

HOUSE BILL 463

Introduced by Peck, et al.

1/30	Introduced
1/30	Referred to Education & Cultural Resources
1/30	First Reading Died in Committee

CONSTITUTIONAL AMENDMENT

1 ~~HOUSE~~ BILL NO. 463
 2 INTRODUCED BY Rep. Connelly Sen. Clarke Sen. Elbert
 3 Sen. Ginter Sen. Hahn Sen. Williams Sen. Steyer

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO SUBMIT TO THE
 5 QUALIFIED ELECTORS OF MONTANA AN AMENDMENT TO ARTICLE X,
 6 SECTION 9, OF THE MONTANA CONSTITUTION TO REMOVE THE BOARD
 7 OF REGENTS' TOTAL AUTHORITY OVER THE UNIVERSITY SYSTEM; AND
 8 TO PROVIDE THAT THE FUNDING OF THE MONTANA UNIVERSITY SYSTEM
 9 IS SUBJECT TO THE APPROPRIATION AUTHORITY OF THE
 10 LEGISLATURE."

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

13 **Section 1.** Article X, section 9, of The Constitution of
 14 the State of Montana is amended to read:

15 *Section 9. Boards of education. (1) There is a state
 16 board of education composed of the board of regents of
 17 higher education and the board of public education. It is
 18 responsible for long-range planning, and for coordinating
 19 and evaluating policies and programs for the state's
 20 educational systems. It shall submit unified budget
 21 requests. A tie vote at any meeting may be broken by the
 22 governor, who is an ex officio member of each component
 23 board.

24 (2) (a) ~~The government and control~~ Except as provided
 25 by law, the management of the Montana university system is

1 vested in a board of regents of higher education which shall
 2 ~~have full power, responsibility, and authority to supervise,~~
 3 ~~coordinate, manage and control the Montana university system~~
 4 and shall also supervise and coordinate other public
 5 educational institutions assigned by law.

6 (b) The board consists of seven members appointed by
 7 the governor, and confirmed by the senate, to overlapping
 8 terms, as provided by law. The governor and superintendent
 9 of public instruction are ex officio non-voting members of
 10 the board.

11 (c) The board shall appoint a commissioner of higher
 12 education and prescribe his term and duties.

13 (d) The funds and appropriations ~~under the control~~ of
 14 the board of regents, except for the endowment fund and the
 15 annuity and life income fund, are subject to the
 16 appropriation authority of the legislature and to the same
 17 audit provisions as are all other state funds.

18 (3) (a) There is a board of public education to
 19 exercise general supervision over the public school system
 20 and such other public educational institutions as may be
 21 assigned by law. Other duties of the board shall be provided
 22 by law.

23 (b) The board consists of seven members appointed by
 24 the governor, and confirmed by the senate, to overlapping
 25 terms as provided by law. The governor, commissioner of



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1 higher education and state superintendent of public
2 instruction shall be ex officio non-voting members of the
3 board."

4 NEW SECTION. **Section 2. Submission to electorate.** This
5 amendment shall be submitted to the qualified electors of
6 Montana at the general election to be held in November 1992
7 by printing on the ballot the full title of this act and the
8 following:

9 FOR removing the board of regents' total authority over
10 the university system and subjecting the university
11 system funding to the appropriation authority of the
12 legislature.

13 AGAINST removing the board of regents' total authority
14 over the university system and subjecting the
15 university system funding to the appropriation
16 authority of the legislature.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0463, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:


An act providing a legislative response to the provisions of Initiative Measure No. 105, adopted by the voters of Montana on November 4, 1986, and to the provisions of Title 15, Chapter 10, Part 4, MCA; establishing a local government block grant program; imposing a 5 percent local government surtax on individual income tax and corporation license or income tax; and providing effective dates, and a retroactive applicability date.

