

APRIL 19, 1991

CONCURRED IN.

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 HOUSE BILL NO. 868
2 INTRODUCED BY Stephens

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE
5 DISTRIBUTION OF COAL GROSS PROCEEDS; REQUIRING THE
6 DEPARTMENT OF REVENUE TO CALCULATE UNIT VALUES FOR COAL
7 PRODUCTION BASED ON 1988 PRODUCTION; EXCLUDING COAL MINES
8 THAT BEGAN PRODUCTION AFTER DECEMBER 31, 1988, FROM THE UNIT
9 VALUE CALCULATION; REQUIRING COUNTY TREASURERS TO DISTRIBUTE
10 COAL GROSS PROCEEDS BASED ON UNIT VALUE; PROVIDING A
11 SEPARATE DISTRIBUTION OF COAL GROSS PROCEEDS TAXES FOR COAL
12 MINES THAT BEGAN PRODUCTION AFTER DECEMBER 31, 1988;
13 REQUIRING COUNTY TREASURERS TO SEND EXCESS REVENUE TO THE
14 DEPARTMENT OF REVENUE; REQUIRING THE DEPARTMENT OF REVENUE
15 TO REDISTRIBUTE EXCESS REVENUE TO THE COUNTIES; PROVIDING A
16 STATUTORY APPROPRIATION; AMENDING SECTIONS 15-23-703 AND
17 17-7-502; AND PROVIDING AN EFFECTIVE DATE AND A RETROACTIVE
18 APPLICABILITY DATE."
19

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

21 NEW SECTION. **Section 1.** Department to calculate unit
22 value. (1) Except as provided in subsection (2), for the
23 purposes of the distribution of coal gross proceeds taxes
24 collected under this part, the department shall determine
25 the unit value of coal in each taxing unit. The unit value

1 for coal for each taxing unit is the quotient obtained by
2 dividing the gross proceeds taxes calculated on coal
3 produced in that taxing unit in calendar year 1988 by the
4 number of tons of coal extracted, treated, and sold in that
5 taxing unit during 1988.

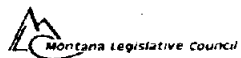
6 (2) The unit value calculation does not apply to coal
7 mines that began production after December 31, 1988.

8 **Section 2.** Section 15-23-703, MCA, is amended to read:

9 "15-23-703. Taxation of gross proceeds -- taxable value
10 for bonding and guaranteed tax base aid to schools. (1) The
11 county assessor shall compute from the reported gross
12 proceeds from coal a tax roll that he shall transmit to the
13 county treasurer on or before September 15 each year. The
14 county assessor may not levy or assess any mills against the
15 reported gross proceeds of coal but shall levy a tax of 5%
16 against the value of the reported gross proceeds as provided
17 in 15-23-701(1)(d). The county treasurer shall proceed to
18 give full notice to each coal producer of the taxes due and
19 to collect the taxes as provided in 15-16-101.

20 (2) For bonding, county classification, and all nontax
21 purposes, the taxable value of the gross proceeds of coal is
22 45% of the contract sales price as defined in 15-35-102(5).

23 (3) The taxable value of gross proceeds for the purpose
24 of computing guaranteed tax base aid for schools is the
25 amount of tax received by a district in the previous year



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INTRODUCED BILL
HB 868

1 divided by the number of mills levied by the district in the
2 previous year, multiplied by 1,000. This amount must be
3 added to the district, county, and statewide taxable value
4 when computing guaranteed tax base aid under 20-9-368.

5 (4) Except as provided in subsection (7), the county
6 treasurer shall calculate and distribute to the state,
7 county, and eligible school districts in the county the
8 amount of the coal gross proceeds tax, determined by
9 multiplying the unit value calculated in [section 1] times
10 the tons of coal extracted, treated, and sold on which the
11 coal gross proceeds tax was owed during the preceding
12 calendar year.

13 ~~††(5)~~ The Except as provided in subsections (6) and
14 (7), the county treasurer shall credit all--taxes--collected
15 the amount determined under this-part subsection (4) and the
16 amounts received under [section 3]:

17 (a) to the state and to the counties that levied mills
18 against production in the relative proportions required by
19 the levies for state and county purposes in the same manner
20 as property taxes were distributed in the year--1989 fiscal
21 year 1990 in the taxing jurisdiction; and

22 (b) to school districts in the county that either
23 levied mills against production or used nontax revenue, such
24 as Public Law 81-874 money, in lieu of levying mills against
25 production, in the same manner that property taxes collected

1 or property taxes that would have been collected would have
2 been distributed in ~~1989~~ the 1990 school fiscal year in the
3 school district.

4 (6) (a) If the total tax liability in a taxing
5 jurisdiction exceeds the amount determined in subsection
6 (4), the county treasurer shall, immediately following the
7 distribution from taxes paid on May 31 of each year, send
8 the excess revenue to the department for redistribution as
9 provided in [section 3].

10 (b) If the total tax liability in a taxing jurisdiction
11 is less than the amount determined in subsection (4), the
12 taxing jurisdiction is entitled to a redistribution as
13 provided by [section 3].

14 (7) The county treasurer shall credit all taxes
15 collected under this part from coal mines that began
16 production after December 31, 1988:

17 (a) to the state and to the counties in the relative
18 proportions required by the levies for state and county
19 purposes in the same manner as property taxes were
20 distributed in the previous fiscal year in the taxing
21 jurisdiction, except that:

22 (i) no distribution may be made to the state
23 equalization aid levy provided by 20-9-360; and

24 (ii) the mill levies in effect for county elementary and
25 high school equalization in fiscal year 1990 must be used in

1 computing the distribution to county elementary and high
2 school equalization; and

3 (b) to school districts in the county in the same
4 manner that property taxes were distributed in the previous
5 school fiscal year in the school district."

6 **NEW SECTION. Section 3.** Department to determine
7 redistribution of coal gross proceeds to taxing
8 jurisdictions. (1) The excess revenue received by the
9 department from county treasurers as provided in
10 15-23-703(6)(a) is statutorily appropriated, as provided in
11 17-7-502, for allocation to the county for redistribution as
12 provided in subsections (2) and (3).

13 (2) Each year the department shall determine the amount
14 of tax collected under this part from within each taxing
15 unit in the county. If the amount collected is less than the
16 amount determined under 15-23-703(4), the department shall,
17 on or before June 30 of each year, send the amount of the
18 difference to the county treasurer for redistribution as
19 provided in 15-23-703(5).

