue account.

13 (6) The purpose of the water storage state special revenue account is to provide money
14 exclusively for construction, operation, rehabilitation, expansion, maintenance, and modification of state-owned
15 water storage projects."

16

17 **Section 31.** Section 90-6-137, MCA, is amended to read:

18 **"90-6-137. Alternate funding source for housing loans -- use of ~~coal tax trust fund~~ money**

19 **Montana housing infrastructure revolving loan fund within Montana growth and opportunity trust. (1)**

20 The board of investments shall allow the board of housing to administer \$65 million ~~of the coal tax trust fund~~ of
21 funds from the Montana housing infrastructure revolving loan fund provided for in 17-6-801 for the purpose of
22 providing loans for the development and preservation of homes and apartments to assist eligible low-income
23 and moderate-income applicants. Until the board uses money in the ~~coal tax trust~~ Montana housing
24 infrastructure revolving loan fund to loan to a qualified applicant pursuant to this part, the money under the
25 administration of the board must remain invested by the board of investments.

26 (2) While a loan made from the ~~coal tax trust fund~~ Montana housing infrastructure revolving loan
27 fund pursuant to this section is repaid, the principal payments on the loan must be deposited in the ~~coal tax~~

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

~~trust fund~~ Montana housing infrastructure revolving loan fund until all of the principal of the loan is repaid.

Interest received on a loan may be used by the board, in amounts determined by the board in accordance with 90-6-136, to pay for the servicing of a loan and for reasonable costs of the board for administering the program. After payment of associated expenses, interest received on the loan must be deposited into the coal tax trust fund.

(3) (a) Money from the ~~coal tax trust fund~~ Montana housing infrastructure revolving loan fund must be used for the purposes identified in 90-6-134(3) and (4).

(b) Loans made pursuant to this section must meet the following requirements:

(i) Projects funded with the loans must be multifamily rental housing projects that provide low-income and moderate-income housing.

(ii) The loan must be in the first lien position and may not exceed 95% of total development costs.

(iii) The minimum interest rate charged on a loan pursuant to this section is no less than 0.5% below the current coal trust fund investment performance, and all loans combined must at least average the current coal trust investment performance.

(iv) The board and the loan recipient shall each pay half of loan servicing fees.

(v) Projects funded with the loans must be subject to property taxes, except those located on tribal lands.

(4) Money from the ~~coal tax trust fund~~ Montana housing infrastructure revolving loan fund may not be used to replace existing or available sources of funding for eligible activities.

(5) Funds administered by the board from the ~~coal tax trust fund~~ Montana housing infrastructure revolving loan fund may not be used to pay the expenses of any other program or service administered by the board.

(6) A multifamily rental housing project eligible to receive a loan under this section may include the development or preservation of a mobile home park as defined in 70-33-103.

Section 32. Section 90-6-603, MCA, is amended to read:

"90-6-603. Veterans' home loan mortgage program created -- use of coal tax trust Montana

1 **housing infrastructure revolving loan fund money.** (1) There is a Montana veterans' home loan mortgage
2 program under the direction and management of the board for eligible veterans who are first-time home buyers.

3 (2) The board of investments shall allow the board to administer \$50 million of the ~~permanent coal~~
4 ~~tax trust~~ housing infrastructure revolving loan fund provided for in 17-6-801 for the purpose of the program. Until
5 the board uses money in the trust fund to purchase a mortgage loan from a participating financial institution
6 pursuant to this part, the money under the administration of the board must remain invested by the board of
7 investments. As a loan made pursuant to this part is repaid, the principal payments on the loan must be
8 deposited in the ~~trust fund~~ Montana housing infrastructure revolving loan fund until all of the principal of the loan
9 is repaid. Interest received on the loan may be used by a participating financial institution and the board, in
10 amounts determined by the board in accordance with 90-6-605, to pay for the origination and servicing of a loan
11 by a participating financial institution and to pay the reasonable costs of the board for the administration of the
12 program. After payment of associated expenses, interest received on the loan must be deposited ~~into~~ in the
13 ~~trust fund~~ Montana housing infrastructure revolving loan fund.

