

REPORTED CORRECTLY ENROLLED.

Senate BILL NO. *122*

INTRODUCED BY

Wendy Wang HARP
Michelle Beal
Michelle Beal

A BILL FOR AN ACT ENTITLED: "AN ACT EXTENDING THE HIGHWAY RECONSTRUCTION TRUST PROGRAM; ALLOCATING CERTAIN REVENUE TO THE HIGHWAY RECONSTRUCTION TRUST ACCOUNT; AMENDING SECTION 7, CHAPTER 541, LAWS OF 1983, AND SECTIONS 20-9-343 AND 60-3-216, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE, A RETROACTIVE APPLICABILITY DATE, AND A TERMINATION DATE."

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

Section 1. Section 7, Chapter 541, Laws of 1983, is amended to read:

"Section 7. Effective date -- termination date. Sections 1 through 5 are effective July 1, 1983, and terminate July 1, ~~1993~~ 2003."

Section 2. Section 60-3-216, MCA, is amended to read:

"60-3-216. (Temporary) Highway reconstruction trust account. (1) There is a highway reconstruction trust account created in the state special revenue fund.

(2) The highway reconstruction trust fund account consists of allocations:

(a) from the taxes collected pursuant to 15-35-103 for each fiscal year beginning on or after July 1, 1986, and ending on or before June 30, ~~1993~~ 2003, the amounts

allocated to the account pursuant to 15-35-108; and

(b) all money received from the state treasurer pursuant to [section 4] for each fiscal year beginning on or after July 1, 1991, and ending on or before June 30, 2003; and

~~(b)(c)~~ from the taxes collected pursuant to 15-70-204 and 15-70-321, for each fiscal year beginning on or after July 1, 1983, and ending on or before June 30, ~~1993~~ 2003, in an amount that, when added to the amount received pursuant to subsections (2)(a) and (2)(b), will equal appropriated expenditures. (Terminates July 1, 1993 2003--sec. 7, Ch. 541, L. 1983.)"

Section 3. Section 20-9-343, MCA, is amended to read:

"20-9-343. Definition of and revenue for state equalization aid. (1) As used in this title, the term "state equalization aid" means the money deposited in the state special revenue fund as required in this section plus any legislative appropriation of money from other sources for distribution to the public schools for the purposes of payment of guaranteed tax base aid and equalization of the foundation program.

(2) The superintendent of public instruction may spend funds appropriated for state equalization aid as required for guaranteed tax base aid and foundation program purposes throughout the biennium.

INTRODUCED BILL
SB 122



1 (3) The following must be paid into the state special
2 revenue fund for state equalization aid to public schools of
3 the state:

4 (a) money received from the collection of income taxes
5 under chapter 30 of Title 15, as provided by 15-1-501;

6 (b) except as provided in 15-31-702, money received
7 from the collection of corporation license and income taxes
8 under chapter 31 of Title 15, as provided by 15-1-501;

9 (c) money allocated to state equalization from the
10 collection of the severance tax on coal;

11 (d) as provided in [section 4], 62.5% of the money
12 received from the treasurer of the United States as the
13 state's shares of oil, gas, and other mineral royalties
14 under the federal Mineral Lands Leasing Act, as amended;

15 (e) interest and income money described in 20-9-341 and
16 20-9-342;

17 (f) money received from the state equalization aid levy
18 under 20-9-360;

19 (g) income from the lottery, as provided in 23-5-1027;

20 (h) the surplus revenues collected by the counties for
21 foundation program support according to 20-9-331 and
22 20-9-333;

23 (i) investment income earned by investing money in the
24 state equalization aid account in the state special revenue
25 fund; and

1 (j) 15% of the income and earnings of all coal
2 severance tax funds as provided in 17-5-704(2).

3 (4) The superintendent of public instruction shall
4 request the board of investments to invest the money in the
5 state equalization aid account to maximize investment
6 earnings to the account.

7 (5) Any surplus revenue in the state equalization aid
8 account in the second year of a biennium may be used to
9 reduce any appropriation required for the next succeeding
10 biennium."

