

HOUSE BILL 247

Introduced by Spring, et al.

1/17	Introduced
1/17	Referred to Natural Resources
1/18	First Reading
1/18	Fiscal Note Requested
1/23	Fiscal Note Received
1/23	Fiscal Note Printed
1/28	Hearing
3/12	Tabled in Committee

1 *House* BILL NO. *247*  
 2 INTRODUCED BY *Spring*  
 3 *Steppler* *Serge Nelson*  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE FROM 1/2 OF  
 5 1 PERCENT TO 2 PERCENT THE AMOUNT OF COAL SEVERANCE TAXES  
 6 ALLOCABLE TO CONSERVATION DISTRICTS; AMENDING SECTION  
 7 15-35-108, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN  
 8 APPLICABILITY DATE."  
 9

10 WHEREAS, Montana's conservation districts are legal  
 11 subdivisions of state government responsible under law to  
 12 develop and carry out long-range programs that will result  
 13 in the conservation and improvement of soil and water  
 14 resources, to provide assistance in the planning and  
 15 application of conservation measures, and to encourage  
 16 maximum participation of the general public and all local  
 17 public and private agencies to fulfill these purposes; and

18 WHEREAS, Montana's conservation districts represent  
 19 about 14,500 cooperators, totaling 43,550,000 acres of  
 20 farmland and rangeland within their boundaries; and

21 WHEREAS, districts in urban and developing areas provide  
 22 soil surveys, water inventories, assistance with waste  
 23 disposal, and other services to builders, contractors,  
 24 planning commissions, municipal officials, schools,  
 25 hospitals, industries, and smaller landowners; and

1 WHEREAS, two concepts gaining support and understanding  
 2 are the desirability of decentralized government and the  
 3 limits of natural resources. In combination, these ideas and  
 4 demands on conservation districts' services have resulted in  
 5 tremendously magnified responsibilities for the districts.  
 6

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

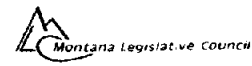
8 **Section 1.** Section 15-35-108, MCA, is amended to read:

9 **"15-35-108. (Temporary) Disposal of severance taxes.**  
 10 Severance taxes collected under this chapter must be  
 11 allocated according to the provisions in effect on the date  
 12 the tax is due under 15-35-104. Severance taxes collected  
 13 under the provisions of this chapter are allocated as  
 14 follows:

15 (1) To the trust fund created by Article IX, section 5,  
 16 of the Montana constitution, 50% of total coal severance tax  
 17 collections. The trust fund moneys shall be deposited in the  
 18 fund established under 17-6-203+5}(6) and invested by the  
 19 board of investments as provided by law.

20 (2) Starting July 1, 1987, and ending June 30, 1993,  
 21 12% of coal severance tax collections are allocated to the  
 22 highway reconstruction trust fund account in the state  
 23 special revenue fund.

24 (3) Coal severance tax collections remaining after the  
 25 allocations provided by subsections (1) and (2) are



1 allocated in the following percentages of the remaining  
2 balance:

3 (a) 17.5% to the credit of the local impact account.  
4 Unencumbered funds remaining in the local impact account at  
5 the end of each biennium are allocated to the state special  
6 revenue fund for state equalization aid to public schools of  
7 the state.

8 (b) 30% to the state special revenue fund for state  
9 equalization aid to public schools of the state;

10 (c) 1% to the state special revenue fund to the credit  
11 of the county land planning account;

12 (d) 1 1/4% to the credit of the renewable resource  
13 development bond fund;

14 (e) 5% to a nonexpendable trust fund for the purpose of  
15 parks acquisition or management, protection of works of art  
16 in the state capitol, and other cultural and aesthetic  
17 projects. Income from this trust fund shall be appropriated  
18 as follows:

19 (i) 1/3 for protection of works of art in the state  
20 capitol and other cultural and aesthetic projects; and

21 (ii) 2/3 for the acquisition, development, operation,  
22 and maintenance of any sites and areas described in  
23 23-1-102;

24 (f) 1% to the state special revenue fund to the credit  
25 of the state library commission for the purposes of

1 providing basic library services for the residents of all  
2 counties through library federations and for payment of the  
3 costs of participating in regional and national networking;

4 (g) ~~1/2 of 1%~~ 2% to the state special revenue fund for  
5 conservation districts;

6 (h) 1 1/4% to the debt service fund type to the credit  
7 of the water development debt service fund;

8 (i) 2% to the state special revenue fund for the  
9 Montana Growth Through Agriculture Act;

10 (j) all other revenues from severance taxes collected  
11 under the provisions of this chapter to the credit of the  
12 general fund of the state. (Terminates July 1, 1993--sec. 7,  
13 Ch. 541, L. 1983.)