14 (3) Interest on a home mortgage loan made pursuant to this part must be charged at 1% less than
15 the federal national mortgage association's delivery rate or 1% lower than the lowest interest rate charged by
16 the board for the purposes of other home loan mortgage programs administered by the board, whichever is
17 less. If the federal national mortgage association's rate becomes unavailable, the board shall use another
18 similar rate for the purposes of this subsection. The board may not make a direct loan to an eligible veteran."

19
20 **NEW SECTION. Section 33. Reduction of volatile revenue transfer -- report.** If the budget director
21 estimates a projected general fund ending fund balance at the end of the biennium that is less than the
22 operating reserve as defined in 17-7-102, the budget director shall inform the legislative finance committee and
23 the legislative fiscal analyst in writing of the financial forecast and recommended actions by September 15 IF A
24 REDUCTION IS CONSIDERED FOR THE NOVEMBER 1 TRANSFER OR MARCH 15, IF A REDUCTION IS CONSIDERED FOR THE
25 MAY TRANSFER. The legislative finance committee may meet and comment ~~by October 15~~ WITHIN 30 DAYS OF
26 RECEIVING THE FORECAST AND RECOMMENDATIONS. Then the governor may reduce the transfer of volatile revenue
27 to the Montana growth and opportunity trust established in [section 1] by up to 40% 50% of the volatile revenue

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

1 transfer amount.

2

3 **NEW SECTION. SECTION 34. PROPERTY TAX ASSISTANCE FOR PRIMARY RESIDENCES. (1) A COUNTY**

4 SHALL PROVIDE PROPERTY TAX ASSISTANCE TO OWNERS OF PRIMARY RESIDENCES CERTIFIED BY THE DEPARTMENT OF

5 REVENUE PURSUANT TO [SECTION 3335]. THE ASSISTANCE IS PROVIDED WITH FUNDING FROM THE STATE PROPERTY TAX

6 ASSISTANCE ACCOUNT DISTRIBUTED TO THE COUNTY AS PROVIDED IN [SECTION 13].

7 (2) (A) EXCEPT AS PROVIDED IN SUBSECTION (2)(B), THE COUNTY TREASURER SHALL PROVIDE THE

8 PROPERTY TAX ASSISTANCE DISTRIBUTED PURSUANT TO [SECTION 13] TO EACH PRIMARY RESIDENCE BY LISTING THE

9 PROPERTY TAX ASSISTANCE AMOUNT AS A CREDIT ON THE PROPERTY TAX BILL AS PROVIDED IN 15-16-101(2)(A)(V).

10 (B) IF THE PROPERTY TAX ASSISTANCE CALCULATED PURSUANT TO [SECTION 13(2)] EXCEEDS THE

11 PROPERTY TAX BILLED FOR AN INDIVIDUAL PROPERTY, THE COUNTY MAY RETAIN THE REVENUE THAT EXCEEDS THE

12 PROPERTY TAX BILLED.

13 (3) THE OWNER OF A PRIMARY RESIDENCE THAT RECEIVES PROPERTY TAX ASSISTANCE UNDER THIS

14 SECTION IS NOT PROHIBITED FROM RECEIVING PROPERTY TAX ASSISTANCE UNDER ANOTHER PROPERTY TAX ASSISTANCE

15 PROGRAM.

16 (4) STATE PROPERTY TAX ASSISTANCE PROVIDED TO COUNTIES PURSUANT TO THIS SECTION MAY NOT

17 AFFECT THE MAXIMUM MILL CALCULATION IN 15-10-420.

18

19 **NEW SECTION. SECTION 35. CERTIFICATION OF PRIMARY RESIDENCE FOR STATE PROPERTY TAX**

20 **ASSISTANCE -- RULEMAKING -- DEFINITION. (1) TO RECEIVE STATE PROPERTY TAX ASSISTANCE PURSUANT TO [SECTION**

21 3234], THE OWNER OF A PRIMARY RESIDENCE SHALL APPLY TO THE DEPARTMENT FOR CERTIFICATION OF THE PRIMARY

22 RESIDENCE.

23 (2) (A) TO RECEIVE STATE PROPERTY TAX ASSISTANCE FOR THE TAX YEAR IN WHICH THE APPLICATION IS

24 FIRST MADE, THE OWNER SHALL APPLY ELECTRONICALLY OR BY MAIL ON A FORM PRESCRIBED BY THE DEPARTMENT AND

25 POSTMARKED BY MARCH 1. APPROVED APPLICATIONS RECEIVED ELECTRONICALLY OR POSTMARKED AFTER MARCH 1

26 APPLY TO THE FOLLOWING TAX YEAR.

27 (B) ONCE APPROVED, THE CERTIFICATION REMAINS EFFECTIVE UNTIL:

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

(I) THERE IS A CHANGE IN OWNERSHIP OF THE PROPERTY;

(II) THE OWNER NO LONGER USES THE DWELLING AS A PRIMARY RESIDENCE; OR

(III) THE OWNER APPLIES FOR STATE PROPERTY TAX ASSISTANCE FOR A DIFFERENT PRIMARY RESIDENCE.

(C) IF CERTIFICATION IS TERMINATED PURSUANT TO SUBSECTION (2)(B), THE OWNER SHALL SUBMIT A NEW APPLICATION TO THE DEPARTMENT TO REESTABLISH THE CERTIFICATION.

(D) AN APPLICATION FOR STATE PROPERTY TAX ASSISTANCE MUST BE SUBMITTED ON A FORM PRESCRIBED BY THE DEPARTMENT AND MUST CONTAIN:

(I) A WRITTEN DECLARATION MADE UNDER PENALTY OF PERJURY THAT THE APPLICANT OWNS AND MAINTAINS THE LAND AND IMPROVEMENTS AS THE PRIMARY RESIDENCE. THE APPLICATION MUST STATE THE PENALTY PROVIDED FOR IN [SECTION 3436].

(II) THE GEOCODE OR OTHER PROPERTY IDENTIFIER FOR THE PRIMARY RESIDENCE FOR WHICH THE APPLICANT IS REQUESTING THE STATE PROPERTY TAX ASSISTANCE;

(III) THE SOCIAL SECURITY NUMBER OF THE APPLICANT; AND

(IV) ANY OTHER INFORMATION REQUIRED BY THE DEPARTMENT THAT IS RELEVANT TO THE APPLICANT'S ELIGIBILITY.

(3) (A) EXCEPT AS PROVIDED IN SUBSECTION (3)(B), CLASS FOUR RESIDENTIAL PROPERTY OWNED BY AN ENTITY IS NOT ELIGIBLE TO RECEIVE THE STATE PROPERTY TAX ASSISTANCE.

(B) THE TRUSTEE OF A GRANTOR REVOCABLE TRUST MAY APPLY FOR STATE PROPERTY TAX ASSISTANCE FOR A PRIMARY RESIDENCE ON BEHALF OF THE TRUST IF THE DWELLING MEETS THE DEFINITION OF A PRIMARY RESIDENCE FOR THE GRANTOR.

(4) THE DEPARTMENT MAY ADOPT RULES, PREPARE FORMS, AND MAINTAIN RECORDS THAT ARE NECESSARY TO IMPLEMENT THIS SECTION.

(5) (A) FOR THE PURPOSE OF THIS SECTION AND [SECTIONS ~~34 AND 35~~ 36 and 37], "PRIMARY RESIDENCE" MEANS A CLASS FOUR RESIDENTIAL PROPERTY:

(I) THAT IS A SINGLE-FAMILY DWELLING UNIT, UNIT OF A MULTIPLE-UNIT DWELLING, TRAILER, MANUFACTURED HOME, OR MOBILE HOME;

(II) IN WHICH AN OWNER CAN DEMONSTRATE THE OWNER OWNED AND LIVED FOR AT LEAST 7 MONTHS OF

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

1 THE YEAR;

2 (III) THAT IS THE OWNER'S ONLY PRIMARY RESIDENCE;

3 (IV) FOR WHICH THE VALUE OF THE RESIDENTIAL DWELLING IS \$1 MILLION OR LESS; AND

4 (V) FOR WHICH THE OWNER MADE PAYMENT OF THE ASSESSED MONTANA PROPERTY TAXES.