11 NEW SECTION. **Section 4.** Distribution of royalties on
12 minerals received from federal government. For each fiscal
13 year beginning on or after July 1, 1991, and ending on or
14 before June 30, 2003, the state treasurer shall distribute
15 money received from the treasurer of the United States as
16 the state's share of gas, oil, and other mineral royalties
17 under the federal Mineral Lands Leasing Act, as amended, as
18 follows:

19 (1) 37.5% to the highway reconstruction trust account
20 established in 60-3-216; and

21 (2) 62.5% in the state special revenue fund to be used
22 as state equalization aid as provided in 20-9-343.

23 NEW SECTION. **Section 5.** Codification instruction.
24 [Section 4] is intended to be codified as an integral part
25 of Title 17, chapter 3, part 2, and the provisions of Title

1 17, chapter 3, part 2, apply to [section 4].

2 NEW SECTION. **Section 6.** Effective date --

3 applicability -- termination date. (1) [Sections 1 through
4 6] are effective on passage and approval.

5 (2) [Section 1] applies retroactively, within the
6 meaning of 1-2-109, to April 16, 1983.

7 (3) [Sections 1 through 4] terminate July 1, 2003.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0122, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act extending the highway reconstruction trust program; allocating certain revenue to the highway reconstruction trust account; and providing an immediate effective date, a retroactive applicability date, and a termination date.

ASSUMPTIONS:


1. Total receipts from the Federal Mineral Leasing Act for FY92 and FY93 are estimated to be \$24,500,000 and \$24,058,000 respectively (Office of Budget and Program Planning).
2. Under current law, 100% of the royalties and revenue received pursuant to the federal Mineral Lands Leasing Act is deposited in the state special revenue fund for state equalization aid to public schools. Under the proposal, distribution of receipts from the Federal Mineral Leasing Act will be 37.5% to the highway reconstruction trust account and 62.5% to state equalization aid for schools in each fiscal year from FY1992 through FY2003.

FISCAL IMPACT:

<u>Revenues</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>
U.S. Mineral Leasing Royalties	24,500,000	24,500,000	0	24,058,000	24,058,000	0
<u>Distribution:</u>						
Foundation Program (02)	24,500,000	15,312,500	(9,187,500)	24,058,000	15,036,250	(9,021,750)
Highway Reconstruction (02)	0	9,187,500	9,187,500	0	9,021,750	9,021,750

If the foundation program is to be funded at current law levels, a general fund appropriation equaling the loss in revenues shown above will be necessary.

continued on page 2


 ROD SUNDSTED, BUDGET DIRECTOR
 Office of Budget and Program Planning
 1-22-91
 DATE


 CECIL WEEDING, PRIMARY SPONSOR
 1/23/91
 DATE

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

If receipts from the Federal Mineral Leasing Act average \$24 million from FY1992 to FY2003 (the last fiscal year impacted by the proposal), state equalization aid revenues will be reduced \$9 million each fiscal year, a total reduction of \$108 million for the 12-year period.

TECHNICAL NOTE:

Section 2 of the bill amends the funding of the highway reconstruction trust account to continue the 12% coal severance tax allocation beyond FY93. However, the coal tax allocation contained in 15-35-103, MCA, is not amended in the bill, therefore, the amendment is ineffective.

If the intent is to continue the coal severance tax allocation to the highway reconstruction trust, 15-35-103, MCA, must be amended.

SB 122

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0122, third reading.

DESCRIPTION OF PROPOSED LEGISLATION:

An act extending the highway reconstruction trust program; allocating certain revenue to the highway reconstruction trust account; and providing an immediate effective date, a retroactive applicability date, and a termination date.

ASSUMPTIONS:

1. Total receipts of the coal severance tax will be \$38,595,000 in FY92 and \$37,109,000 in FY93. (OBPP)

FISCAL IMPACT:

The proposal has no impact in the current biennium.


LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Under the proposal the current law allocation of the coal severance tax of 12% to the Highway Reconstruction Trust Fund would be extended through FY2003, regardless of any reallocation of the remaining 88% of the tax. Given current trends, the proposal would allocate approximately \$4,500,000 annually to the Highway Reconstruction Trust Fund for the foreseeable future.

