HOUSE BILL NO. 924

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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 STATE PROPERTY RELIEF ACCOUNT; ESTABLISHING A MONTANA WATER DEVELOPMENT STATE SPECIAL REVENUE ACCOUNT; ESTABLISHING A BETTER LOCAL BRIDGE ACCOUNT; ESTABLISHING A MONTANA EARLY CHILDHOOD ACCOUNT; ~~ESTABLISHING A MONTANA EARLY CHILDHOOD ACCOUNT BOARD AND PROVIDING GRANTS;~~ TRANSFERRING AUTHORITY FOR CERTAIN HOUSING LOANS FROM THE COAL TAX TRUST FUND TO THE MONTANA GROWTH AND OPPORTUNITY TRUST; ESTABLISHING A PENSION FUND; REVISING USE OF THE MONTANA HOUSING INFRASTRUCTURE REVOLVING LOAN FUND; LIMITING THE TRANSFER OF VOLATILE REVENUE WHEN GENERAL FUND DEFICIT IS CERTIFIED OR OPERATING RESERVE IS ESTIMATED AT A CERTAIN AMOUNT; PROVIDING FOR TRANSFERS FROM THE PENSION 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 CONTRIBUTION RATE; PROVIDING FOR FUND TRANSFERS; PROVIDING APPROPRIATIONS; ESTABLISHING REPORTING REQUIREMENTS; PROVIDING RULEMAKING AUTHORITY; AMENDING SECTIONS 15-38-302, 17-6-308, 17-6-317, 17-6-801, 17-7-130, 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, CHAPTER 48, LAWS OF 2023, AND SECTION 24, CHAPTER 722, LAWS OF 2023; REPEALING SECTION 17-7-134, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.”

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

<u>NEW SECTION.</u> **Section 1. Montana growth and opportunity trust.** (1) There is a Montana growth and opportunity trust in the permanent fund type funded by annual transfers of volatile revenues as provided for in [section 4].

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

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

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

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

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

<u>NEW SECTION.</u> **Section 2. Distributions from Montana growth and opportunity trust.** (1) One-half of interest earnings from the Montana growth and opportunity trust established in [section 1] are allocated as follows:

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

(b) 20% to the state property tax relief account established in [section 6], up to $15 million a year;

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

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

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

(2) Any remaining interest earnings after the distribution in subsection (1) must be transferred into the capital developments long-range building program account established in 17-7-209.

<u>NEW SECTION.</u> **Section 3. Reinvestment of growth and opportunity trust.** One-half of interest earnings from the Montana growth and opportunity trust established in [section 1] are allocated as follows:

(1) 50% to the pension fund provided for in [section 10]; and

(2) 50% to a Montana housing infrastructure revolving loan fund provided for in 17-6-801.

<u>NEW SECTION.</u> **Section 4. Volatile revenue -- transfer to Montana growth and opportunity trust.** (1) Starting in the fiscal year beginning July 1, 2027, and in each subsequent fiscal year by November 1, the state treasurer shall transfer one-half of the amount of volatile revenue from the general fund for that fiscal year to the Montana growth and opportunity trust established in [section 1].

(2) The amount of volatile revenue is an amount equal to:

(a) the sum of capital gains volatile revenue and partnership volatile revenue; and

(b) a portion of interest earnings from the treasury cash account in 17-6-202 as calculated pursuant to subsection (3).

(3) The amount of interest earnings from the treasury cash account in 17-6-202 to be transferred as volatile revenue pursuant to subsection (2) is the difference between:

(a) the estimate of interest earnings on the treasury cash account in 17-6-202 as provided in the most recent official revenue estimate provided for in 5-5-227; and

(b) the lowest actual amount of interest earnings on the treasury cash account in 17-6-202 within the most recent 10 years of available data as certified to the legislative fiscal analyst and the budget director by the department of administration.

(4) For the purposes of this section, the following calculations apply:

(a) "Capital gains increment" is the difference between:

(i) the current calendar year's capital gains estimate as described in the most recent official revenue estimate provided for in 5-5-227; and

(ii) the lowest reported capital gains income from any year within the most recent 10 years of available data, as published in the department of revenue's biennial report provided for in 15-1-205.

(b) "Capital gains volatile revenue" is calculated by multiplying the capital gains increment by the rate established in 15-30-2103(2)(a)(ii).