20 (3) Any amount by which the total amount received by
21 the department for redistribution is less than or more than
22 the redistribution amount determined in subsection (2), the
23 department shall calculate and redistribute the shortage or
24 excess amount in the following manner:

25 (a) If a county does not receive the entire amount to

1 which it is entitled under subsection (2), the shortage
2 amount must be divided by the total distribution for the
3 county determined under 15-23-703(4) to obtain a shortage
4 percentage. The shortage percentage must be multiplied by
5 the amount that is available for redistribution to each
6 taxing unit, and this amount must be redistributed to each
7 respective taxing unit.

8 (b) If there are excess amounts after the
9 redistribution provided for in subsection (2), the excess
10 amounts must be redistributed to the county of origin in
11 proportion to the amount the county contributed for
12 redistribution.

13 (4) The county treasurer shall distribute the money
14 received under subsections (2) and (3) as provided in
15 15-23-703(5).

16 **Section 4.** Section 17-7-502, MCA, is amended to read:

17 "17-7-502. Statutory appropriations -- definition --
18 requisites for validity. (1) A statutory appropriation is an
19 appropriation made by permanent law that authorizes spending
20 by a state agency without the need for a biennial
21 legislative appropriation or budget amendment.

22 (2) Except as provided in subsection (4), to be
23 effective, a statutory appropriation must comply with both
24 of the following provisions:

25 (a) The law containing the statutory authority must be

1 listed in subsection (3).

2 (b) The law or portion of the law making a statutory
3 appropriation must specifically state that a statutory
4 appropriation is made as provided in this section.

5 (3) The following laws are the only laws containing
6 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;
7 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111;
8 [section 3]; 15-25-123; 15-31-702; 15-36-112; 15-37-117;
9 15-65-121; 15-70-101; 16-1-404; 16-1-410; 16-1-411;
10 17-3-212; 17-5-404; 17-5-424; 17-5-804; 19-8-504; 19-9-702;
11 19-9-1007; 19-10-205; 19-10-305; 19-10-506; 19-11-512;
12 19-11-513; 19-11-606; 19-12-301; 19-13-604; 20-6-406;
13 20-8-111; 20-9-361; 23-5-306; 23-5-409; 23-5-610; 23-5-612;
14 23-5-1016; 23-5-1027; 27-12-206; 37-51-501; 39-71-2504;
15 53-6-150; 53-24-206; 61-2-406; 61-5-121; 67-3-205;
16 75-1-1101; 75-5-1108; 75-11-313; 76-12-123; 80-2-103;
17 82-11-136; 82-11-161; 90-3-301; 90-4-215; 90-4-613;
18 90-6-331; 90-9-306; and section 13, House Bill No. 861, Laws
19 of 1985.

20 (4) There is a statutory appropriation to pay the
21 principal, interest, premiums, and costs of issuing, paying,
22 and securing all bonds, notes, or other obligations, as due,
23 that have been authorized and issued pursuant to the laws of
24 Montana. Agencies that have entered into agreements
25 authorized by the laws of Montana to pay the state

1 treasurer, for deposit in accordance with 17-2-101 through
2 17-2-107, as determined by the state treasurer, an amount
3 sufficient to pay the principal and interest as due on the
4 bonds or notes have statutory appropriation authority for
5 such payments. (In subsection (3), pursuant to sec. 10, Ch.
6 664, L. 1987, the inclusion of 39-71-2504 terminates June
7 30, 1991.)"

8 NEW SECTION. Section 5. Codification instruction.
9 [Sections 1 and 3] are intended to be codified as an
10 integral part of Title 15, chapter 23, part 7, and the
11 provisions of Title 15, chapter 23, part 7, apply to
12 [sections 1 and 3].

13 NEW SECTION. Section 6. Effective date --
14 applicability. [This act] is effective July 1, 1991, and
15 applies retroactively, within the meaning of 1-2-109, to the
16 distribution and redistribution of coal gross proceeds taxes
17 levied against coal produced after December 31, 1989.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0868, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to generally revise the distribution of coal gross proceeds; requiring the Department of Revenue to calculate unit values for coal production based on 1988 production; excluding coal mines that began production after December 31, 1988, from the unit value calculation; requiring county treasurers to distribute coal gross proceeds based on unit value; providing a separate distribution of coal gross proceeds taxes for coal mines that began production after December 31, 1988; requiring county treasurers to send excess revenue to the Department of Revenue; requiring the Department of Revenue to redistribute excess revenue to the counties; providing a statutory appropriation; and providing an effective date and a retroactive applicability date.


Assumptions:

1. Implementation of the proposal would require the state to pay the coal-producing counties the difference between the current year's coal gross proceeds and the 1988 total unit value of that coal. This would result in a payment from the state's general fund of \$44,898 in FY92 and \$375,292 in FY93.
2. Implementation of the proposal will require reprogramming (an additional 0.50 FTE in FY92) of the existing revenue/control system to segregate coal gross proceeds receipts.

FISCAL IMPACT:

Department of Revenue:

	FY '92			FY '93		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
<u>Expenditures:</u>						
F.T.E.	0	0.50	0.50	0	0	0
Personal Services	0	5,200	5,200	0	0	0
Operations	0	1,000	1,000	0	0	0
Transfers	0	44,898	44,898	0	375,292	375,292
Total	0	51,098	51,098	0	375,292	375,292
<u>Funding:</u>						
General Fund	0	51,098	51,098	0	375,292	375,292
Impact to General			(51,098)			(375,292)


 ROD SUNDSTED, BUDGET DIRECTOR DATE
 Office of Budget and Program Planning

 DON STEPLER, PRIMARY SPONSOR DATE

Fiscal Note for HB0868, as introduced

HR 868

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The proposal would redistribute coal gross proceeds receipts among counties based on unit values calculated on 1988 production and tax revenue. This redistribution may result in the state owing money to the counties. The state would, if the proposal is adopted, owe the coal-producing counties \$44,898 in FY92 and \$375,292 in FY93. Had the proposal been in effect in calendar year 1989, the state would have owed the coal-producing counties \$374,470 in FY91.

TECHNICAL NOTES:

1. The language of the proposal does not allow for the distribution of the shortage described in section 3, part 3. (page 5, line 20)
2. The language of the proposal is inconsistent in its reference to political subdivisions of the state, referring to "counties" on the one hand and "taxing units" on the other.

