

HOUSE BILL 614

Introduced by Cobb

2/05	Introduced
2/05	Referred to Taxation
2/05	First Reading
3/07	Hearing
3/22	Tabled in Committee

1 HOUSE BILL NO. 614
2 INTRODUCED BY Wob

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING AN
5 APPROPRIATION FOR THE PURCHASE OF HEALTH INSURANCE FOR THE
6 CHILDREN OF CERTAIN LOW-INCOME FAMILIES AS AUTHORIZED BY [LC
7 220]; INCREASING CIGARETTE TAXES AND APPROPRIATING A PORTION
8 OF THE PROCEEDS TO THE CHILDREN'S HEALTH INSURANCE FUND;
9 APPROPRIATING MONEY FROM THE STATE EQUALIZATION AID ACCOUNT
10 IN THE STATE SPECIAL REVENUE FUND TO THE CHILDREN'S HEALTH
11 INSURANCE FUND; AMENDING SECTIONS 16-11-111, 16-11-119, AND
12 17-5-408, MCA; AND PROVIDING EFFECTIVE DATES AND A
13 TERMINATION DATE."

14
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

16 **Section 1.** Section 16-11-111, MCA, is amended to read:

17 "16-11-111. Cigarette sales tax. There is hereby
18 levied, imposed, and assessed and there shall be collected
19 and paid to the state of Montana upon cigarettes sold or
20 possessed in this state the following excise tax which shall
21 be paid prior to the time of sale and delivery of
22 cigarettes: ~~18~~ 21 cents on each package containing 20
23 cigarettes and, when packages contain more or less than 20
24 cigarettes, then a tax on each cigarette equal to 1/20th the
25 tax on a package containing 20 cigarettes."



1 **Section 2.** Section 16-11-119, MCA, is amended to read:

2 "16-11-119. Disposition of taxes -- retirement of
3 bonds. All moneys collected under the provisions of
4 16-11-111, less the expense of collecting all the taxes
5 levied, imposed, and assessed by said section, shall be paid
6 to the state treasurer and deposited as follows: ~~70.89%~~
7 60.76% in the long-range building program fund in the debt
8 service fund type and, ~~29.11%~~ 24.95% in the long-range
9 building program fund in the capital projects fund type, and
10 14.28% in the children's health insurance fund established
11 in [section 4 of Bill No.] [LC 220]."

12 **Section 3.** Section 17-5-408, MCA, is amended to read:

13 "17-5-408. Percentage of income, corporation license,
14 and cigarette tax pledged. (1) (a) The state pledges and
15 appropriates and directs to be credited as received to the
16 debt service account 9.8% for fiscal year 1990 and 8.7% for
17 fiscal year 1991 of all money received from the collection
18 of the individual income tax and 11% for fiscal year 1990
19 and 10.5% for fiscal year 1991 of all money, except as
20 provided in 15-31-702, received from the collection of the
21 corporation license and income tax as provided in 15-1-501,
22 and such additional amount of said taxes, if any, as may at
23 any time be needed to comply with the principal and interest
24 and reserve requirements stated in 17-5-405(4).

25 (b) No more than the percentages described in

1 subsection (1)(a) of such tax collections may be pledged for
2 the purpose of 17-5-403(2). The pledge and appropriation
3 herein made shall be and remain at all times a first and
4 prior charge upon all money received from the collection of
5 said taxes.

6 (2) The state pledges and appropriates and directs to
7 be credited to the debt service account ~~70.89%~~ 60.76% of all
8 money received from the collection of the excise tax on
9 cigarettes which is levied, imposed, and assessed by
10 16-11-111. The state also pledges and appropriates and
11 directs to be credited as received to the debt service
12 account all money received from the collection of the taxes
13 on other tobacco products which are or may hereafter be
14 levied, imposed, and assessed by law for that purpose,
15 including the tax levied, imposed, and assessed by
16 16-11-202. Nothing herein shall impair or otherwise affect
17 the provisions and covenants contained in the resolutions
18 authorizing the presently outstanding long-range building
19 program bonds. Subject to the provisions of the preceding
20 sentence, the pledge and appropriation herein made shall be
21 and remain at all times a first and prior charge upon all
22 money received from the collection of all taxes referred to
23 in this subsection (2)."

24 NEW SECTION. Section 4. Appropriation. There is
25 appropriated for each fiscal year of the biennium ending

1 June 30, 1993, from the state equalization aid account,
2 provided for in 20-9-343, to the children's health insurance
3 fund, established in [section 4 of ___Bill No. ___] [LC 220],
4 an amount equal to \$30 per ANB, as defined in 20-1-101 and
5 calculated pursuant to 20-9-311, for the purposes of
6 determining the current year's foundation program allowance
7 for all elementary and high school districts in a county, up
8 to a maximum of \$2.1 million. The money appropriated by this
9 section does not include money in the public school fund
10 established by Article X, section 2, of the Montana
11 constitution.

12 NEW SECTION. Section 5. Coordination instruction. If
13 ___Bill No. ___ [LC 220] is not passed and approved,
14 including a section creating the children's health insurance
15 fund and making a statutory appropriation of the proceeds of
16 that fund to the department of social and rehabilitation
17 services for the purpose of purchasing health insurance for
18 children of low-income families, then [this act] is void.

19 NEW SECTION. Section 6. Effective dates. (1) [Sections
20 1 through 4] are effective July 1, 1991.

21 (2) [Sections 5, 7, and this section] are effective on
22 passage and approval.

23 NEW SECTION. Section 7. Termination. [This act]
24 terminates June 30, 1993.

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