

Amendment - 2nd Reading/2nd House-tan - Requested by: Terry Falk - (H) Committee of the Whole

- 2025

69th Legislature 2025

Drafter: Julie Johnson,

SB0287.003.002

SENATE BILL NO. 287

INTRODUCED BY W. MCKAMEY, D. BEDEY, S. FITZPATRICK, B. LER

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING STATE FINANCE LAWS; CREATING
THE MONTANA GROWTH AND OPPORTUNITY TRUST; PROVIDING FOR TRANSFERS OF VOLATILE
REVENUES TO THE TRUST; PROVIDING FOR ANNUAL DISTRIBUTIONS OF INTEREST INCOME TO
STATE SPECIAL REVENUE ACCOUNTS; PROVIDING FOR REINVESTMENT OF A PORTION OF THE
TRUST FOR PENSIONS AND HOUSING; PROVIDING FOR CALCULATIONS RELATED TO VOLATILE
REVENUE; ESTABLISHING A MONTANA WATER DEVELOPMENT STATE SPECIAL REVENUE ACCOUNT;
ESTABLISHING A BETTER LOCAL BRIDGE ACCOUNT; TRANSFERRING AUTHORITY FOR CERTAIN
HOUSING LOANS FROM THE COAL TAX TRUST FUND TO THE MONTANA GROWTH AND
OPPORTUNITY TRUST; ESTABLISHING A PENSION FUND; CREATING A MONTANA HOUSING TRUST;
LIMITING THE TRANSFER OF VOLATILE REVENUE WHEN GENERAL FUND DEFICIT IS CERTIFIED OR
OPERATING RESERVE IS ESTIMATED AT A CERTAIN AMOUNT; ESTABLISHING A MONTANA EARLY
CHILDHOOD ACCOUNT, BOARD, AND FUNDING; PROVIDING PROPERTY TAX ASSISTANCE THAT IS
DISTRIBUTED TO COUNTIES TO BE DISTRIBUTED AS A CREDIT TO CERTAIN PRIMARY RESIDENCES;
REQUIRING THE DEPARTMENT OF REVENUE TO CERTIFY PRIMARY RESIDENCES; PROVIDING A
PENALTY FOR FALSE OR FRAUDULENT PRIMARY RESIDENCE APPLICATIONS; PROVIDING AN
APPEALS PROCESS FOR CERTIFICATION OF A PRIMARY RESIDENCE; PROVIDING A DEFINITION;
REVISING FUNDING ALLOCATIONS; PROVIDING FOR TRANSFERS; PROVIDING FOR INVESTMENT
INCOME TO BE TRANSFERRED IN EQUAL AMOUNTS TO THE GENERAL FUND AND THE DEBT AND
LIABILITY FREE ACCOUNT; PLACING A CAP ON THE DEBT AND LIABILITY FREE ACCOUNT; REVISING
REPORTING REQUIREMENTS ON THE DEBT AND LIABILITY FREE ACCOUNT; PROVIDING FOR
TRANSFERS FROM THE DEBT AND LIABILITY FREE ACCOUNT; PROVIDING FOR TRANSFERS FROM
THE PENSION STATE SPECIAL REVENUE ACCOUNT FUND TO THE TEACHERS' RETIREMENT SYSTEM
OR THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM ON CERTIFICATION OF THE RETIREMENT
SYSTEM BOARD; PROVIDING FOR AN INCREASE TO THE EMPLOYER SUPPLEMENTAL

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~~(9) — (a) On certification by the public employees' retirement board, the state treasurer shall transfer no more than 25% of the balance of this account 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 two 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 (9)(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."~~

SECTION 11. SECTION 17-6-214, MCA, IS AMENDED TO READ:

"17-6-214. Debt and liability free account -- rules for deposits and transfers -- purpose. (1)

There is an account in the state special revenue fund established by 17-2-102 known as the debt and liability free account.

(2) The purpose of the debt and liability free account is ~~to~~ as follows:

(a) to pay the principal, interest, premiums, and any costs or fees associated with redeeming outstanding bonds, notes, or other obligations that have been authorized and issued pursuant to the laws of Montana and that are currently subject to optional redemption;

(b) to pay the principal, interest, premiums, and any costs or fees associated with defeasing outstanding bonds, notes, or other obligations that have been authorized and issued pursuant to the laws of Montana that are not currently subject to optional redemption;

(c) to forego or reduce the amount of an issuance of general obligation bonds paid from the general fund authorized by the legislature but not yet issued by the board of examiners prior to using funds from the account established in 17-7-209 for the same purpose; ~~and~~

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(d) to pay in whole or in part legally resolved nonpension financial liabilities of the state of Montana, except that funds in the account may not be used for compensated absences payable as included in the state annual comprehensive financial report;

(e) to replace federal funding that has been rescinded by the federal government from remaining funding of the American Rescue Plan Act funds;

(f) to mitigate the need for general fund supplemental appropriations for the general appropriations act; and

(g) to replace federal funds that have been reduced or rescinded by the federal government.

(3) For the fiscal year beginning July 1, 2022, through the fiscal year ending June 30, 2025, interest income received pursuant to 17-6-202(2) is deposited into the account.

(4) Funds in the debt and liability free account are statutorily appropriated, as provided in 17-7-502, to the governor's office of budget and program planning and must be used in accordance with the requirements of this section.

(5) Funds expended from the account in this section may not be included in the calculation of annual transfers in 17-7-208.

(6) The office of budget and program planning shall prioritize the use of funds for the uses outlined in subsections (1)(a) through (1)(c).

(7) Within 15 days of the close of each fiscal quarter, the office of budget and program planning shall submit a written report to the legislative finance committee in accordance with 5-11-210 that identifies the amount and the type of debt payoff or other expenditure from the account established in this section for the previous fiscal quarter.

(8) If the unobligated ending fund balance of this account is less than \$12.5 million, then up to 50% of the volatile revenue calculated pursuant to [section 18(4)], but no more than \$12.5 million per year, may be transferred by the state treasurer into this account."

SECTION 12. SECTION 17-6-308, MCA, IS AMENDED TO READ:

"17-6-308. Authorized investments. (1) Except as provided in subsections (2) through (8) of this