HB 868

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0868, third reading.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to generally revise the distribution of coal gross proceeds; requiring the Department of Revenue to calculate unit values for coal production based on 1988 production; excluding coal mines that began production after December 31, 1988, from the unit value calculation; requiring county treasurers to distribute coal gross proceeds based on unit value; providing a separate distribution of coal gross proceeds taxes for coal mines that began production after December 31, 1988; requiring county treasurers to send excess revenue to the Department of Revenue; requiring the Department of Revenue to redistribute excess revenue to the counties; providing a statutory appropriation; and providing an effective date and a retroactive applicability date.

ASSUMPTIONS:

Department of Revenue

1. Implementation of this proposal would require reprogramming of the existing revenue/control system to separately identify coal gross proceeds receipts. This would require an additional 0.14 FTE in FY92.

<u>Expenditures:</u>	<u>FY '92</u>			<u>FY '93</u>		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
FTE	0.00	0.14	0.14	0.00	0.00	0.00
Personal Services	0	5,200	5,200	0	0	0
Operating Expenses	0	1,000	1,000	0	0	0
Total	0	6,200	6,200	0	0	0
<u>Funding:</u>						
General Fund			6,200			
General Fund Impact (decrease)			(6,200)			

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The proposal would redistribute coal gross proceeds receipts among counties from mines that began production before January 1, 1989, based on unit values calculated using 1988 production and associated gross proceeds tax revenue. For example, if the proposed legislation had been operational for calendar year 1989 production, then Big Horn, Richland, and Musselshell counties would have received an additional \$1,037,668, \$151,963 and \$8,674 respectively. These funds would have come from Rosebud County.

Rod Sundsted 4/13/91
ROD SUNDSTED, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

Don Stepler 4/15/91
DON STEPLER, PRIMARY SPONSOR DATE
Fiscal Note for HB0868, third reading HB868-#2

STATE OF MONTANA - FISCAL NOTE
Form BD-15

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DESCRIPTION OF PROPOSED LEGISLATION:

An act to generally revise the distribution of coal gross proceeds; requiring the Department of Revenue to calculate unit values for coal production based on 1988 production; excluding coal mines that began production after December 31, 1988, from the unit value calculation; requiring county treasurers to distribute coal gross proceeds based on unit value; providing a separate distribution of coal gross proceeds taxes for coal mines that began production after December 31, 1988; requiring county treasurers to send excess revenue to the Department of Revenue; requiring the Department of Revenue to redistribute excess revenue to the counties; providing a statutory appropriation; and providing an effective date and a retroactive applicability date.

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	FY '92			FY '93		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
<u>Expenditures:</u>						
FTE	0.00	0.14	0.14	0.00	0.00	0.00
Personal Services	0	5,200	5,200	0	0	0
Operating Expenses	0	1,000	1,000	0	0	0
Total	0	6,200	6,200	0	0	0
<u>Funding:</u>						
General Fund			6,200			
General Fund Impact (decrease)			(6,200)			

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The proposal would redistribute coal gross proceeds receipts among counties from mines that began production before January 1, 1989, based on unit values calculated using 1988 production and associated gross proceeds tax revenue. For example, if the proposed legislation had been operational for calendar year 1989 production, then Big Horn, Richland, and Musselshell counties would have received an additional \$1,037,668, \$151,963 and \$8,674 respectively. These funds would have come from Rosebud County.

Rod Sundsted 4/13/91
ROD SUNDSTED, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

Don Stepler 4/15/91
DON STEPLER, PRIMARY SPONSOR DATE
Fiscal Note for HB0868, third reading HB868-#2

APPROVED BY COMMITTEE
ON TAXATION

1 HOUSE BILL NO. 868

2 INTRODUCED BY STEPLER

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE
5 DISTRIBUTION OF COAL GROSS PROCEEDS; REQUIRING THE
6 DEPARTMENT OF REVENUE TO CALCULATE UNIT VALUES FOR COAL
7 PRODUCTION BASED ON 1988 PRODUCTION; EXCLUDING COAL MINES
8 THAT BEGAN PRODUCTION AFTER DECEMBER 31, 1988, FROM THE UNIT
9 VALUE CALCULATION; REQUIRING COUNTY TREASURERS TO DISTRIBUTE
10 COAL GROSS PROCEEDS BASED ON UNIT VALUE; PROVIDING A
11 SEPARATE DISTRIBUTION OF COAL GROSS PROCEEDS TAXES FOR COAL
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15 TO REDISTRIBUTE EXCESS REVENUE TO THE COUNTIES; PROVIDING A
16 STATUTORY APPROPRIATION; AMENDING SECTIONS 15-23-703 AND
17 17-7-502; AND PROVIDING AN EFFECTIVE DATE AND A RETROACTIVE
18 APPLICABILITY DATE."

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

21 NEW SECTION. **Section 1.** Department to calculate unit
22 value. (1) Except as provided in subsection (2), for the
23 purposes of the distribution of coal gross proceeds taxes
24 collected under this part, the department shall determine
25 the unit value of coal FOR EACH MINE in each taxing

1 unit. The unit value for coal for EACH MINE IN each taxing
2 unit is the quotient obtained by dividing the gross proceeds
3 taxes calculated on coal produced in that taxing unit in
4 calendar year 1988 by the number of tons of coal extracted,
5 treated, and sold in that taxing unit during 1988.

6 (2) The unit value calculation does not apply to coal
7 mines that began production after December 31, 1988.

8 **Section 2.** Section 15-23-703, MCA, is amended to read:

9 "15-23-703. Taxation of gross proceeds -- taxable value
10 for bonding and guaranteed tax base aid to schools. (1) The
11 county assessor shall compute from the reported gross
12 proceeds from coal a tax roll that he shall transmit to the
13 county treasurer on or before September 15 each year. The
14 county assessor may not levy or assess any mills against the
15 reported gross proceeds of coal but shall levy a tax of 5%
16 against the value of the reported gross proceeds as provided
17 in 15-23-701(1)(d). The county treasurer shall proceed to
18 give full notice to each coal producer of the taxes due and
19 to collect the taxes as provided in 15-16-101.

20 (2) For bonding, county classification, and all nontax
21 purposes, the taxable value of the gross proceeds of coal is
22 45% of the contract sales price as defined in 15-35-102(5).

23 (3) The taxable value of gross proceeds for the purpose
24 of computing guaranteed tax base aid for schools is the
25 amount of tax received by a district in the previous year

1 divided by the number of mills levied by the district in the
2 previous year, multiplied by 1,000. This amount must be
3 added to the district, county, and statewide taxable value
4 when computing guaranteed tax base aid under 20-9-368.

