

HOUSE BILL NO. 227

INTRODUCED BY J. ETCHART

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A CONTINGENT LITIGATION FUND FOR OCCUPATIONAL LICENSING BOARDS AND PROGRAMS; PROVIDING FOR USES OF THE FUND; PROVIDING FOR BOARDS AND PROGRAMS SUBJECT TO CONTRIBUTION OF THE FUND; PROVIDING RULEMAKING AUTHORITY; PROVIDING A STATUTORY APPROPRIATION; AMENDING SECTION 17-7-502, MCA; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE."

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

NEW SECTION. Section 1. Contingent litigation fund -- uses -- fees -- rulemaking authority. (1)

There is an account in the state special revenue fund for contingent litigation fees. The money in the account is statutorily appropriated, as provided in 17-7-502, to the department of labor and industry and must be used to pay the legal fees and costs associated with the discipline of a license issued by a licensing board created under Title 2, chapter 15, part 17, or a licensing program recognized by 37-1-401.

(a) Fees and costs may only be paid from the fund if the actual fees and costs of the disciplinary proceeding exceed \$15,000. Subject to the availability of funds, money may be transferred to the board or program for all fees and costs exceeding \$15,000.

(b) The fees and costs may continue to be paid from the fund if the board or program becomes ineligible to participate in the fund pursuant to subsection (4).

(c) The department is authorized to make rules relating to the distribution of the fund, including the priority to the allocation of the fund.

(2) The department may not use the funding provided in this section to pay costs, fees, penalties, or sanctions ordered against a board or program.

(3) The department is authorized to set a fee by rule that:

- (a) (i) may not exceed \$25 a year for each licensee;
- (ii) must be paid by licensees as part of their initial or renewal application fee; and

- 1 (iii) must be the same for all licenses of boards subject to this section;
- 2 (b) may not be collected in any fiscal year in which the total fund balance on March 31 exceeds
- 3 \$300,000; and
- 4 (c) is solely applicable to licensees of boards or programs identified in subsection (4).
- 5 (4) A board or program with revenue of \$200,000 or less based on a preceding fiscal 3-year rolling
- 6 average is subject to this section.
- 7 (5) Interest and income earned on the account and any unspent or unencumbered money in the
- 8 account at the end of a fiscal year must remain in the account.

9

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

11 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory
12 appropriation is an appropriation made by permanent law that authorizes spending by a state agency without
13 the need for a biennial legislative appropriation or budget amendment.

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

- 16 (a) The law containing the statutory authority must be listed in subsection (3).
- 17 (b) The law or portion of the law making a statutory appropriation must specifically state that a
- 18 statutory appropriation is made as provided in this section.

19 (3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120; 5-
20 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-
21 807; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-3-316; 10-3-802; 10-3-1304; 10-4-304; 10-4-310; 15-1-121;
22 15-1-142; 15-1-143; 15-1-218; 15-1-2302; 15-31-165; 15-31-1004; 15-31-1005; 15-35-108; 15-36-332; 15-37-
23 117; 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-
24 3-212; 17-3-222; 17-3-241; 17-6-101; 17-6-214; 17-7-133; 17-7-215; 18-11-112; 19-3-319; 19-3-320; 19-6-410;
25 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-
26 369; 20-7-1709; 20-8-107; 20-9-250; 20-9-534; 20-9-622; [20-15-328]; 20-26-617; 20-26-1503; 22-1-327; 22-3-
27 116; 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
28 1]; 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-

1 13-102; 50-1-115; 53-1-109; 53-6-148; 53-9-113; 53-24-108; 53-24-206; 60-5-530; 60-11-115; 61-3-321; 61-3-
2 415; 67-1-309; 69-3-870; 69-4-527; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 75-26-308; 76-13-150; 76-13-
3 151; 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-
4 113; 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-
5 5-909; 90-1-115; 90-1-205; 90-1-504; 90-6-331; and 90-9-306.