(c) "Partnership increment" is the difference between:

(i) the current calendar year's rents, royalty, and partnership estimate as described in the most recent official revenue estimate provided for in 5-5-227; and

(ii) the lowest reported rents, royalty, and partnership income from any year within the most recent 10 years of available data, as published in the department of revenue's biennial report provided for in 15-1-205.

(d) "Partnership volatile revenue" is calculated by multiplying the partnership increment by the rate established in 15-30-2103(1)(a)(ii).

Section 5. 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;

(c) the oil and natural gas production tax as provided in 15-36-331; ~~and~~

(d) the excess of the coal severance tax proceeds allocated by 85-1-603 to the renewable resource loan debt service fund above debt service requirements as provided in and subject to the conditions of 85-1-619; and

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

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

(4) The account retains its own interest."

NEW SECTION. **Section 6. State property tax relief account.** (1) There is a state property tax assistance account in the state special revenue fund established in 17-2-102 to the credit of the department of revenue. The revenue allocated to the account must be used to provide tax relief.

(2) The account retains its own interest.

NEW SECTION. **Section 7. Montana water development state special revenue account.** (1) (a) There is a Montana water development state special revenue fund as provided for in 17-2-102 to the credit of the department of natural resources and conservation.

(b) The fund retains its own interest.

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

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

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

NEW SECTION. **Section 8. Better local bridge state special revenue account -- rulemaking.** (1) There is an account in the state special revenue fund provided for in 17-2-102 to be known as the better local bridge fund account to the credit of the department of transportation.

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

(3) The account may be used for:

(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 9. Montana early childhood account -- 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 11] 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 10. 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.

(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 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.~~

~~(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 11. 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 shall use the money in the Montana early childhood account provided for in [section 9] to fund services and activities ~~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.

(2) Eligible purposes ~~for which the board may authorize grants~~ 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 upgrades, and supports for infants, toddlers, and children with special needs;

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

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

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

(3) In administering funding from the early childhood ~~grant program~~ account, the ~~board~~ department shall:

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

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

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

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

(e) adopt rules necessary to implement this section; and

(f) consult stakeholders to advise and inform implementation.

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

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

NEW SECTION. **Section 12. 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.~~

~~(2)~~(1) ~~(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) The report must include the following information for each program or grant:

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

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

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

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

~~(v)~~(e) its recipient.

Section 13. 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 account created pursuant to 17-5-1515 to establish balances or restore deficiencies in the account. The board may agree in connection with the issuance of bonds or notes secured by the account or fund to make the loans. Loans must be on terms and conditions determined by the board and must be repaid from revenue realized from the exercise of the board's powers under 17-5-1501 through 17-5-1518 and 17-5-1521 through 17-5-1529, subject to the prior pledge of the revenue to the bonds and notes.

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

(4) The board shall allow the Montana facility finance authority to administer $15 million of the permanent coal tax trust fund for capital projects. Until the authority makes a loan pursuant to the provisions of Title 90, chapter 7, the funds under its administration must be invested by the board pursuant to the provisions

of 17-6-201. As loans for capital projects made pursuant to this subsection are repaid, the principal and interest payments on the loans must be deposited in the coal severance tax permanent fund until all principal and interest have been repaid. The board and the authority shall calculate the amount of the interest charge. Individual loan amounts may not exceed 10% of the amount administered under this subsection.

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

~~(6) The board shall allow the board of housing to administer $65 million of the permanent coal tax 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 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 14. 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 amount loaned by all participants, including the board of investments.

(b) The board shall provide 75% of the total loan amount.

(c) The term of the loan may not exceed 15 years.

(d) The board shall charge interest at the following annual rate:

(i) 2% for the first 5 years if 15 or more jobs are created or retained;

(ii) 4% for the first 5 years if 10 to 14 jobs are created or retained;

(iii) 6% for the second 5 years; and

(iv) the board's posted interest rate for the third 5 years, but not to exceed 10% a year.

(e) (i) The interest rates in subsections (2)(d)(i) and (2)(d)(ii) become effective when the board receives certification that the required number of jobs has been created or as provided in subsection (2)(e)(ii). If the board disburses loan proceeds prior to creation of the required jobs, the loan must bear interest at the board's posted rate.

(ii) In establishing interest rates under subsections (2)(d)(i) and (2)(d)(ii) for preventing the elimination of jobs, the board shall require the submission of financial data that allows the board to determine if the loan and interest rate will in fact prevent the elimination of jobs.

(f) If a business entitled to the interest rate in subsection (2)(d)(i) or (2)(d)(ii) reduces the number of required jobs, the board may apply a graduated scale to increase the interest rate, not to exceed the board's posted rate.