5 (4) Except as provided in subsection (7), the county
6 treasurer shall calculate and distribute to the state,
7 county, and eligible school districts in the county the
8 amount of the coal gross proceeds tax, determined by
9 multiplying the unit value calculated in [section 1] times
10 the tons of coal extracted, treated, and sold on which the
11 coal gross proceeds tax was owed during the preceding
12 calendar year.

13 †4) (5) The Except as provided in subsections (6) and
14 (7), the county treasurer shall credit all taxes collected
15 the amount determined under this part subsection (4) and the
16 amounts received under [section 3]:

17 (a) to the state and to the counties that levied mills
18 against production in the relative proportions required by
19 the levies for state and county purposes in the same manner
20 as property taxes were distributed in the year-1989 fiscal
21 year 1990 in the taxing jurisdiction; and

22 (b) to school districts in the county that either
23 levied mills against production or used nontax revenue, such
24 as Public Law 81-874 money, in lieu of levying mills against
25 production, in the same manner that property taxes collected

1 or property taxes that would have been collected would have
2 been distributed in 1989 the 1990 school fiscal year in the
3 school district.

4 (6) (a) If the total tax liability in a taxing
5 jurisdiction exceeds the amount determined in subsection
6 (4), the county treasurer shall, immediately following the
7 distribution from taxes paid on May 31 of each year, send
8 the excess revenue to the department for redistribution as
9 provided in [section 3].

10 (b) If the total tax liability in a taxing jurisdiction
11 is less than the amount determined in subsection (4), the
12 taxing jurisdiction is entitled to a redistribution as
13 provided by [section 3].

14 (7) The county treasurer shall credit all taxes
15 collected under this part from coal mines that began
16 production after December 31, 1988:

17 (a) to the state and to the counties in the relative
18 proportions required by the levies for state and county
19 purposes in the same manner as property taxes were
20 distributed in the previous fiscal year in the taxing
21 jurisdiction, except that:

22 (i) no distribution may be made to the state
23 equalization aid levy provided by 20-9-360; and

24 (ii) the mill levies in effect for county elementary and
25 high school equalization in fiscal year 1990 must be used in

1 computing the distribution to county elementary and high
 2 school equalization; and

3 (b) to school districts in the county in the same
 4 manner that property taxes were distributed in the previous
 5 school fiscal year in the school district."

6 NEW SECTION. Section 3. Department to determine
 7 redistribution of coal gross proceeds to taxing
 8 jurisdictions. (1) The excess--revenue--received--by--the
 9 department---from---county---treasurers---as---provided---in
 10 15-23-703(6)(a) COAL GROSS PROCEEDS REDISTRIBUTION ACCOUNT
 11 ESTABLISHED IN [SECTION 4] is statutorily appropriated, as
 12 provided in 17-7-502, for allocation to the county for
 13 redistribution as provided in subsections (2) and (3).

14 (2) Each year the department shall determine the amount
 15 of tax collected under this part from within each taxing
 16 unit in the county. If the amount collected BY EACH COUNTY
 17 is less than the amount determined under 15-23-703(4) FOR
 18 THAT COUNTY, the department shall, on or before June 30 of
 19 each year, send the amount of the difference FROM THE STATE
 20 SPECIAL REVENUE ACCOUNT ESTABLISHED IN [SECTION 4] to the
 21 county treasurer for redistribution as provided in
 22 15-23-703(5).

23 (3) Any IF THE amount by--which--the--total--amount
 24 received by the department for redistribution is less than
 25 or more than the redistribution amount determined in

1 subsection (2), the department shall calculate and
 2 redistribute the shortage or excess amount in the following
 3 manner:

4 (a) If a county does not receive the entire amount to
 5 which it is entitled under subsection (2), the shortage
 6 amount AMOUNTS OF EACH TAXING UNIT must be divided by the
 7 total distribution-for-the-county SHORTAGE AMOUNTS OF ALL
 8 TAXING UNITS determined under 15-23-703(4) to obtain a
 9 shortage percentage FOR EACH TAXING UNIT. The shortage
 10 percentage FOR EACH TAXING UNIT must be multiplied by the
 11 amount that is available for redistribution to each taxing
 12 unit, and this amount must be redistributed to each
 13 respective taxing unit.

14 (b) If there are excess amounts after the
 15 redistribution provided for in subsection (2), the excess
 16 amounts must be redistributed to the county of origin in
 17 proportion to the amount EACH TAXING UNIT IN the county
 18 contributed for redistribution.

19 (4) The county treasurer shall distribute the money
 20 received under subsections-(2)-and-(3) SUBSECTION (3)(B) as
 21 provided in 15-23-703(5).

22 NEW SECTION. SECTION 4. COAL GROSS PROCEEDS
 23 REDISTRIBUTION ACCOUNT. (1) THERE IS WITHIN THE STATE
 24 SPECIAL REVENUE FUND A COAL GROSS PROCEEDS REDISTRIBUTION
 25 ACCOUNT.

1 (2) ALL MONEY RECEIVED FROM COUNTY TREASURERS AS
2 PROVIDED IN 15-23-703(6)(A) MUST BE DEPOSITED BY THE
3 DEPARTMENT INTO THE COAL GROSS PROCEEDS REDISTRIBUTION
4 ACCOUNT FOR REDISTRIBUTION AS PROVIDED IN [SECTION 3].

5 **Section 5.** Section 17-7-502, MCA, is amended to read:

6 "17-7-502. Statutory appropriations -- definition --
7 **requisites for validity.** (1) A statutory appropriation is an
8 appropriation made by permanent law that authorizes spending
9 by a state agency without the need for a biennial
10 legislative appropriation or budget amendment.

11 (2) Except as provided in subsection (4), to be
12 effective, a statutory appropriation must comply with both
13 of the following provisions:

14 (a) The law containing the statutory authority must be
15 listed in subsection (3).

16 (b) The law or portion of the law making a statutory
17 appropriation must specifically state that a statutory
18 appropriation is made as provided in this section.

19 (3) The following laws are the only laws containing
20 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;
21 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111;
22 [section 3]; 15-25-123; 15-31-702; 15-36-112; 15-37-117;
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3 23-5-1016; 23-5-1027; 27-12-206; 37-51-501; 39-71-2504;
4 53-6-150; 53-24-206; 61-2-406; 61-5-121; 67-3-205;
5 75-1-1101; 75-5-1108; 75-11-313; 76-12-123; 80-2-103;
6 82-11-136; 82-11-161; 90-3-301; 90-4-215; 90-4-613;
7 90-6-331; 90-9-306; and section 13, House Bill No. 861, Laws
8 of 1985.

