

1 HOUSE BILL NO. 462

2 INTRODUCED BY M. BERTOGLIO

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE DISTRIBUTION OF MARIJUANA
5 TAXES; CREATING A MARIJUANA ADMINISTRATION STATE SPECIAL REVENUE ACCOUNT FOR THE
6 DEPARTMENT OF REVENUE; CREATING A STATE SPECIAL REVENUE ACCOUNT FOR THE BENEFIT
7 OF THE DEPARTMENT OF CORRECTIONS; CREATING A STATE SPECIAL REVENUE ACCOUNT FOR
8 THE BENEFIT OF THE DEPARTMENT OF JUSTICE; AUTHORIZING THE DEPARTMENT OF REVENUE TO
9 SPEND APPROPRIATED LOCAL OPTION MARIJUANA TAX REVENUE; REVISING THE ALLOCATION OF
10 THE MARIJUANA STATE SPECIAL REVENUE ACCOUNT; CREATING A STATUTORY APPROPRIATION;
11 AMENDING SECTIONS 16-12-111, 16-12-310, 17-1-508, AND 17-7-502, MCA; AMENDING SECTION 117,
12 CHAPTER 576, LAWS OF 2021; AND PROVIDING EFFECTIVE DATES."

13

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

15

16 **NEW SECTION. Section 1. Marijuana administration state special revenue account -- use --**

17 **statutory appropriation.** (1) There is a special revenue account within the state special revenue fund
18 established in 17-2-102. Money in the account is statutorily appropriated, as provided in 17-7-502, to the
19 department of revenue and may only be used to administer the local-option marijuana excise tax pursuant to
20 16-12-309 through 16-12-312 and 16-12-317.

21 (2) There must be deposited in the account money received from tax revenue pursuant to 16-12-
22 310(3)(c).

23

24 **NEW SECTION. Section 2. Correctional officer state special revenue account.** (1) There is a

25 correctional officer account in the state special revenue fund to be administered by the department of
26 corrections. The account consists of revenue deposited pursuant to 16-12-111.

27 (2) The account must be used for recruitment and retention efforts for correctional officers.

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Amendment - 1st Reading-white - Requested by: Fiona Nave - (H) Appropriations

- 2023

68th Legislature 2023

Drafter: Julie Johnson, 406-444-4024

HB0462.001.001

1 NEW SECTION. Section 3. Marijuana distribution account. (1) There is a marijuana distribution
2 account in the state special revenue fund to be administered by the department of justice. The account consists
3 of revenue deposited pursuant to 16-12-111.

4 (2) The account may be used for:

5 (a) program enhancements in combatting crime, to include human trafficking, investigations,
6 narcotics, and the associated legal casework;

7 (b) additional resources to support the Montana highway patrol; and

8 (c) public safety grant programs funded at the board of crime control and associated administration
9 of criminal justice programs.

10 (3) The department of justice may use up to 10% of the annual appropriation into the account for
11 the purposes of subsection (2)(c).

12

13 **Section 4.** Section 16-12-111, MCA, is amended to read:

14 **"16-12-111. Marijuana state special revenue account -- operating reserve -- transfer of excess**
15 **funds.** (1) There is a dedicated marijuana state special revenue account within the state special revenue fund
16 established in 17-2-102, to be administered by the department.

17 (2) The account consists of:

18 (a) money deposited into the account pursuant to this chapter;

19 (b) the taxes collected pursuant to Title 15, chapter 64, part 1;

20 (c) license and registered cardholder fees deposited into the account pursuant to this chapter; and

21 ~~(d) taxes deposited into the account pursuant to 16-12-310; and~~

22 ~~(e)~~(d) civil penalties collected under this chapter.

23 (3) Except as provided in subsection (4), money in the account must be used by the department
24 for the purpose of administering the provisions of this chapter.

25 (4) At the end of each fiscal year, the department shall transfer funds in excess of a 3-month
26 operating reserve necessary to fund operating costs at the beginning of the next fiscal year ~~in the following~~
27 ~~order as follows:~~

28 (a) ~~an amount not to exceed \$6 million must be transferred~~ 11% to the healing and ending

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1 addiction through recovery and treatment (HEART) account established in 16-12-122;

2 ~~(b) the net balance remaining after distribution to the HEART account must be distributed as follows:~~

3 ~~(i) 20% to the credit of the department of fish, wildlife, and parks to be used solely as funding for~~

4 ~~wildlife habitat in the same manner as funding generated under 87-1-242(3) and used pursuant to 87-1-209;~~

5 ~~(b) 6% to the marijuana distribution state special revenue account provided for in [section 3];~~

6 ~~(ii)(c) 4% to the state park account established in 23-1-105(1);~~

7 ~~(iii)(d) 4% to the trails and recreational facilities account established in 23-2-108;~~

8 ~~(iv)(e) 4% to the nongame wildlife account established in 87-5-121;~~

9 ~~(v)(f) 3% or \$200,000, whichever is less, 5% 6% to the veterans and surviving spouses state special~~

10 ~~revenue account provided for in 10-2-108; at least 2% of which must be used to open county veteran service~~

11 ~~centers. A service center can serve more than one county.~~

12 ~~(vi) for the biennium beginning July 1, 2021, \$300,000 to the department of justice to administer grant~~

13 ~~funding to local and state law enforcement agencies for the purpose of purchasing and training drug detection~~

14 ~~canines and canine handlers, including canines owned by local law enforcement agencies to replace canines~~

15 ~~who were trained to detect marijuana;~~

16 ~~(vii)(g) \$150,000 0.2% 1% to the board of crime control to fund crisis intervention team training as~~

17 ~~provided in 44-7-110; and~~

18 ~~(h) 1.5% 4% to the correctional officer state special revenue account provided for in [section 2];~~

19 ~~(i) 1.5% 4% to the treatment court support account provided for in 46-1-1115;~~

20 ~~(j) 6% to the conservation district account established in 76-15-106; and~~

21 ~~(viii)(i)(k) the remainder to the general fund. (Subsection (4)(b)(vi) terminates June 30, 2025 sec.~~

22 ~~417(2), Ch. 576, L. 2021.)"~~

23

24 **Section 5.** Section 16-12-310, MCA, is amended to read:

25 **"16-12-310. Limit on local-option marijuana excise tax rate -- goods subject to tax.** (1) The rate

26 of the local-option marijuana excise tax must be established by the election petition or resolution provided for in

27 16-12-311, and the rate may not exceed 3%.

28 (2) The local-option marijuana excise tax is a tax on the retail value of all marijuana and marijuana