_____ BILL NO. _____

INTRODUCED BY _____

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE MONTANA MORTGAGE ACT; CREATING THE MONTANA CONSUMERS OF FINANCIAL SERVICES EDUCATION FUND; PROVIDING A STATUTORY APPROPRIATION; AMENDING SECTIONS 17-7-502 AND 32-9-133, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. **Section 1. Montana consumers of financial services education fund -- uses -- statutory appropriation.** (1) There is a Montana consumers of financial services education fund in the state special revenue fund type established in 17-2-102. The fund must be administered by the commissioner of banking and financial institutions for the benefit of Montana consumers of financial services products. The money in the fund is statutorily appropriated, as provided in 17-7-502, to the commissioner for the purpose provided in subsection (3).

(2) There must be deposited in the fund:

(a) all civil penalty revenue received under 32-9-133 and all administrative penalties;

(b) any interest and income earned on the fund; and

(c) any other money from any other source accepted for the benefit of the fund.

(3) Money in the fund may be used by the commissioner to create and distribute training materials and advertisements to consumers of financial services products, provide support to nonprofits that conduct training sessions to educate mortgage consumers regarding mortgage-related matters, or train department staff.

Section 2. Section 17-7-502, MCA, is amended to read:

"**17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory

appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120; 5-11-407; 5-13-403; 5-13-404; 7-4-2502; 7-4-2924; 7-32-236; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-2-807; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-3-316; 10-3-802; 10-4-304; 10-4-310; 15-1-121; 15-1-218; 15-6-407; 15-31-165; 15-31-1004; 15-31-1005; 15-35-108; 15-36-332; 15-37-117; 15-39-110; 15-65-121; 15-70-128; 15-70-131; 15-70-132; 15-70-433; 16-11-119; 16-11-509; 17-3-106; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-6-214; 17-7-133; 17-7-215; 18-5-417; 18-11-112; 19-3-319; 19-3-320; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 19-20-607; 19-21-203; 20-3-369; 20-7-1709; 20-8-107; 20-9-250; 20-9-516; 20-9-622; 20-15-328; 20-26-617; 20-26-1503; 22-1-327; 22-3-116; 22-3-117; [22-3-1004]; 23-4-105; 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 30-10-1004; [section 1]; 33-22-1321; 37-1-125; 37-43-204; 37-50-209; 37-54-113; 39-71-503; 41-5-2011; 42-2-105; 44-4-1101; 44-4-1506; 44-12-213; 44-13-102; 53-1-109; 53-6-148; [53-6-152]; 53-9-113; 53-24-108; 53-24-206; 60-5-530; 60-11-115; 61-3-321; 61-3-415; 61-3-416; 67-1-309; 69-4-527; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 75-11-708; 75-26-308; 76-13-150; 76-13-151; 76-13-417; 76-17-103; 77-1-108; 77-2-362; 80-2-222; 80-4-416; 80-11-518; 80-11-1006; 81-1-112; 81-1-113; 81-2-203; 81-7-106; 81-7-123; 81-10-103; 82-11-161; 85-20-1504; 85-20-1505; [85-25-102]; 87-1-603; 87-1-627; 87-5-909; 90-1-205; 90-1-504; 90-6-331; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and any costs or fees associated with issuing, paying, securing, redeeming, or defeasing all bonds, notes, or other obligations, as due in the ordinary course or when earlier called for redemption or defeased, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have

statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of 19-20-604 terminates contingently when the amortization period for the teachers' retirement system's unfunded liability is 10 years or less; pursuant to sec. 73, Ch. 44, L. 2007, the inclusion of 19-6-410 terminates contingently upon the death of the last recipient eligible under 19-6-709(2) for the supplemental benefit provided by 19-6-709; pursuant to sec. 5, Ch. 383, L. 2015, the inclusion of 85-25-102 is effective on occurrence of contingency; pursuant to sec. 10, Ch. 374, L. 2017, the inclusion of 76-17-103 terminates June 30, 2027; pursuant to secs. 11, 12, and 14, Ch. 343, L. 2019, the inclusion of 15-35-108 terminates June 30, 2027; pursuant to sec. 1, Ch. 408, L. 2019, the inclusion of 17-7-215 terminates June 30, 2029; pursuant to secs. 1, 2, 3, Ch. 139, L. 2021, the inclusion of 53-9-113 terminates June 30, 2027; pursuant to sec. 8, Ch. 200, L. 2021, the inclusion of 10-4-310 terminates July 1, 2031; pursuant to secs. 3, 4, Ch. 404, L. 2021, the inclusion of 30-10-1004 terminates June 30, 2027; pursuant to secs. 5 and 12, Ch. 563, L. 2021, the inclusion of 22-3-1004 is effective July 1, 2027; pursuant to sec. 1, Ch. 20, L. 2023, sec. 2, Ch. 20, L. 2023, and sec. 3, Ch. 20, L. 2023, the inclusion of 81-1-112, 81-1-113, and 81-7-106 terminates June 30, 2029; pursuant to sec. 2, Ch. 374, L. 2023, the inclusion of 10-3-802 terminates June 30, 2031; pursuant to sec. 12, Ch. 558, L. 2023, the inclusion of 20-9-250 terminates December 31, 2029; pursuant to sec. 4, Ch. 621, L. 2023, the inclusion of 22-1-327 terminates July 1, 2029; pursuant to sec. 24, Ch. 722, L. 2023, the inclusion of 17-7-133 terminates June 30, 2027; pursuant to sec. 5, Ch. 129, L. 2025, the inclusion of 37-1-125 terminates June 30, 2031; pursuant to sec. 1, Ch. 181, L. 2025, and sec. 3, Ch. 181, L. 2025, the inclusion of 90-6-331 terminates June 30, 2035; pursuant to sec. 19, Ch. 420, L. 2025, the inclusion of 53-6-152 is effective on occurrence of contingency; pursuant to sec. 20, Ch. 420, L. 2025, the inclusion of 53-6-152 is void on occurrence of contingency; pursuant to sec. 21, Ch. 420, L. 2025, the inclusion of 53-6-152 terminates June 30, 2033; and pursuant to sec. 5, Ch. 645, L. 2025, the inclusion of 33-22-1321 terminates June 30, 2031.)"

Section 3. Section 32-9-133, MCA, is amended to read:

"**32-9-133. Penalties -- restitution.** (1) If the department finds, after providing a 14-day written notice that includes a statement of alleged violations and a hearing or an opportunity for hearing, as provided in the Montana Administrative Procedure Act, that any person, licensee, service provider, or officer, agent, employee, or representative of the person or licensee, whether licensed or unlicensed, has violated any of the provisions

of this part, has failed to comply with the rules, instructions, or orders promulgated by the department, has failed or refused to make required reports to the department, has furnished false information to the department, or has operated without a required license, the department may impose a civil penalty not to exceed $5,000 for the first violation and not to exceed $10,000 for each subsequent violation.

(2) The department may issue an order:

(a) requiring restitution;

(b) requiring reimbursement of the department's cost in bringing the administrative action; and

(c) revoking, conditioning, or suspending the right of the person or licensee, directly or through a service provider, officer, agent, employee, or representative, to do business in this state as a licensee or to engage in the mortgage broker, mortgage lender, mortgage servicer, or mortgage loan origination business.

(3) Any person who directly or indirectly controls an entity liable under subsection (1), any partner, officer, director, or person occupying a similar status or performing similar functions of the entity, and any person who participates or materially aids in the violation is liable jointly and severally with and to the same extent as the person committing the violation. In addition, each person committing the violation or aiding in the violation is jointly and severally liable if the person committing the violation or aiding in the violation knew or in the exercise of reasonable care should have known of the existence of the facts by reason of which the liability is alleged to exist. There must be contribution between or among the severally liable persons.

(4) The department may enter into joint examination or joint enforcement actions with other regulatory agencies, government officials, and regulatory associations having concurrent jurisdiction over a person, licensee, service provider, or officer, agent, employee, or representative of the person or licensee, whether licensed or unlicensed.

~~(4)~~ (5) The fines must be deposited in the ~~department's account in the state special revenue fund and used to administer the provisions of this part~~ Montana consumers of financial services education fund established in [section 1]. (See part compiler's comment regarding contingent suspension.)"

NEW SECTION. **Section 4. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 32, chapter 9, part 1, and the provisions of Title 32, chapter 9, part 1, apply to [section 1].

NEW SECTION. **Section 5. Effective date.** [This act] is effective July 1, 2027.

- END -