9 (4) There is a statutory appropriation to pay the
10 principal, interest, premiums, and costs of issuing, paying,
11 and securing all bonds, notes, or other obligations, as due,
12 that have been authorized and issued pursuant to the laws of
13 Montana. Agencies that have entered into agreements
14 authorized by the laws of Montana to pay the state
15 treasurer, for deposit in accordance with 17-2-101 through
16 17-2-107, as determined by the state treasurer, an amount
17 sufficient to pay the principal and interest as due on the
18 bonds or notes have statutory appropriation authority for
19 such payments. (In subsection (3), pursuant to sec. 10, Ch.
20 664, L. 1987, the inclusion of 39-71-2504 terminates June
21 30, 1991.)"

22 **NEW SECTION. Section 6. Codification instruction.**
23 [Sections 1, 3, and 3 4] are intended to be codified as an
24 integral part of Title 15, chapter 23, part 7, and the
25 provisions of Title 15, chapter 23, part 7, apply to

HB 0868/02

1 [sections 1, 3, and 4].

2 NEW SECTION. **Section 7.** Effective date --
3 applicability. [This act] is effective July 1, 1991, and
4 applies retroactively, within the meaning of 1-2-109, to the
5 distribution and redistribution of coal gross proceeds taxes
6 levied against coal produced after December 31, 1989.

-End-

HOUSE BILL NO. 868
INTRODUCED BY STEPLER

A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE DISTRIBUTION OF COAL GROSS PROCEEDS; REQUIRING THE DEPARTMENT OF REVENUE TO CALCULATE UNIT VALUES FOR COAL PRODUCTION BASED ON 1988 PRODUCTION; EXCLUDING COAL MINES THAT BEGAN PRODUCTION AFTER DECEMBER 31, 1988, FROM THE UNIT VALUE CALCULATION; REQUIRING COUNTY TREASURERS TO DISTRIBUTE COAL GROSS PROCEEDS BASED ON UNIT VALUE; PROVIDING A SEPARATE DISTRIBUTION OF COAL GROSS PROCEEDS TAXES FOR COAL MINES THAT BEGAN PRODUCTION AFTER DECEMBER 31, 1988; REQUIRING COUNTY TREASURERS TO SEND EXCESS REVENUE TO THE DEPARTMENT OF REVENUE; REQUIRING THE DEPARTMENT OF REVENUE TO REDISTRIBUTE EXCESS REVENUE TO THE COUNTIES; PROVIDING A STATUTORY APPROPRIATION; AMENDING SECTIONS 15-23-703 AND 17-7-502; AND PROVIDING AN EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

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

NEW SECTION. **Section 1.** Department to calculate unit value. (1) Except as provided in subsection (2), for the purposes of the distribution of coal gross proceeds taxes collected under this part, the department shall determine the unit value of coal FOR EACH MINE in each taxing

unit. The unit value for coal for EACH MINE IN each taxing unit is the quotient obtained by dividing the gross proceeds taxes calculated on coal produced in that taxing unit in calendar year 1988 by the number of tons of coal extracted, treated, and sold in that taxing unit during 1988.

(2) The unit value calculation does not apply to coal mines that began production after December 31, 1988.

Section 2. Section 15-23-703, MCA, is amended to read:

"15-23-703. Taxation of gross proceeds -- taxable value for bonding and guaranteed tax base aid to schools. (1) The county assessor shall compute from the reported gross proceeds from coal a tax roll that he shall transmit to the county treasurer on or before September 15 each year. The county assessor may not levy or assess any mills against the reported gross proceeds of coal but shall levy a tax of 5% against the value of the reported gross proceeds as provided in 15-23-701(1)(d). The county treasurer shall proceed to give full notice to each coal producer of the taxes due and to collect the taxes as provided in 15-16-101.

(2) For bonding, county classification, and all nontax purposes, the taxable value of the gross proceeds of coal is 45% of the contract sales price as defined in 15-35-102(5).

(3) The taxable value of gross proceeds for the purpose of computing guaranteed tax base aid for schools is the amount of tax received by a district in the previous year



1 divided by the number of mills levied by the district in the
2 previous year, multiplied by 1,000. This amount must be
3 added to the district, county, and statewide taxable value
4 when computing guaranteed tax base aid under 20-9-368.

5 (4) Except as provided in subsection (7), the county
6 treasurer shall calculate and distribute to the state,
7 county, and eligible school districts in the county the
8 amount of the coal gross proceeds tax, determined by
9 multiplying the unit value calculated in [section 1] times
10 the tons of coal extracted, treated, and sold on which the
11 coal gross proceeds tax was owed during the preceding
12 calendar year.

13 (4)(5) The Except as provided in subsections (6) and
14 (7), the county treasurer shall credit all-taxes-collected
15 the amount determined under this-part subsection (4) and the
16 amounts received under [section 3]:

17 (a) to the state and to the counties that levied mills
18 against production in the relative proportions required by
19 the levies for state and county purposes in the same manner
20 as property taxes were distributed in the year-1989 fiscal
21 year 1990 in the taxing jurisdiction; and

22 (b) to school districts in the county that either
23 levied mills against production or used nontax revenue, such
24 as Public Law 81-874 money, in lieu of levying mills against
25 production, in the same manner that property taxes collected

1 or property taxes that would have been collected would have
2 been distributed in 1989 the 1990 school fiscal year in the
3 school district.

4 (6) (a) If the total tax liability in a taxing
5 jurisdiction exceeds the amount determined in subsection
6 (4), the county treasurer shall, immediately following the
7 distribution from taxes paid on May 31 of each year, send
8 the excess revenue, EXCLUDING ANY PROTESTED COAL GROSS
9 PROCEEDS TAX REVENUES, to the department for redistribution
10 as provided in [section 3].

11 (b) If the total tax liability in a taxing jurisdiction
12 is less than the amount determined in subsection (4), the
13 taxing jurisdiction is entitled to a redistribution as
14 provided by [section 3].

15 (7) The county treasurer shall credit all taxes
16 collected under this part from coal mines that began
17 production after December 31, 1988:

18 (a) to the state and to the counties in the relative
19 proportions required by the levies for state and county
20 purposes in the same manner as property taxes were
21 distributed in the previous fiscal year in the taxing
22 jurisdiction, except that:

23 (i) no distribution may be made to the state
24 equalization aid levy provided by 20-9-360; and

25 (ii) the mill levies in effect for county elementary and

1 high school equalization in fiscal year 1990 must be used in
 2 computing the distribution to county elementary and high
 3 school equalization; and

4 (b) to school districts in the county in the same
 5 manner that property taxes were distributed in the previous
 6 school fiscal year in the school district."