5 (B) AN OWNER WHO CANNOT MEET THE REQUIREMENTS OF SUBSECTION (5)(A)(II) BECAUSE THE OWNER'S

6 PRIMARY RESIDENCE CHANGED DURING THE TAX YEAR TO ANOTHER PRIMARY RESIDENCE MAY STILL QUALIFY IF THE

7 OWNER PAID THE MONTANA PROPERTY TAXES WHILE RESIDING IN EACH PRIMARY RESIDENCE FOR A TOTAL OF AT LEAST

8 7 CONSECUTIVE MONTHS OF THE TAX YEAR. THE DEPARTMENT SHALL ESTABLISH RULES FOR DETERMINING THE

9 PROPERTY TAX ASSISTANCE WHEN THE PRIMARY RESIDENCES ARE IN DIFFERENT COUNTIES.

10

11 NEW SECTION. SECTION 36. STATE PROPERTY TAX ASSISTANCE -- PENALTY FOR FALSE OR FRAUDULENT

12 APPLICATION. A PERSON WHO FILES A FALSE OR FRAUDULENT CERTIFICATION OF PRIMARY RESIDENCE FOR STATE

13 PROPERTY TAX ASSISTANCE UNDER [SECTION 3335] IS SUBJECT TO CRIMINAL PROSECUTION UNDER THE PROVISIONS OF

14 45-7-202 AND MAY BE PROHIBITED FROM CLAIMING STATE PROPERTY TAX ASSISTANCE FOR UP TO 10 YEARS. IF FALSE

15 OR FRAUDULENT PROPERTY TAX ASSISTANCE HAS BEEN ISSUED BY THE COUNTY, THE AMOUNT OF ASSISTANCE GRANTED

16 MAY BE RECOVERED AS ANY OTHER TAX OWED THE COUNTY. IF PROPERTY TAX ASSISTANCE BECOMES DUE AND OWING,

17 THE DEPARTMENT MAY ISSUE A WARRANT FOR DISTRRAINT AS PROVIDED IN TITLE 15, CHAPTER 1, PART 7.

18

19 NEW SECTION. SECTION 37. APPEAL OF DENIAL OF CERTIFICATION OF PRIMARY RESIDENCE. (1) (A) IF THE

20 DEPARTMENT DENIES AN APPLICATION FOR CERTIFICATION OF A PRIMARY RESIDENCE, THE OWNER MAY REQUEST AN

21 INFORMAL REVIEW OF THE DENIAL BY SUBMITTING AN OBJECTION ON WRITTEN OR ELECTRONIC FORMS PROVIDED BY THE

22 DEPARTMENT FOR THAT PURPOSE IN A MANNER PRESCRIBED BY THE DEPARTMENT. THE OBJECTION MUST BE MADE NO

23 LATER THAN 30 DAYS AFTER THE DATE OF THE DENIAL NOTIFICATION.

24 (B) THE PROPERTY OWNER MAY REQUEST THAT THE DEPARTMENT CONSIDER EXTENUATING

25 CIRCUMSTANCES TO GRANT AN APPLICATION FOR CERTIFICATION OF A PRIMARY RESIDENCE. EXTENUATING

26 CIRCUMSTANCES INCLUDE BUT ARE NOT LIMITED TO EXTRAORDINARY, UNUSUAL, OR INFREQUENT EVENTS THAT ARE

27 MATERIAL IN NATURE AND OF A CHARACTER DIFFERENT FROM THE TYPICAL OR CUSTOMARY, AND THAT ARE NOT

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

EXPECTED TO RECUR.

(C) AFTER THE INFORMAL REVIEW, THE DEPARTMENT SHALL DETERMINE THE CORRECT STATUS OF THE APPLICATION AND NOTIFY THE TAXPAYER OF ITS DETERMINATION BY MAIL OR ELECTRONICALLY. IN THE NOTIFICATION, THE DEPARTMENT SHALL STATE ITS REASONS FOR ACCEPTING OR DENYING THE APPLICATION.