(g) For purposes of calculating job creation or retention requirements, the board shall use the state's average weekly wage, as defined in 39-71-116, multiplied by the number of jobs required. This calculated number is the minimum aggregate salary threshold that is required to be eligible for a reduced interest rate. If individual jobs created pay less than the state's average weekly wage, the borrower shall create more jobs to meet the minimum aggregate salary threshold. If fewer jobs are created or retained than required in subsection (2)(d)(i) or (2)(d)(ii) but aggregate salaries meet the minimum aggregate salary threshold, the borrower is eligible for the reduced interest rate. A job paying less than the minimum wage, provided for in 39-3-409, may not be included in the required number of jobs.

(h) (i) A participating private financial institution may charge interest in an amount equal to the national prime interest rate, adjusted on January 1 of each year, but the interest rate may not be less than 6% or greater than 12%.

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

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

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

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

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

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

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

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

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

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

Section 15. Section 17-6-801, MCA, is amended to read:

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

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

Section 16. Section 17-7-130, MCA, is amended to read:

"**17-7-130. Budget stabilization reserve fund -- 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 budget stabilization reserve fund.

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

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

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

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

17-7-209.

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

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

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

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

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

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

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

(2) Eligible uses of the money are:

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

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

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

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

Section 18. Section 17-7-140, MCA, is amended to read:

"**17-7-140. Reduction in spending.** (1) (a) As the chief budget officer of the state, the governor shall ensure that the expenditure of appropriations does not exceed available revenue. Except as provided in 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 the recommendations to the legislative fiscal analyst at the time that the recommendations are submitted to the governor and shall provide the legislative fiscal analyst with any proposed changes to the recommendations. The recommendations must be provided in an electronic format. The recommendations must be provided to the legislature in accordance with 5-11-210. The legislative finance committee shall meet within 20 days of the date that the proposed changes to the recommendations for reductions in spending are provided to the legislative fiscal analyst. The legislative fiscal analyst shall provide a copy of the legislative fiscal analyst's review of the proposed reductions in spending to the budget director at least 5 days before the meeting of the legislative finance committee. The committee may make recommendations concerning the proposed reductions in spending. The governor shall consider each agency's analysis and the recommendations of the office of budget and program planning and the legislative finance committee in determining the agency's reduction in spending. Reductions in spending must be designed to have the least adverse impact on the provision of services determined to be most integral to the discharge of the agency's statutory responsibilities.

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

(a) payment of interest and principal on state debt;

(b) the legislative branch;

(c) the judicial branch;

(d) the school BASE funding program, including special education;

(e) salaries of elected officials during their terms of office; and

(f) the Montana school for the deaf and blind.

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

(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) 1.875% in October of the year preceding a legislative session;

(iii) 1.25% in January of the year in which a legislative session is convened; and

(iv) 0.625% in March of the year in which a legislative session is convened.

(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, the governor may reduce the transfer of volatile revenue to the Montana growth and opportunity trust established in [section 1] by up 40% of the transfer amount.

~~(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 19. 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 must be allocated as provided in 19-3-2117.

(2) Local government and school district employer contributions must be the total employer

contribution rate provided in subsection (1) minus the state contribution rates under 19-3-319.

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

(b) ~~The percentage of compensation to be contributed under subsection (3)(a) is 1.27% for fiscal year 2014 and increases by 0.1% each fiscal year through fiscal year 2024.~~ For fiscal years beginning after June 30, ~~2024~~ 2025, the percentage of compensation to be contributed under subsection (3)(a) is 2.27%. 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 (3)(a) is 4.27%.

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

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

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

"**19-20-609. Employer's supplemental contribution -- actuarially determined adjustments.** (1) (a) Subject to subsections (1)(b) through (1)(d), each employer shall contribute to the retirement system a supplemental amount equal to the percentage specified in subsection (1)(b) of total earned compensation of each member employed during the whole or part of the preceding payroll period.

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

<ins>compensation to be contributed under subsection (1)(a) is 4%.</ins>

(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 21. 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 water assessment tax as provided in 15-38-106; ~~and~~

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

<ins>(c) 90%</ins> <ins>of the interest earned from the Montana water development state special revenue account</ins>

established in [section 7].