7 NEW SECTION. Section 3. Department to determine
 8 redistribution of coal gross proceeds to taxing
 9 jurisdictions. (1) The excess--revenue--received--by--the
 10 department---from---county---treasurers---as---provided---in
 11 15-23-703(6){a} COAL GROSS PROCEEDS REDISTRIBUTION ACCOUNT
 12 ESTABLISHED IN [SECTION 4] is statutorily appropriated, as
 13 provided in 17-7-502, for allocation to the county for
 14 redistribution as provided in subsections (2) and (3).

15 (2) Each year the department shall determine the amount
 16 of tax collected under this part from within each taxing
 17 unit in the county. If the amount collected BY EACH COUNTY
 18 is less than the amount determined under 15-23-703(4) FOR
 19 THAT COUNTY, the department shall, on or before June 30 of
 20 each year, send the amount of the difference FROM THE STATE
 21 SPECIAL REVENUE ACCOUNT ESTABLISHED IN [SECTION 4] to the
 22 county treasurer for redistribution as provided in
 23 15-23-703(5).

24 (3) Any IF THE amount by--which--the--total--amount
 25 received by the department for redistribution is less than

1 or more than the redistribution amount determined in
 2 subsection (2), the department shall calculate and
 3 redistribute the shortage or excess amount in the following
 4 manner:

5 (a) If a county does not receive the entire amount to
 6 which it is entitled under subsection (2), the shortage
 7 amount AMOUNTS OF EACH TAXING UNIT must be divided by the
 8 total distribution--for--the-county SHORTAGE AMOUNTS OF ALL
 9 TAXING UNITS determined under 15-23-703(4) to obtain a
 10 shortage percentage FOR EACH TAXING UNIT. The shortage
 11 percentage FOR EACH TAXING UNIT must be multiplied by the
 12 amount that is available for redistribution to each taxing
 13 unit, and this amount must be redistributed to each
 14 respective taxing unit.

15 (b) If there are excess amounts after the
 16 redistribution provided for in subsection (2), the excess
 17 amounts must be redistributed to the county of origin in
 18 proportion to the amount EACH TAXING UNIT IN the county
 19 contributed for redistribution.

20 (4) The county treasurer shall distribute the money
 21 received under subsections-(2)-and-(3) SUBSECTION (3)(B) as
 22 provided in 15-23-703(5).

23 NEW SECTION. SECTION 4. COAL GROSS PROCEEDS
 24 REDISTRIBUTION ACCOUNT. (1) THERE IS WITHIN THE STATE
 25 SPECIAL REVENUE FUND A COAL GROSS PROCEEDS REDISTRIBUTION

1 ACCOUNT.

2 (2) ALL MONEY RECEIVED FROM COUNTY TREASURERS AS
3 PROVIDED IN 15-23-703(6)(A) MUST BE DEPOSITED BY THE
4 DEPARTMENT INTO THE COAL GROSS PROCEEDS REDISTRIBUTION
5 ACCOUNT FOR REDISTRIBUTION AS PROVIDED IN [SECTION 3].

6 **Section 5.** Section 17-7-502, MCA, is amended to read:

7 "17-7-502. Statutory appropriations -- definition --
8 requisites for validity. (1) A statutory appropriation is an
9 appropriation made by permanent law that authorizes spending
10 by a state agency without the need for a biennial
11 legislative appropriation or budget amendment.

12 (2) Except as provided in subsection (4), to be
13 effective, a statutory appropriation must comply with both
14 of the following provisions:

15 (a) The law containing the statutory authority must be
16 listed in subsection (3).

17 (b) The law or portion of the law making a statutory
18 appropriation must specifically state that a statutory
19 appropriation is made as provided in this section.

20 (3) The following laws are the only laws containing
21 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;
22 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111;
23 [section 3]; 15-25-123; 15-31-702; 15-36-112; 15-37-117;
24 15-65-121; 15-70-101; 16-1-404; 16-1-410; 16-1-411;
25 17-3-212; 17-5-404; 17-5-424; 17-5-804; 19-8-504; 19-9-702;

1 19-9-1007; 19-10-205; 19-10-305; 19-10-506; 19-11-512;
2 19-11-513; 19-11-606; 19-12-301; 19-13-604; 20-6-406;
3 20-8-111; 20-9-361; 23-5-306; 23-5-409; 23-5-610; 23-5-612;
4 23-5-1016; 23-5-1027; 27-12-206; 37-51-501; 39-71-2504;
5 53-6-150; 53-24-206; 61-2-406; 61-5-121; 67-3-205;
6 75-1-1101; 75-5-1108; 75-11-313; 76-12-123; 80-2-103;
7 82-11-136; 82-11-161; 90-3-301; 90-4-215; 90-4-613;
8 90-6-331; 90-9-306; and section 13, House Bill No. 861, Laws
9 of 1985.

10 (4) There is a statutory appropriation to pay the
11 principal, interest, premiums, and costs of issuing, paying,
12 and securing all bonds, notes, or other obligations, as due,
13 that have been authorized and issued pursuant to the laws of
14 Montana. Agencies that have entered into agreements
15 authorized by the laws of Montana to pay the state
16 treasurer, for deposit in accordance with 17-2-101 through
17 17-2-107, as determined by the state treasurer, an amount
18 sufficient to pay the principal and interest as due on the
19 bonds or notes have statutory appropriation authority for
20 such payments. (In subsection (3), pursuant to sec. 10, Ch.
21 664, L. 1987, the inclusion of 39-71-2504 terminates June
22 30, 1991.)"

23 NEW SECTION. Section 6. Codification instruction.
24 [Sections 1, 3, and 3 4] are intended to be codified as an
25 integral part of Title 15, chapter 23, part 7, and the

1 provisions of Title 15, chapter 23, part 7, apply to
2 [sections 1, 3, and 3 4].

3 NEW SECTION. **Section 7.** Effective date --
4 applicability. [This act] is effective July 1, 1991, and
5 applies retroactively, within the meaning of 1-2-109, to the
6 distribution and redistribution of coal gross proceeds taxes
7 levied against coal produced after December 31, 1989.