(2) IF A PROPERTY OWNER IS AGGRIEVED BY THE DETERMINATION MADE BY THE DEPARTMENT AFTER THE REVIEW PROVIDED FOR IN SUBSECTION (1), THE PROPERTY OWNER HAS THE RIGHT TO FIRST APPEAL TO THE COUNTY TAX APPEAL BOARD AND THEN TO THE MONTANA TAX APPEAL BOARD, WHOSE FINDINGS ARE FINAL SUBJECT TO THE RIGHT OF REVIEW IN THE COURTS. AN APPEAL TO THE COUNTY TAX APPEAL BOARD, PURSUANT TO 15-15-102, MUST BE FILED WITHIN 30 DAYS FROM THE DATE ON THE NOTICE OF THE DEPARTMENT'S DETERMINATION. IF THE COUNTY TAX APPEAL BOARD OR THE MONTANA TAX APPEAL BOARD DETERMINES THAT THE RESIDENCE SHOULD QUALIFY AS A PRIMARY RESIDENCE, THE DEPARTMENT SHALL PROVIDE TO THE PROPERTY OWNER THE AMOUNT OF PROPERTY TAX ASSISTANCE DUE FROM THE AMOUNT RETAINED PURSUANT TO [SECTION 13].

Section 38. Section 5, Chapter 48, Laws of 2023, is amended to read:

"Section 5. Transfer of funds. (1) By June 30, 2023, the state treasurer shall transfer \$125 million from the general fund to the account provided for in [section 1].

(2) By June 30, 2023, the state treasurer shall transfer \$18.6 million from the general fund to the statewide public safety communications system account provided for in 44-4-1607.

~~(3) By June 30, 2027, the state treasurer shall transfer any unobligated funds in the account established in [section 1] as follows:~~

~~(a) 50% to the capital developments long-range building program account established in 17-7-209;~~
and

~~(b) 50% to the general fund."~~

Section 39. Section 24, Chapter 722, Laws of 2023, is amended to read:

"Section 24. Termination. ~~(1) [Section 1 and section 7(3)] terminates terminate~~ June 30, 2025.

~~(2) [Sections 6 and 7(3)] terminate June 30, 2027."~~

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

1

2 NEW SECTION. Section 40. Repealer. The following section of the Montana Code Annotated is

3 repealed:

4 17-7-134. Pension state special revenue account.

5

6 NEW SECTION. Section 41. Transfer of funds. (1) For the fiscal year beginning July 1, 2024, the
7 state treasurer shall make the following transfers from the general fund:

8 (a) \$10 million to the Montana local disaster resiliency fund established in 17-7-133;

9 (b) \$10 million to the state property tax relief ASSISTANCE account;

10 (c) \$10 million to the Montana water development state special revenue account;

11 (d) \$50 million to the better local bridge state special revenue account;

12 (e) \$10 million to the Montana early childhood state special revenue account;

13 (f) \$300 million to the pension fund established in ~~[section 40]~~ [SECTION 17];

14 (g) \$50 million to the Montana housing infrastructure revolving loan fund established in 17-6-801;

15 and

16 (h) \$239 million to the distribution portion of the trust of the Montana growth and opportunity trust
17 provided for in [section 1].

18 (2) (A) For the fiscal year beginning July 1, 2024, the state treasurer shall make the following
19 transfers from the debt and liability free account established in 17-6-214:

20 ~~(a)(i)~~ \$33 million to the housing fund, for which \$7 million is for HOMES THE MONTANA HOUSING
21 INFRASTRUCTURE REVOLVING LOAN FUND ESTABLISHED IN 17-6-801 and \$26 million is for programs administered
22 pursuant to 90-6-137 and 90-6-603; and

23 ~~(b)(ii)~~ \$89 million to the permanent coal tax trust.

24 (B) THE TRANSFERS AMOUNTS FOR THE PERMANENT COAL TAX TRUST AND FOR PROGRAMS ADMINISTERED
25 PURSUANT TO 90-6-137 AND 90-6-603 MAY NOT EXCEED \$115 MILLION AND MAY BE ADJUSTED IN THIS SUBSECTION (2)

26 TO:

27 (i) FIRST TRANSFER AN AMOUNT INTO THE PERMANENT COAL TAX TRUST EQUAL TO ITS OUTSTANDING

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025
69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

1 LOANS; AND

2 (II) TRANSFER THE REMAINDER TO PROGRAMS ADMINISTERED PURSUANT TO 90-6-137 AND 90-6-603.