ASSUMPTIONS:

1. According to the proposed legislation, a 5% surtax would be added to individual income and corporation license/income tax liabilities beginning with tax years starting after December 31, 1990. It is assumed that new withholding and estimated tax schedules reflecting the surtax would be implemented effective July 1, 1991.
2. The current law individual income tax receipts estimates for FY92 and FY93 are \$311,176,000 and \$327,201,000.
3. In FY92 and FY93, current law individual withholding/estimated tax receipts will be the same percent of total income tax receipts as they were in FY90, namely 88.34%.
4. Individual withholding/estimated tax receipts for FY92 and FY93 will be \$274,892,878 and \$289,049,363, respectively, under current law.
5. Most Montana employers pay individual withholding taxes on a quarterly basis, with the payment due in the month following the close of the quarter. Approximately 80 large employers pay on a more accelerated weekly or bi-weekly basis. It is assumed under the proposed legislation that only three quarterly payments of withholding taxes with the surtax will be received in FY92 from regular payment employers, and that all 12 months of payments will be received from the accelerated payment employers. For FY93, all 4 quarterly payments from regular employers will be received along with 12 months of payments from the 80 accelerated payment employers.
6. In FY92 and FY93, the receipt of individual withholding and estimated tax receipts by month will be in the same proportion as for FY90; the proportion to total individual withholding/estimated receipts for regular withholding, accelerated withholding, and estimated tax receipts will be the same as for FY90.
7. Under current law, corporate tax receipts for FY92 and FY93 will be \$60,841,000 and \$60,111,000, respectively (CBPP). Under the proposed legislation, receipts for FY92 and FY93 will be 5% higher or \$63,883,050 and \$63,166,550.
8. According to the proposed legislation, a portion of the proceeds from the surtax would be retained for refunds related to overpayment of taxes. In FY87, FY88, and FY89 refunds for overpayments as percent of total individual income tax collections were 0.16%, 0.14%, and 1.23%, respectively, or an average of 0.5%. It is assumed that this average would apply to overpayment refunds related to surtax collections for both individual and corporate tax receipts.
9. The bill would require changing withholding schedules in the middle of calendar year 1991 with the associated extra printing and distribution costs of \$12,000 in FY92.

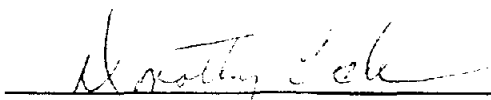
FISCAL IMPACT:

see next page


ROD SUNDSTED, BUDGET DIRECTOR

DATE

Office of Budget and Program Planning


DOROTHY ECK, PRIMARY SPONSOR

DATE

Fiscal Note for SB0463, as introduced

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FISCAL IMPACT:

	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>
<u>Expenditures:</u>						
Operating Expenses	0	12,000	12,000	0	0	0
<u>Funding:</u>						
General Fund	0	12,000	12,000	0	0	0
<u>Revenues:</u>						
Individual Income Tax	311,176,000	323,257,788	12,081,788	327,201,000	341,653,468	14,452,468
Corporation Tax	<u>60,841,000</u>	<u>63,883,050</u>	<u>3,042,050</u>	<u>60,111,000</u>	<u>63,116,550</u>	<u>3,005,550</u>
TOTAL	372,017,000	387,140,838	15,123,838	387,312,000	404,770,018	17,458,018
<u>Revenue Fund Information:</u>						
General Fund	367,259,000	367,259,000	0	382,610,000	382,610,000	0
Financial Institutions- Local Government (02)	4,758,000	4,758,000	0	4,702,000	4,702,000	0
Special Revenue Fund- Local Gov. Surtax Account (02)	<u>0</u>	<u>15,123,838</u>	<u>15,123,838</u>	<u>0</u>	<u>17,458,018</u>	<u>17,458,018</u>
TOTAL	372,017,000	387,140,838	15,123,838	387,312,000	404,770,018	17,458,018
<u>Net Impact:</u>						
Special Revenue Fund- Local Gov. Block Grant Account (02)	0	15,048,219	15,048,219	0	17,370,728	17,370,728
Impact to General Fund			(12,000)			0

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The net funds from the proposed surtax would be distributed to local municipal and county governments using formulas that contain factors related to the local government's population and mill value per capita.

TECHNICAL NOTE:

The word at the beginning of line 13, page 6 should be state.

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