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

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

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

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

Section 22. Section 90-6-137, MCA, is amended to read:

"**90-6-137. Alternate funding source for housing loans -- use of ~~coal tax trust fund money~~ Montana housing infrastructure revolving loan fund within Montana growth and opportunity trust.** (1) The board of investments shall allow the board of housing to administer $65 million ~~of the coal tax trust fund~~ of funds from the Montana housing infrastructure revolving loan fund provided for in 17-6-801 for the purpose of providing loans for the development and preservation of homes and apartments to assist eligible low-income and moderate-income applicants. Until the board uses money in the ~~coal tax trust~~ Montana housing infrastructure revolving loan fund to loan to a qualified applicant pursuant to this part, the money under the administration of the board must remain invested by the board of investments.

(2) While a loan made from the ~~coal tax trust fund~~ Montana housing infrastructure revolving loan fund pursuant to this section is repaid, the principal payments on the loan must be deposited in the ~~coal tax 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 23. Section 90-6-603, MCA, is amended to read:

"**90-6-603. Veterans' home loan mortgage program created -- use of ~~coal tax trust~~ Montana housing infrastructure revolving loan fund money.** (1) There is a Montana veterans' home loan mortgage program under the direction and management of the board for eligible veterans who are first-time home buyers.

(2) The board of investments shall allow the board to administer $50 million of the ~~permanent coal tax trust~~ housing infrastructure revolving loan fund provided for in 17-6-801 for the purpose of the program. Until the board uses money in the trust fund to purchase a mortgage loan from a participating financial institution pursuant to this part, the money under the administration of the board must remain invested by the board of

investments. As a loan made pursuant to this part is repaid, the principal payments on the loan must be deposited in the ~~trust fund~~ <u>Montana housing infrastructure revolving loan fund</u> until all of the principal of the loan is repaid. Interest received on the loan may be used by a participating financial institution and the board, in amounts determined by the board in accordance with 90-6-605, to pay for the origination and servicing of a loan by a participating financial institution and to pay the reasonable costs of the board for the administration of the program. After payment of associated expenses, interest received on the loan must be deposited ~~into~~ <u>in</u> the ~~trust fund~~ <u>Montana housing infrastructure revolving loan fund</u>.

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

<u>NEW SECTION.</u> **Section 24. Reduction of volatile revenue transfer -- report.** If the budget director estimates a projected general fund ending fund balance at the end of the biennium 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. The legislative finance committee may meet and comment by October 15. Then the governor may reduce the transfer of volatile revenue to the Montana growth and opportunity trust established in [section 1] by up to 40% of the volatile revenue transfer amount.

Section 25. 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 26. 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.~~"

NEW SECTION. **Section 27. Repealer.** The following section of the Montana Code Annotated is repealed:

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

NEW SECTION. **Section 28. Transfer of funds.** (1) For the fiscal year beginning July 1, 2024, the state treasurer shall make the following transfers from the general fund:

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

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

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

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

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

(f) $300 million to the pension fund established in [section 10];

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

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

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

(a) $33 million to the housing fund, for which $7 million is for HOMES and $26 million is for programs administered pursuant to 90-6-137 and 90-6-603; and

(b) $89 million to the permanent coal tax trust.

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

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

(ii) $50 million to the pension fund established in [section 10]; and

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

(b) If the budget director estimates a projected general fund ending fund balance that is less than the operating reserve, the governor may reduce the transfers provided for in this subsection (3) to the Montana growth and opportunity trust established in [section 1] by up to 40% of the volatile revenue transfer amount.

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

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

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

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

(b) If the budget director estimates a projected general fund ending fund balance that is less than the operating reserve, 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 40% of the volatile revenue transfer amount.

NEW SECTION. **Section 29. 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.

(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 transportation; and

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

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

NEW SECTION. **Section 30. Codification instruction.** (1) [Sections 1 through 4 and ~~26~~ 24] are intended to be codified as an integral part of Title 17, and the provisions of Title 17 apply to [sections 1 through 4 and ~~26~~ 24].

(2) [Section 6] is intended to be codified as an integral part of Title 15, and the provisions of Title 15 apply to [section 6].

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

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

(5) ~~[Sections 9 and 11 through 14]~~ [Sections 9, 11, and 12] are intended to be codified as an integral part of Title 52, chapter 2, part 7, and the provisions of Title 52, chapter 2, part 7, apply to ~~[sections 9 and 11 through 14]~~ [sections 9, 11, and 12].

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

NEW SECTION. **Section 31. Effective dates.** (1) Except as provided in subsection (2), [this act] is effective on passage and approval.

(2) [Section ~~19~~ 17] is effective July 1, 2025.

- END -