-End-

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
April 9, 1991

MR. PRESIDENT:

We, your committee on Taxation having had under consideration House Bill No. 868 (third reading copy -- blue), respectfully report that House Bill No. 868 be amended and as so amended be concurred in:

1. Page 4, lines 17 and 18.

Following: "1988"

Insert: ", "

Strike: ":" on line 17 through "counties" on line 18

2. Page 4, line 19.

Strike: "and"


Insert: ", "

Following: "county"

Insert: ", and school district"

3. Page 4, line 21 through page 5, line 6.

Strike: "in the taxing" on page 4, line 21 through "district" on page 5, line 6

Signed: 

Mike Halligan, Chairman

LB 4/9/91
Amd. Coord.

SB 4/10 11:30
Sec. of Senate

SENATE
HB 868

1 HOUSE BILL NO. 868

2 INTRODUCED BY STEPLER

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE
5 DISTRIBUTION OF COAL GROSS PROCEEDS; REQUIRING THE
6 DEPARTMENT OF REVENUE TO CALCULATE UNIT VALUES FOR COAL
7 PRODUCTION BASED ON 1988 PRODUCTION; EXCLUDING COAL MINES
8 THAT BEGAN PRODUCTION AFTER DECEMBER 31, 1988, FROM THE UNIT
9 VALUE CALCULATION; REQUIRING COUNTY TREASURERS TO DISTRIBUTE
10 COAL GROSS PROCEEDS BASED ON UNIT VALUE; PROVIDING A
11 SEPARATE DISTRIBUTION OF COAL GROSS PROCEEDS TAXES FOR COAL
12 MINES THAT BEGAN PRODUCTION AFTER DECEMBER 31, 1988;
13 REQUIRING COUNTY TREASURERS TO SEND EXCESS REVENUE TO THE
14 DEPARTMENT OF REVENUE; REQUIRING THE DEPARTMENT OF REVENUE
15 TO REDISTRIBUTE EXCESS REVENUE TO THE COUNTIES; PROVIDING A
16 STATUTORY APPROPRIATION; AMENDING SECTIONS 15-23-703 AND
17 17-7-502; AND PROVIDING AN EFFECTIVE DATE AND A RETROACTIVE
18 APPLICABILITY DATE."
19

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

21 NEW SECTION. Section 1. Department to calculate unit
22 value. (1) Except as provided in subsection (2), for the
23 purposes of the distribution of coal gross proceeds taxes
24 collected under this part, the department shall determine
25 the unit value of coal FOR EACH MINE in each taxing

1 unit. The unit value for coal for EACH MINE IN each taxing
2 unit is the quotient obtained by dividing the gross proceeds
3 taxes calculated on coal produced in that taxing unit in
4 calendar year 1988 by the number of tons of coal extracted,
5 treated, and sold in that taxing unit during 1988.

6 (2) The unit value calculation does not apply to coal
7 mines that began production after December 31, 1988.

8 **Section 2.** Section 15-23-703, MCA, is amended to read:

9 "15-23-703. Taxation of gross proceeds -- taxable value
10 for bonding and guaranteed tax base aid to schools. (1) The
11 county assessor shall compute from the reported gross
12 proceeds from coal a tax roll that he shall transmit to the
13 county treasurer on or before September 15 each year. The
14 county assessor may not levy or assess any mills against the
15 reported gross proceeds of coal but shall levy a tax of 5%
16 against the value of the reported gross proceeds as provided
17 in 15-23-701(1)(d). The county treasurer shall proceed to
18 give full notice to each coal producer of the taxes due and
19 to collect the taxes as provided in 15-16-101.

20 (2) For bonding, county classification, and all nontax
21 purposes, the taxable value of the gross proceeds of coal is
22 45% of the contract sales price as defined in 15-35-102(5).

23 (3) The taxable value of gross proceeds for the purpose
24 of computing guaranteed tax base aid for schools is the
25 amount of tax received by a district in the previous year

1 divided by the number of mills levied by the district in the
 2 previous year, multiplied by 1,000. This amount must be
 3 added to the district, county, and statewide taxable value
 4 when computing guaranteed tax base aid under 20-9-368.

5 (4) Except as provided in subsection (7), the county
 6 treasurer shall calculate and distribute to the state,
 7 county, and eligible school districts in the county the
 8 amount of the coal gross proceeds tax, determined by
 9 multiplying the unit value calculated in [section 1] times
 10 the tons of coal extracted, treated, and sold on which the
 11 coal gross proceeds tax was owed during the preceding
 12 calendar year.

13 ~~+(4)~~(5) The Except as provided in subsections (6) and
 14 (7), the county treasurer shall credit all taxes collected
 15 the amount determined under this part subsection (4) and the
 16 amounts received under [section 3]:

17 (a) to the state and to the counties that levied mills
 18 against production in the relative proportions required by
 19 the levies for state and county purposes in the same manner
 20 as property taxes were distributed in the year-~~1989~~ fiscal
 21 year 1990 in the taxing jurisdiction; and

22 (b) to school districts in the county that either
 23 levied mills against production or used nontax revenue, such
 24 as Public Law 81-874 money, in lieu of levying mills against
 25 production, in the same manner that property taxes collected

1 or property taxes that would have been collected would have
 2 been distributed in ~~1989~~ the 1990 school fiscal year in the
 3 school district.

4 (6) (a) If the total tax liability in a taxing
 5 jurisdiction exceeds the amount determined in subsection
 6 (4), the county treasurer shall, immediately following the
 7 distribution from taxes paid on May 31 of each year, send
 8 the excess revenue, EXCLUDING ANY PROTESTED COAL GROSS
 9 PROCEEDS TAX REVENUES, to the department for redistribution
 10 as provided in [section 3].

11 (b) If the total tax liability in a taxing jurisdiction
 12 is less than the amount determined in subsection (4), the
 13 taxing jurisdiction is entitled to a redistribution as
 14 provided by [section 3].

