

HOUSE BILL 565

Introduced by Daily

2/01	Introduced
2/01	Referred to Natural Resources
2/02	First Reading
2/02	Fiscal Note Requested
2/06	Fiscal Note Received
2/07	Fiscal Note Printed
3/12	Tabled in Committee

1 *House* BILL NO. 565
2 INTRODUCED BY *[Signature]*

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOCATING 100 PERCENT
5 OF THE PROCEEDS OF THE RESOURCE INDEMNITY TRUST TAX TO THE
6 RECLAMATION AND DEVELOPMENT GRANTS ACCOUNT AFTER THE
7 RESOURCE INDEMNITY TRUST FUND REACHES \$100 MILLION; AND
8 AMENDING SECTIONS 15-38-106, 15-38-202, 15-38-203, AND
9 90-2-1104, MCA."

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

12 **Section 1.** Section 15-38-106, MCA, is amended to read:

13 "15-38-106. Payment of tax -- records -- collection of
14 taxes -- refunds. (1) The tax imposed by this chapter shall
15 be paid by each person to which the tax applies, on or
16 before March 31, on the value of product in the year
17 preceding January 1 of the year in which the tax is paid.
18 The tax shall be paid to the department at the time the
19 statement of yield for the preceding calendar year is filed
20 with the department.

21 (2) The department shall deposit the proceeds of the
22 tax in the resource indemnity trust fund of the
23 nonexpendable trust fund type until the fund reaches \$100
24 million and thereafter to the account provided for in
25 90-2-1104.

1 (3) Every person to whom the tax applies shall keep
2 records in accordance with 15-38-105, and the records are
3 subject to inspection by the department upon reasonable
4 notice during normal business hours.

5 ~~(3)~~(4) The department shall examine the statement and
6 compute the taxes thereon, and the amount computed by the
7 department shall be the taxes imposed, assessed against, and
8 payable by the taxpayer. If the tax found to be due is
9 greater than the amount paid, the excess shall be paid by
10 the taxpayer to the department within 30 days after written
11 notice of the amount of deficiency is mailed by the
12 department to the taxpayer. If the tax imposed is less than
13 the amount paid, the difference must be applied as a tax
14 credit against tax liability for subsequent years or
15 refunded if requested by the taxpayer."

16 **Section 2.** Section 15-38-202, MCA, is amended to read:

17 "15-38-202. Investment of resource indemnity trust fund
18 -- expenditure -- minimum balance. (1) All money paid into
19 the resource indemnity trust fund, including money payable
20 into the fund under the provisions of 15-37-117, shall be
21 invested at the discretion of the board of investments. All
22 the net earnings accruing to the resource indemnity trust
23 fund shall annually be added to the trust fund until it has
24 reached the sum of \$10 million. Thereafter, only the net
25 earnings may be appropriated and expended until the fund

1 reaches \$100 million. Thereafter, all net earnings and all
2 receipts shall be appropriated by the legislature and
3 expended, provided that the balance in the fund may never be
4 less than \$100 million.

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

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

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

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

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

22 (ii) Beginning in fiscal year 1988, 12% of the interest
23 income of the resource indemnity trust fund must be
24 allocated to the hazardous waste/CERCLA special revenue
25 account provided for in 75-10-621.

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

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

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

13 (3) At the beginning of each biennium after the
14 resource indemnity trust fund reaches \$100 million, all
15 proceeds of the tax imposed by Title 15, chapter 38, are
16 allocated to the reclamation and development grants account
17 provided for in 90-2-1104.

18 (4) Any formal budget document prepared by the
19 legislature or the executive branch that proposes to
20 appropriate funds from the resource indemnity trust interest
21 account other than as provided for by the allocations in
22 subsection (2) must specify the amount of money from each
23 allocation that is proposed to be diverted and the proposed
24 use of the diverted funds. A formal budget document includes
25 a printed and publicly distributed budget proposal or

1 recommendation, an introduced bill, or a bill developed
 2 during the legislative appropriation process or otherwise
 3 during a legislative session."

4 **Section 3.** Section 15-38-203, MCA, is amended to read:

5 "15-38-203. Purpose of fund usage -- limitation on
 6 future use. (1) Any funds made available under this chapter
 7 shall be used and expended to improve the total environment
 8 and rectify damage thereto.

9 (2) It is the intent of the legislature that future
 10 appropriations from the resource indemnity trust interest
 11 account and the proceeds of the tax imposed by Title 15,
 12 chapter 38, not be made to fund general operating expenses
 13 of state agencies."

14 **Section 4.** Section 90-2-1104, MCA, is amended to read:

15 "90-2-1104. Reclamation and development grants account.

16 (1) There is a reclamation and development grants special
 17 revenue account within the state special revenue fund
 18 established in 17-2-102.

19 (2) There must be paid into the reclamation and
 20 development grants account money allocated from the interest
 21 income of the resource indemnity trust fund and the proceeds
 22 of the tax imposed by Title 15, chapter 38, under the
 23 provisions of 15-38-202.

24 (3) Appropriations may be made from the reclamation and
 25 development grants account for the following purposes:

- 1 (a) grants for designated projects; and
 2 (b) administrative expenses, including the salaries and
 3 expenses of personnel, equipment, office space, and other
 4 expenses necessarily incurred in the administration of the
 5 grants program. These expenses may be funded prior to
 6 funding of projects."

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0565, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:


An act allocating 100 percent of the proceeds of the resource indemnity trust tax to the reclamation and development grants account after the resource indemnity trust fund reaches \$100 million.

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, 100% of the Resource Indemnity Trust Tax receipts will be allocated to the reclamation and development grants account. Assuming RITT receipts of \$5.0 million annually, they would be allocated to the reclamation and development grants account after the fund balance reaches \$100 million.



ROD SUNDSTED, BUDGET DIRECTOR 2-6-91
Office of Budget and Program Planning DATE



FRED "FRITZ" DAILY, PRIMARY SPONSOR 2-7-91
Fiscal Note for HB0565, as introduced DATE
HB 565