

HOUSE BILL 437

Introduced by Spring

1/29	Introduced
1/29	Referred to Taxation
1/29	First Reading
1/29	Fiscal Note Requested
2/01	Fiscal Note Received
2/04	Fiscal Note Printed
2/19	Hearing
2/19	Tabled in Committee

1 HOUSE BILL NO. 437  
 2 INTRODUCED BY Spring  
 3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOCATING A PORTION OF  
 5 THE RESOURCE INDEMNITY TRUST FUND RECEIPTS TO THE STATE  
 6 SPECIAL REVENUE FUND FOR CONSERVATION DISTRICTS TO FUND  
 7 CERTAIN CONSERVATION DISTRICT OPERATIONS AND PROJECTS;  
 8 AMENDING SECTION 15-38-202, MCA; AND PROVIDING A CONTINGENT  
 9 EFFECTIVE DATE AND AN APPLICABILITY DATE."

10  
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 **Section 1.** Section 15-38-202, MCA, is amended to read:

13 "15-38-202. Investment of resource indemnity trust fund  
 14 -- expenditure -- minimum balance. (1) (a) All money paid  
 15 into the resource indemnity trust fund, including money  
 16 payable into the fund under the provisions of 15-37-117,  
 17 shall must be invested at the discretion of the board of  
 18 investments. All the net earnings accruing to the resource  
 19 indemnity trust fund shall must annually be added to the  
 20 trust fund until it has reached the sum of \$10 million.  
 21 Thereafter, only the net earnings may be appropriated and  
 22 expended until the fund reaches \$100 million. Thereafter  
 23 Except as provided in subsection (1)(b), all net earnings  
 24 and all receipts shall must be appropriated by the  
 25 legislature and expended, provided that the balance in the

1 fund may never be less than \$100 million.  
 2 (b) Once the fund reaches \$100 million, 20% of all  
 3 receipts of the resource indemnity trust fund must be  
 4 allocated to the account in the state special revenue fund  
 5 for conservation districts as provided in [section 2].

6 (2) (a) At the beginning of each biennium, there is  
7 allocated from the interest income of the resource indemnity  
8 trust fund:

9 (i) an amount not to exceed \$175,000 to the  
 10 environmental contingency account pursuant to the conditions  
 11 of 75-1-1101; and

12 (ii) beginning in fiscal year 1992, an amount not to  
 13 exceed \$50,000 to the oil and gas production damage  
 14 mitigation account pursuant to the conditions of 82-11-161.

15 (b) The remainder of the interest income is allocated  
16 as follows:

17 (i) Beginning in fiscal year 1982, provided the amount  
 18 in the resource indemnity trust fund is greater than \$10  
 19 million, 30% of the interest income of the resource  
 20 indemnity trust fund must be allocated to the water  
 21 development state special revenue account created by  
 22 85-1-604.

23 (ii) Beginning in fiscal year 1988, 12% of the interest  
 24 income of the resource indemnity trust fund must be  
 25 allocated to the hazardous waste/CERCLA special revenue



1 account provided for in 75-10-621.

2 (iii) Beginning in fiscal year 1990, 8% of the interest  
3 income from the resource indemnity trust fund must be  
4 allocated to the renewable resource development account  
5 provided for in Title 90, chapter 2.

6 (iv) Beginning in fiscal year 1990, 46% of the interest  
7 income from the resource indemnity trust fund must be  
8 allocated to the reclamation and development grants account  
9 provided for in 90-2-1104.

10 (v) Beginning in fiscal year 1990, 4% of the interest  
11 income of the resource indemnity trust fund must be  
12 allocated to the environmental quality protection fund  
13 provided for in 75-10-704.

14 (3) Any formal budget document prepared by the  
15 legislature or the executive branch that proposes to  
16 appropriate funds from the resource indemnity trust interest  
17 account other than as provided for by the allocations in  
18 subsection (2) must specify the amount of money from each  
19 allocation that is proposed to be diverted and the proposed  
20 use of the diverted funds. A formal budget document includes  
21 a printed and publicly distributed budget proposal or  
22 recommendation, an introduced bill, or a bill developed  
23 during the legislative appropriation process or otherwise  
24 during a legislative session."

25 NEW SECTION. Section 2. Conservation districts account

1 created -- allowable expenditures. (1) There is an account  
2 in the state special revenue fund for conservation  
3 districts, proceeds of which may be expended only as  
4 provided in subsection (3).

5 (2) There must be paid into the account created under  
6 subsection (1) proceeds from the resource indemnity trust  
7 fund as provided in 15-38-202(1)(b).

8 (3) Funds allocated under this section must be used to  
9 fund conservation district operations, special conservation  
10 district projects, and other programs administered by  
11 conservation districts.

12 (4) Funds allocated under 15-38-202(1)(b) that are  
13 deposited in the state special revenue fund for conservation  
14 districts but that are not appropriated or spent during the  
15 biennium must remain in the account and may not be  
16 transferred or appropriated except as authorized in this  
17 section.

18 NEW SECTION. Section 3. Codification instruction.  
19 [Section 2] is intended to be codified as an integral part  
20 of Title 76, chapter 15, part 5, and the provisions of Title  
21 76, chapter 15, part 5, apply to [section 2].

22 NEW SECTION. Section 4. Contingent effective date --  
23 applicability. [This act] is effective on the date the  
24 resource indemnity trust fund principal reaches \$100  
25 million, as required by Article IX, section 2, of the

LC 0749/01

- 1 Montana constitution, and applies to receipts payable to the
- 2 fund after that date.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0437, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:


An act allocating a portion of the resource indemnity trust fund receipts to the state special revenue fund for conservation districts to fund certain conservation district operations and projects.


ASSUMPTIONS:

1. The proposal will have no effect until the balance of the Resource Indemnity Trust Fund reaches \$100,000,000.
2. The balance of the Resource Indemnity Trust Fund will reach \$100,000,000 in FY96. (OBPP)

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

After the balance of the Resource Indemnity Trust Fund reaches \$100,000,000, 20% of the Resource Indemnity Trust Tax receipts will be allocated to the conservation districts account. Assuming RITT receipts of \$5.0 million, approximately \$1.0 million would be allocated annually to conservation districts after the fund balance reaches \$100 million.

  
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ROD SUNDSTED, BUDGET DIRECTOR                      DATE  
Office of Budget and Program Planning                      2-1-91

  
\_\_\_\_\_  
WILBUR SPRING, PRIMARY SPONSOR                      DATE  
Fiscal Note for HB0437, as introduced                      2/2/91

**HB 437**