3 (3) (a) For the fiscal year beginning July 1, 2025, the state treasurer shall make the following
4 transfers from the general fund by November 1, 2025:

5 (i) \$309 million to the distribution portion of the trust of the Montana growth and opportunity trust
6 provided for in [section 1];

7 (ii) \$50 million to the pension fund established in ~~[section 10]~~ [SECTION 17]; and

8 (iii) \$50 million to the Montana housing infrastructure revolving loan fund established in 17-6-801.

9 (b) ~~If the budget director estimates a projected general fund ending fund balance that is less than~~
10 ~~the operating reserve, the governor may reduce the transfers provided for in this subsection (3) to the Montana~~
11 ~~growth and opportunity trust established in [section 1] by up to 40% of the volatile revenue transfer amount. IF~~
12 THE BUDGET DIRECTOR ESTIMATES A PROJECTED GENERAL FUND ENDING FUND BALANCE AT THE END OF THE FISCAL
13 YEAR THAT IS LESS THAN THE OPERATING RESERVE AS DEFINED IN 17-7-102, THE BUDGET DIRECTOR SHALL INFORM THE
14 LEGISLATIVE FINANCE COMMITTEE AND THE LEGISLATIVE FISCAL ANALYST IN WRITING OF THE FINANCIAL FORECAST AND
15 RECOMMENDED ACTIONS BY SEPTEMBER 15 IF A REDUCTION IS CONSIDERED FOR THE NOVEMBER 1 TRANSFER OR
16 MARCH 15, IF A REDUCTION IS CONSIDERED FOR THE MAY TRANSFER. THE LEGISLATIVE FINANCE COMMITTEE MAY MEET
17 AND COMMENT WITHIN 30 DAYS OF RECEIVING THE FORECAST AND RECOMMENDATIONS. THEN THE GOVERNOR MAY
18 REDUCE THE TRANSFERS PROVIDED FOR IN THIS SUBSECTION (3) TO THE MONTANA GROWTH AND OPPORTUNITY TRUST
19 ESTABLISHED IN [SECTION 1] BY UP TO 50%.

20 (4) (a) For the fiscal year beginning July 1, 2026, the state treasurer shall make the following
21 transfers from the general fund by November 1, ~~2025~~ 2026:

22 (i) \$82,720,000 to the distribution portion of the trust of the Montana growth and opportunity trust
23 provided for in [section 1];

24 (ii) \$41,375,000 to the pension fund established in ~~[section 10]~~ [SECTION 17]; and

25 (iii) \$41,375,000 to the Montana housing infrastructure revolving loan fund established in 17-6-801.

26 (b) ~~If the budget director estimates a projected general fund ending fund balance that is less than~~
27 ~~the operating reserve, the governor may reduce the transfers provided for in this subsection (4) to the Montana~~

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

~~growth and opportunity trust established in [section 1] by up to 40% of the volatile revenue transfer amount. IF~~
~~THE BUDGET DIRECTOR ESTIMATES A PROJECTED GENERAL FUND ENDING FUND BALANCE AT THE END OF THE FISCAL~~
~~YEAR THAT IS LESS THAN THE OPERATING RESERVE AS DEFINED IN 17-7-102, THE BUDGET DIRECTOR SHALL INFORM THE~~
~~LEGISLATIVE FINANCE COMMITTEE AND THE LEGISLATIVE FISCAL ANALYST IN WRITING OF THE FINANCIAL FORECAST AND~~
~~RECOMMENDED ACTIONS BY SEPTEMBER 15 IF A REDUCTION IS CONSIDERED FOR THE NOVEMBER 1 TRANSFER OR~~
~~MARCH 15, IF A REDUCTION IS CONSIDERED FOR THE MAY TRANSFER. THE LEGISLATIVE FINANCE COMMITTEE MAY MEET~~
~~AND COMMENT WITHIN 30 DAYS OF RECEIVING THE FORECAST AND RECOMMENDATIONS. THEN THE GOVERNOR MAY~~
~~REDUCE THE TRANSFERS PROVIDED FOR IN THIS SUBSECTION (4) TO THE MONTANA GROWTH AND OPPORTUNITY TRUST~~
~~ESTABLISHED IN [SECTION 1] BY UP TO 50%.~~

