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SENATE BILL NO. 538

INTRODUCED BY C. FRIEDEL, E. BUTTREY, D. ZOLNIKOV, D. BARTEL, J. SMALL, M. HOPKINS, J.

ELLSWORTH, J. KASSMIER

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING MARIJUANA LAWS; CREATING A MARIJUANA ADMINISTRATION STATE SPECIAL REVENUE ACCOUNT FOR THE DEPARTMENT OF REVENUE; CREATING A HABITAT LEGACY ACCOUNT FOR THE BENEFIT OF THE DEPARTMENT OF FISH, WILDLIFE, AND PARKS; CREATING A STATE SPECIAL REVENUE ACCOUNT FOR THE BENEFIT OF THE DEPARTMENT OF JUSTICE; AUTHORIZING THE DEPARTMENT OF REVENUE TO SPEND APPROPRIATED LOCAL OPTION MARIJUANA TAX REVENUE; REVISING THE ALLOCATION OF THE MARIJUANA STATE SPECIAL REVENUE ACCOUNT; REVISING THE MONTANA WILDLIFE HABITAT IMPROVEMENT ACT; CREATING STATUTORY APPROPRIATIONS; ADDING A FEE FOR DISPENSARIES FOR DRUG EDUCATION PROGRAMS; INCREASING THE PENALTY FOR FRAUDULENT REPRESENTATION; ALLOWING A LAW ENFORCEMENT OFFICIAL TO SEIZE MARIJUANA AND MARIJUANA PRODUCTS IN CERTAIN CASES; AMENDING SECTIONS 16-12-111, 16-12-224, AND 16-12-302, 16-12-310, 17-1-508, 17-7-502, AND 87-5-806, MCA; AND PROVIDING AN A DELAYED EFFECTIVE DATE EFFECTIVE DATES."

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

NEW SECTION. SECTION 1. MARIJUANA ADMINISTRATION STATE SPECIAL REVENUE ACCOUNT -- USE -- STATUTORY APPROPRIATION. (1) THERE IS A SPECIAL REVENUE ACCOUNT WITHIN THE STATE SPECIAL REVENUE FUND ESTABLISHED IN 17-2-102. MONEY IN THE ACCOUNT IS STATUTORILY APPROPRIATED, AS PROVIDED IN 17-7-502, TO THE DEPARTMENT OF REVENUE AND MAY ONLY BE USED TO ADMINISTER THE LOCAL-OPTION MARIJUANA EXCISE TAX PURSUANT TO 16-12-309 THROUGH 16-12-312 AND 16-12-317.

(2) THERE MUST BE DEPOSITED IN THE ACCOUNT MONEY RECEIVED FROM TAX REVENUE PURSUANT TO 16-12-310(3)(C).

1 (3) [SECTION 3] IS INTENDED TO BE CODIFIED AS AN INTEGRAL PART OF TITLE 44, CHAPTER 4, AND THE
2 PROVISIONS OF TITLE 44, CHAPTER 4, APPLY TO [SECTION 3].

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4 NEW SECTION. Section 3. — Effective date. [This act] is effective July 1, 2023 JANUARY 1, 2024.

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6 ~~COORDINATION SECTION. SECTION 11. — COORDINATION INSTRUCTION. (1) IF SENATE BILL NO. 442 AND~~
7 ~~[THIS ACT] ARE PASSED AND APPROVED AND IF BOTH CONTAIN SECTIONS THAT AMEND 16-12-111, THEN SENATE BILL~~
8 ~~NO. 442 IS VOID.~~

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10 COORDINATION SECTION. SECTION 11. — COORDINATION INSTRUCTION. IF HOUSE BILL NO. 86 AND [THIS
11 ACT] ARE PASSED AND APPROVED AND IF BOTH CONTAIN A SECTION THAT AMENDS 87-5-806, THEN THE SECTIONS
12 AMENDING 87-5-806 ARE VOID AND 87-5-806 MUST BE AMENDED AS FOLLOWS:

13 **"87-5-806. (Temporary) Administration and expenditure of funds -- cooperation with other**
14 **entities.** (1) (a) State, tribal, and federal agencies, as well as conservation districts, irrigation districts, grazing
15 associations, county weed boards, and 501(c)(3) organizations, may apply for project funding.

16 (2) The department may expend funds deposited under [section 2] and pursuant to 87-5-805
17 through grants or contracts in order to:

18 (a) improve, conserve, protect, and maintain terrestrial habitat;

19 (b) improve, conserve, and maintain aquatic habitat;

20 (c) participate in water enhancement projects to benefit aquatic habitat and allow for other
21 watershed enhancements that benefit fish, wildlife, and water conservation;

22 (d) improve and maintain range conditions, restoration of habitat, and drought resilience designed
23 to create habitat uplift on private, public, and tribal lands;

24 (e) address and mitigate impacts that are detrimental to wildlife habitat and the environment and
25 improve the condition of the land due to noxious weeds, soil disturbance, and loss of diverse habitat
26 communities;

27 (f) mitigate conflicts and reduce potential for disease transmission between wildlife and domestic
28 livestock;