14 15-35-108. (Effective July 1, 1993) Disposal of  
15 severance taxes. Severance taxes collected under this  
16 chapter must be allocated according to the provisions in  
17 effect on the date the tax is due under 15-35-104. Severance  
18 taxes collected under the provisions of this chapter are  
19 allocated as follows:

20 (1) To the trust fund created by Article IX, section 5,  
21 of the Montana constitution, 50% of total coal severance tax  
22 collections. The trust fund moneys shall be deposited in the  
23 fund established under 17-6-203~~(5)~~(6) and invested by the  
24 board of investments as provided by law.

25 (2) Coal severance tax collections remaining after

1 allocation to the trust fund under subsection (1) are  
2 allocated in the following percentages of the remaining  
3 balance:

4 (a) 17.5% to the credit of the local impact account.  
5 Unencumbered funds remaining in the local impact account at  
6 the end of each biennium are allocated to the state special  
7 revenue fund for state equalization aid to public schools of  
8 the state.

9 (b) 30% to the state special revenue fund for state  
10 equalization aid to public schools of the state;

11 (c) 1% to the state special revenue fund to the credit  
12 of the county land planning account;

13 (d) 1 1/4% to the credit of the renewable resource  
14 development bond fund;

15 (e) 5% to a nonexpendable trust fund for the purpose of  
16 parks acquisition or management, protection of works of art  
17 in the state capitol, and other cultural and aesthetic  
18 projects. Income from this trust fund shall be appropriated  
19 as follows:

20 (i) 1/3 for protection of works of art in the state  
21 capitol and other cultural and aesthetic projects; and

22 (ii) 2/3 for the acquisition, development, operation,  
23 and maintenance of any sites and areas described in  
24 23-1-102;

25 (f) 1% to the state special revenue fund to the credit

1 of the state library commission for the purposes of  
2 providing basic library services for the residents of all  
3 counties through library federations and for payment of the  
4 costs of participating in regional and national networking;

5 (g) ~~1/2-of-1%~~ 2% to the state special revenue fund for  
6 conservation districts;

7 (h) 1 1/4% to the debt service fund type to the credit  
8 of the water development debt service fund;

9 (i) 2% to the state special revenue fund for the  
10 Montana Growth Through Agriculture Act;

11 (j) all other revenues from severance taxes collected  
12 under the provisions of this chapter to the credit of the  
13 general fund of the state."

14 NEW SECTION. **Section 2.** Effective date --  
15 applicability. [This act] is effective July 1, 1991, and  
16 applies to coal severance tax proceeds collected on or after  
17 July 1, 1991.

-End-

## STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0247, as introduced.DESCRIPTION OF PROPOSED LEGISLATION:

An act to increase from 1/2 of 1 percent to 2 percent the amount of coal severance taxes allocable to conservation districts; providing an effective date and an applicability date.

ASSUMPTIONS:


1. Coal severance tax receipts will be \$38,595,000 and \$37,109,000 in FY92 and FY93, respectively (OBPP).
2. The proposal contemplates a redistribution of anticipated funds. The proportion allocated to conservation districts would quadruple and that allocated to the general fund would be reduced by a like amount.

FISCAL IMPACT:Revenues:

	FY '92			FY '93		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
Coal Severance Tax	\$38,595,000	\$38,595,000	\$0	\$37,109,000	\$37,109,000	0

Fund Information:

	FY '92			FY '93		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
General Fund (01)	\$5,939,771	\$5,719,779	(219,991)	\$5,711,075	5,499,554	(211,521)
Conservation Districts (02)	73,331	293,322	219,991	70,507	282,028	211,521
County Land Planning	146,661	146,661	0	141,014	141,014	0
Local Impact	2,566,568	2,566,568	0	2,467,749	2,467,749	0
Agricultural Growth	293,322	293,322	0	282,028	282,028	0
Public Schools	4,399,830	4,399,830	0	4,230,426	4,230,426	0
State Library	146,661	146,661	0	141,014	141,014	0
Renewable Resources	183,326	183,326	0	176,268	176,268	0
Parks Trust	733,305	733,305	0	705,071	705,071	0
Permanent Trust	19,297,500	19,297,500	0	18,554,500	18,554,500	0
Water Development	183,326	183,326	0	176,268	176,268	0
Highway Trust	<u>4,631,400</u>	<u>4,631,400</u>	<u>0</u>	<u>4,453,080</u>	<u>4,453,080</u>	<u>0</u>
Total	\$38,595,000	\$38,595,000	0	37,109,000	37,109,000	0

  
 ROD SUNDSTED, BUDGET DIRECTOR DATE 1-22-91  
 Office of Budget and Program Planning

  
 WILBUR SPRING, PRIMARY SPONSOR DATE 1-23-91

Fiscal Note for HB0247, as introduced**HB 247**