

HOUSE BILL NO. 368

INTRODUCED BY D. FERN, S. GUNDERSON, J. HAMILTON, S. KERNS, B. MITCHELL, T. FRANCE, D. LOGE, T. BROCKMAN, C. SPRUNGER, B. CARTER, T. SMITH, N. DURAM

A BILL FOR AN ACT ENTITLED: "AN ACT FUNDING SHARED-USE PATHS FROM THE MARIJUANA TAX; REVISING SHARED-USE PATH FUNDING; AMENDING SECTIONS 16-12-111, 60-3-303, AND 60-3-309, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 16-12-111, MCA, is amended to read:

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

(2) The account consists of:

- (a) money deposited into the account pursuant to this chapter;
(b) the taxes collected pursuant to Title 15, chapter 64, part 1;
(c) license and registered cardholder fees deposited into the account pursuant to this chapter;
(d) taxes deposited into the account pursuant to 16-12-310; and
(e) civil penalties collected under this chapter.

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

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

- (a) an amount not to exceed \$6 million must be transferred to the healing and ending addiction through recovery and treatment (HEART) account established in 16-12-122;
(b) the net balance remaining after distribution to the HEART account must be distributed as

1 follows:

2 (i) 20% to the credit of the department of fish, wildlife, and parks to be used solely as funding for
3 wildlife habitat in the same manner as funding generated under 87-1-242(3) and used pursuant to 87-1-209;

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

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

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

7 (v) 4% to the account established in 61-3-321(21)(a).

8 ~~(vi)~~(vi) 3% or \$200,000, whichever is less, to the veterans and surviving spouses state special
9 revenue account provided for in 10-2-108;

10 ~~(vi)~~(vii) for the biennium beginning July 1, 2021, \$300,000 to the department of justice to administer
11 grant funding to local and state law enforcement agencies for the purpose of purchasing and training drug
12 detection canines and canine handlers, including canines owned by local law enforcement agencies to replace
13 canines who were trained to detect marijuana;

14 ~~(vii)~~(viii) \$150,000 to the board of crime control to fund crisis intervention team training as provided in
15 44-7-110; and

16 ~~(viii)~~(ix) the remainder to the general fund. (Subsection ~~(4)(b)(vi)~~ (4)(b)(vii) terminates June 30, 2025--
17 sec. 117(2), Ch. 576, L. 2021.)"

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19 **Section 2.** Section 60-3-303, MCA, is amended to read:

20 **"60-3-303. Shared-use paths to be established -- funding.** (1) (a) Subject to the provisions of
21 subsection (1)(b), the commission or the department or a county or city, with funds received from the
22 commission or the department, may construct or extend a shared-use path:

23 (i) wherever a highway, road, or street is being constructed, reconstructed, or relocated;

24 (ii) at any time along a highway, road, or street under state jurisdiction; or

25 (iii) if the construction enhances traffic safety and convenience.

26 (b) Funds allocated by the department pursuant to 60-3-309 may be used for the purposes
27 described in subsection (1)(a) of this section only as provided in ~~60-3-309(3)~~ 60-3-309(2).

28 (2) A shared-use path may not be established under subsection (1):

- 1 (a) if the cost of establishing the path is excessively disproportionate to the need or probable use;
- 2 or
- 3 (b) if sparsity of population, other available ways, or other factors indicate an absence of any need
- 4 for the path.
- 5 (3) The commission shall let to contract in any period of 5 consecutive fiscal years not less than an
- 6 average of \$200,000 each year to construct or extend shared-use paths. The department shall establish
- 7 accounting procedures to document compliance with this subsection."

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9 **Section 3.** Section 60-3-309, MCA, is amended to read:

10 **"60-3-309. Allocation of funds.** (1) ~~Of the total~~ The funds in the account established in 61-3-321(21)(a):

11 ~~(a) in fiscal year 2018 only, an amount not to exceed \$50,000 must be transferred to the department~~
12 ~~of justice to reprogram the software and equipment of the department and the department's vendor to~~
13 ~~accommodate the optional fee provided for in 61-3-321(21); and~~

14 ~~(b) of the remainder in fiscal year 2018 and for succeeding fiscal years:~~

15 ~~(i) 20% of the total must be allocated to the department of transportation to be used for bicycle and~~
16 ~~pedestrian education throughout the state as provided in 60-3-308(2); and~~

17 ~~(ii) 80% of the total must be allocated as provided in subsection (2) equally by the department of~~
18 ~~transportation to each of the five districts established in 2-15-2502.~~

19 ~~(2) The amount of funds to be allocated to a district is equal to the total amount of optional registration~~
20 ~~fees provided for in 61-3-321(21)(a) collected in the district divided by the total amount of the optional~~
21 ~~registration fees provided for in 61-3-321(21)(a) collected for the entire state.~~

22 ~~(3)(2)~~ Except as provided in subsection ~~(4)~~ (3), the total funds allocated to a district under subsection
23 ~~(1)(b)(ii)-(1)~~ (1) must be used within the district for the maintenance and repair of shared-use paths described in
24 this part. At least 10% of the funds allocated to a district under subsection ~~(1)(b)(ii)-(1)~~ (1) must be used to maintain
25 or repair shared-use paths that are not part of the state-maintained federal-aid highway system.

26 ~~(4)(3)~~ (a) Subject to the provisions of subsection ~~(4)(b)~~ (3)(b), if all of the shared-use paths in the
27 district are maintained and repaired at a level that meets or exceeds the standards established pursuant to 60-
28

1 3-304(3)(c) or if there are no shared-use paths in the district that are not part of the state-maintained federal-aid
2 highway system, any funds remaining in a fiscal year may be used to construct new shared-use paths within
3 the district.

4 (b) Prior to the construction or extension of a shared-use path, the department shall enter into a
5 maintenance agreement with the county or municipality, or both, in which the path is proposed to be
6 constructed or extended. The maintenance agreement may provide that maintenance be conducted by the
7 county or the municipality, by both the county and the municipality, by the department, or by a combination of
8 those entities. Based on the maintenance agreement and available funding, the department shall transfer funds
9 from the account established in 61-3-321(21)(a) to the appropriate county or municipality as provided for in the
10 maintenance agreement. If the maintenance agreement provides for maintenance by the department, the
11 department shall use the funds in the account for that purpose."

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13 NEW SECTION. **Section 4. Effective date.** [This act] is effective July 1, 2023.

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