15 (7) The county treasurer shall credit all taxes
 16 collected under this part from coal mines that began
 17 production after December 31, 1988,:

18 ~~(a) to the state and to the counties in the relative~~
 19 ~~proportions required by the levies for state and, county,~~
 20 ~~AND SCHOOL DISTRICT purposes in the same manner as property~~
 21 ~~taxes were distributed in the previous fiscal year in the~~
 22 ~~taxing jurisdiction, except that:~~

23 ~~(i) no distribution may be made to the state~~
 24 ~~equalization aid levy provided by 20-9-368; and~~

25 ~~(ii) the mill levies in effect for county elementary and~~

1 ~~high-school-equalization-in-fiscal-year-1990-must-be-used-in~~
2 ~~computing--the--distribution--to--county-elementary-and-high~~
3 ~~school-equalization--and~~

4 ~~(b)--to-school-districts--in--the--county--in--the--same~~
5 ~~manner--that-property-taxes-were-distributed-in-the-previous~~
6 ~~school-fiscal-year-in-the-school-district."~~

7 NEW SECTION. Section 3. Department to determine
8 redistribution of coal gross proceeds to taxing
9 jurisdictions. (1) The ~~excess--revenue--received--by--the~~
10 ~~department---from---county---treasurers---as---provided---in~~
11 ~~15-23-703(6)+(a)~~ COAL GROSS PROCEEDS REDISTRIBUTION ACCOUNT
12 ESTABLISHED IN [SECTION 4] is statutorily appropriated, as
13 provided in 17-7-502, for allocation to the county for
14 redistribution as provided in subsections (2) and (3).

15 (2) Each year the department shall determine the amount
16 of tax collected under this part from within each taxing
17 unit in the county. If the amount collected BY EACH COUNTY
18 is less than the amount determined under 15-23-703(4) FOR
19 THAT COUNTY, the department shall, on or before June 30 of
20 each year, send the amount of the difference FROM THE STATE
21 SPECIAL REVENUE ACCOUNT ESTABLISHED IN [SECTION 4] to the
22 county treasurer for redistribution as provided in
23 15-23-703(5).

24 (3) Any IF THE amount ~~by--which--the--total--amount~~
25 received by the department for redistribution is less than

1 or more than the redistribution amount determined in
2 subsection (2), the department shall calculate and
3 redistribute the shortage or excess amount in the following
4 manner:

5 (a) If a county does not receive the entire amount to
6 which it is entitled under subsection (2), the shortage
7 amount AMOUNTS OF EACH TAXING UNIT must be divided by the
8 total ~~distribution--for--the-county~~ SHORTAGE AMOUNTS OF ALL
9 TAXING UNITS determined under 15-23-703(4) to obtain a
10 shortage percentage FOR EACH TAXING UNIT. The shortage
11 percentage FOR EACH TAXING UNIT must be multiplied by the
12 amount that is available for redistribution to each taxing
13 unit, and this amount must be redistributed to each
14 respective taxing unit.

15 (b) If there are excess amounts after the
16 redistribution provided for in subsection (2), the excess
17 amounts must be redistributed to the county of origin in
18 proportion to the amount EACH TAXING UNIT IN the county
19 contributed for redistribution.

20 (4) The county treasurer shall distribute the money
21 received under ~~subsections-(2)-and-(3)~~ SUBSECTION (3)(B) as
22 provided in 15-23-703(5).

23 NEW SECTION. SECTION 4. COAL GROSS PROCEEDS
24 REDISTRIBUTION ACCOUNT. (1) THERE IS WITHIN THE STATE
25 SPECIAL REVENUE FUND A COAL GROSS PROCEEDS REDISTRIBUTION

1 ACCOUNT.
 2 (2) ALL MONEY RECEIVED FROM COUNTY TREASURERS AS
 3 PROVIDED IN 15-23-703(6)(A) MUST BE DEPOSITED BY THE
 4 DEPARTMENT INTO THE COAL GROSS PROCEEDS REDISTRIBUTION
 5 ACCOUNT FOR REDISTRIBUTION AS PROVIDED IN [SECTION 3].

6 **Section 5.** Section 17-7-502, MCA, is amended to read:

7 **"17-7-502. Statutory appropriations -- definition --**
 8 **requisites for validity.** (1) A statutory appropriation is an
 9 appropriation made by permanent law that authorizes spending
 10 by a state agency without the need for a biennial
 11 legislative appropriation or budget amendment.

12 (2) Except as provided in subsection (4), to be
 13 effective, a statutory appropriation must comply with both
 14 of the following provisions:

15 (a) The law containing the statutory authority must be
 16 listed in subsection (3).

17 (b) The law or portion of the law making a statutory
 18 appropriation must specifically state that a statutory
 19 appropriation is made as provided in this section.

20 (3) The following laws are the only laws containing
 21 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;
 22 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111;
 23 [section 3]; 15-25-123; 15-31-702; 15-36-112; 15-37-117;
 24 15-65-121; 15-70-101; 16-1-404; 16-1-410; 16-1-411;
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1 19-9-1007; 19-10-205; 19-10-305; 19-10-506; 19-11-512;
 2 19-11-513; 19-11-606; 19-12-301; 19-13-604; 20-6-406;
 3 20-8-111; 20-9-361; 23-5-306; 23-5-409; 23-5-610; 23-5-612;
 4 23-5-1016; 23-5-1027; 27-12-206; 37-51-501; 39-71-2504;
 5 53-6-150; 53-24-206; 61-2-406; 61-5-121; 67-3-205;
 6 75-1-1101; 75-5-1108; 75-11-313; 76-12-123; 80-2-103;
 7 82-11-136; 82-11-161; 90-3-301; 90-4-215; 90-4-613;
 8 90-6-331; 90-9-306; and section 13, House Bill No. 861, Laws
 9 of 1985.

10 (4) There is a statutory appropriation to pay the
 11 principal, interest, premiums, and costs of issuing, paying,
 12 and securing all bonds, notes, or other obligations, as due,
 13 that have been authorized and issued pursuant to the laws of
 14 Montana. Agencies that have entered into agreements
 15 authorized by the laws of Montana to pay the state
 16 treasurer, for deposit in accordance with 17-2-101 through
 17 17-2-107, as determined by the state treasurer, an amount
 18 sufficient to pay the principal and interest as due on the
 19 bonds or notes have statutory appropriation authority for
 20 such payments. (In subsection (3), pursuant to sec. 10, Ch.
 21 664, L. 1987, the inclusion of 39-71-2504 terminates June
 22 30, 1991.)"

23 **NEW SECTION. Section 6. Codification instruction.**
 24 {Sections 1, 3, and 4} are intended to be codified as an
 25 integral part of Title 15, chapter 23, part 7, and the

1 provisions of Title 15, chapter 23, part 7, apply to
2 [sections 1, 3, and 3 4].

3 NEW SECTION. Section 7. Effective date --
4 applicability. [This act] is effective July 1, 1991, and
5 applies retroactively, within the meaning of 1-2-109, to the
6 distribution and redistribution of coal gross proceeds taxes
7 levied against coal produced after December 31, 1989.

-End-