NEW SECTION. Section 42. Appropriations. (1) There is appropriated the following amounts from the following accounts for the fiscal year beginning July 1, 2025, for the purposes outlined in those accounts:

(a) \$10 million from the Montana water development state special revenue account to the department of natural resources and conservation;

(b) \$10 million from the better local bridge state special revenue account to the department of transportation; and

(c) \$10 million from the Montana early childhood state special revenue account to the department of public health and human services;

(D) \$10 MILLION FROM THE STATE PROPERTY TAX ASSISTANCE ACCOUNT TO THE DEPARTMENT OF REVENUE; AND

(E) \$10 MILLION FROM THE MONTANA LOCAL DISASTER RESILIENCY FUND ESTABLISHED IN 17-7-133 TO THE DEPARTMENT OF MILITARY AFFAIRS.

(2) There is appropriated the following amounts from the following accounts for the fiscal year beginning July 1, 2026, for the purposes outlined in those accounts:

(a) \$15 million from the Montana water development state special revenue account to the department of natural resources and conservation;

(b) \$15 million from the local bridge state special revenue account to the department of

Amendment - 1st Reading/2nd House-blue - Requested by: Laura Smith - (S) Finance and Claims

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

HB0924.002.006

1 transportation; and

2 (c) \$15 million from the Montana early childhood state special revenue account to the department
3 of public health and human services;

4 (D) \$15 MILLION FROM THE STATE PROPERTY TAX ASSISTANCE ACCOUNT TO THE DEPARTMENT OF
5 REVENUE; ; AND

6 (E) \$15 MILLION FROM THE MONTANA LOCAL DISASTER RESILIENCY FUND ESTABLISHED IN 17-7-133 TO
7 THE DEPARTMENT OF MILITARY AFFAIRS.

8 (3) The legislature intends that the appropriations in subsection (2) be considered part of the
9 ongoing base for the next legislative session.

10

11 NEW SECTION. Section 43. Codification instruction. (1) [Sections 1 through 4 and 26 ~~31 33~~] are
12 intended to be codified as an integral part of Title 17, and the provisions of Title 17 apply to [sections 1 through
13 4 and 26 ~~31 33~~].

14 (2) [~~Section 6~~] [~~SECTIONS 13 AND 33 THROUGH 35 through 37~~] is ~~ARE~~ intended to be codified as an
15 integral part of Title 15, CHAPTER 6, and the provisions of Title 15, CHAPTER 6, apply to [~~section 6~~] [~~SECTIONS 13~~
16 ~~AND 33 THROUGH 35 through 37~~].

17 (3) [~~Section 7~~] [~~SECTION 14~~] is intended to be codified as an integral part of Title 85, chapter 1, part
18 3, and the provisions of Title 85, chapter 1, part 3, apply to [~~section 7~~] [~~SECTION 14~~].

19 (N4) [~~Section 8~~] [~~SECTION 15~~] is intended to be codified as an integral part of Title 60, chapter 2, part
20 2, and the provisions of Title 60, chapter 2, part 2, apply to [~~section 8~~] [~~SECTION 15~~].

21 (5) [Sections 9 and 11 through 14] [~~SECTIONS 16, and 18, AND 19 through 21~~] are intended to be
22 codified as an integral part of Title 52, chapter 2, and the provisions of Title 52, chapter 2, apply to [~~sections 9~~
23 ~~and 11 through 14~~] [~~SECTIONS 16, AND 18, AND 19 through 21~~].

24 (6) [~~Section 10~~] [~~SECTION 17~~] is intended to be codified as an integral part of Title 17, chapter 7,
25 and the provisions of Title 17, chapter 7, apply to [~~section 10~~] [~~SECTION 17~~].

26 (7) ~~[SECTION 32]~~ [~~Section 34~~] IS INTENDED TO BE CODIFIED AS AN INTEGRAL PART OF TITLE 7, CHAPTER
27 6, PART 25, AND THE PROVISIONS OF TITLE 7, CHAPTER 6, PART 25, APPLY TO ~~[SECTION 32]~~ [~~section 34~~].

69th Legislature 2025

HB0924.002.006

- END -



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