6 (4) There is a statutory appropriation to pay the principal, interest, premiums, and any costs or fees
7 associated with issuing, paying, securing, redeeming, or defeasing all bonds, notes, or other obligations, as due
8 in the ordinary course or when earlier called for redemption or defeased, that have been authorized and issued
9 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of
10 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined
11 by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have
12 statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the
13 inclusion of 19-20-604 terminates contingently when the amortization period for the teachers' retirement
14 system's unfunded liability is 10 years or less; pursuant to sec. 73, Ch. 44, L. 2007, the inclusion of 19-6-410
15 terminates contingently upon the death of the last recipient eligible under 19-6-709(2) for the supplemental
16 benefit provided by 19-6-709; pursuant to sec. 5, Ch. 383, L. 2015, the inclusion of 85-25-102 is effective on
17 occurrence of contingency; pursuant to sec. 6, Ch. 423, L. 2015, the inclusion of 22-3-116 and 22-3-117
18 terminates June 30, 2025; pursuant to sec. 4, Ch. 122, L. 2017, the inclusion of 10-3-1304 terminates
19 September 30, 2025; pursuant to sec. 1, Ch. 213, L. 2017, the inclusion of 90-6-331 terminates June 30, 2027;
20 pursuant to sec. 10, Ch. 374, L. 2017, the inclusion of 76-17-103 terminates June 30, 2027; pursuant to secs.
21 11, 12, and 14, Ch. 343, L. 2019, the inclusion of 15-35-108 terminates June 30, 2027; pursuant to sec. 1, Ch.
22 408, L. 2019, the inclusion of 17-7-215 terminates June 30, 2029; pursuant to secs. 1, 2, 3, Ch. 139, L. 2021,
23 the inclusion of 53-9-113 terminates June 30, 2027; pursuant to sec. 8, Ch. 200, L. 2021, the inclusion of 10-4-
24 310 terminates July 1, 2031; pursuant to secs. 3, 4, Ch. 404, L. 2021, the inclusion of 30-10-1004 terminates
25 June 30, 2027; pursuant to sec. 5, Ch. 548, L. 2021, the inclusion of 50-1-115 terminates June 30, 2025;
26 pursuant to secs. 5 and 12, Ch. 563, L. 2021, the inclusion of 22-3-1004 is effective July 1, 2027; pursuant to
27 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-
28 113, and 81-7-106 terminates June 30, 2029; pursuant to sec. 9, Ch. 44, L. 2023, the inclusion of 15-1-142

1 terminates December 31, 2025; pursuant to sec. 10, Ch. 47, L. 2023, the inclusion of 15-1-2302 terminates
 2 June 30, 2025; pursuant to sec. 2, Ch. 374, L. 2023, the inclusion of 10-3-802 terminates June 30, 2031;
 3 pursuant to sec. 12, Ch. 558, L. 2023, the inclusion of 20-9-250 terminates December 31, 2029; pursuant to
 4 sec. 4, Ch. 621, L. 2023, the inclusion of 22-1-327 terminates July 1, 2029; pursuant to sec. 24, Ch. 722, L.
 5 2023, the inclusion of 17-7-133 terminates June 30, 2027; pursuant to sec. 10, Ch. 758, L. 2023, the inclusion
 6 of 44-4-1506 terminates June 30, 2027; and pursuant to sec. 10, Ch. 764, L. 2023, the inclusion of 15-1-143
 7 terminates December 31, 2025.)"

8

9 NEW SECTION. Section 3. Codification instruction. [Section 1] is intended to be codified as an
 10 integral part of Title 37, chapter 1, part 1, and the provisions of Title 37, chapter 1, part 1, apply to [section 1].

11

12 NEW SECTION. Section 4. Effective date. [This act] is effective July 1, 2025.

13

14 NEW SECTION. Section 5. Termination. [This act] terminates June 30, 2031. Any money in the fund
 15 must be disbursed on a pro rata basis to the boards or programs covered by [section 1] at the time of
 16 disbursement.

17

- END -