The proposed legislation would enable the Montana Department of Highways to continue to administer a 100% state-funded construction program. This program allows the department to expend funds for projects to preserve and repair existing highways according to need.

TECHNICAL NOTE:

The title of the proposal erroneously identifies MCA 15-36-108 (oil and gas severance tax--warrant for distraint) as being amended. The body of the proposal correctly amends MCA 15-35-108 (coal severance tax--disposal of severance taxes).

 3-13-91

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

 _____
CECIL F. WEEDING, PRIMARY SPONSOR DATE

Fiscal Note for SB0122, third reading SB122-2

1 SENATE BILL NO. 122
2 INTRODUCED BY WEEDING, STANG, HARP, MAZUREK, NOBLE, TVEIT,
3 FARRELL, BRUSKI, REA, STIMATZ, KOEHNKE, GERVAIS, L. NELSON
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT EXTENDING THE HIGHWAY
6 RECONSTRUCTION TRUST PROGRAM; ALLOCATING CERTAIN REVENUE TO
7 THE HIGHWAY RECONSTRUCTION TRUST ACCOUNT; AMENDING SECTION
8 7, CHAPTER 541, LAWS OF 1983, AND SECTIONS ~~20-9-343~~
9 15-36-108 AND 60-3-216, MCA; AND PROVIDING AN IMMEDIATE
10 EFFECTIVE DATE, A RETROACTIVE APPLICABILITY DATE, AND A
11 TERMINATION DATE."
12

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

14 Section 1. Section 7, Chapter 541, Laws of 1983, is
15 amended to read:

16 "Section 7. Effective date -- termination date.
17 Sections 1 through 5 are effective July 1, 1983, and
18 terminate July 1, ~~1993~~ 2003."

19 Section 2. Section 60-3-216, MCA, is amended to read:

20 "60-3-216. (Temporary) Highway reconstruction trust
21 account. (1) There is a highway reconstruction trust account
22 created in the state special revenue fund.

23 (2) The highway reconstruction trust fund account
24 consists of allocations:

25 (a) from the taxes collected pursuant to 15-35-103 for

1 each fiscal year beginning on or after July 1, 1986, and
2 ending on or before June 30, ~~1993~~ 2003, the amounts
3 allocated to the account pursuant to 15-35-108; and AND

4 ~~(b) all money received from the state treasurer~~
5 ~~pursuant to (section 4) for each fiscal year beginning on or~~
6 ~~after July 1, 1991, and ending on or before June 30, 2003;~~
7 and

8 ~~(b)(c)(B)~~ from the taxes collected pursuant to
9 15-70-204 and 15-70-321, for each fiscal year beginning on
10 or after July 1, 1983, and ending on or before June 30, ~~1993~~
11 2003, in IN an amount that ~~when added to the amount~~
12 ~~received pursuant to subsections (2)(a) and (2)(b)~~ will
13 equal appropriated expenditures. (Terminates July 1, ~~1993~~
14 2003--sec. 7, Ch. 541, L. 1983.)"

15 Section 3--Section 20-9-343, MCA, is amended to read:

16 "20-9-343--Definition--of--and--revenue--for--state
17 equalization aid--(1)--As used in this title, the term "state
18 equalization aid" means the money deposited in the state
19 special revenue fund as required in this section plus any
20 legislative appropriation of money from other sources for
21 distribution to the public schools for the purposes of
22 payment of guaranteed tax base aid and equalization of the
23 foundation program.

24 (2)--The superintendent of public instruction may spend
25 funds appropriated for state equalization aid as required

SECOND READING



1 for--guarantee¹-tax-base-aid-and-foundation-program-purposes
 2 throughout-the-biennium;
 3 (3)--The-following-must-be-paid-into-the--state--special
 4 revenue-fund-for-state-equalization-aid-to-public-schools-of
 5 the-state:
 6 (a)--money--received-from-the-collection-of-income-taxes
 7 under-chapter-38-of-Title-15,--as-provided-by-15-1-501;
 8 (b)--except-as-provided--in--15-31-702,--money--received
 9 from--the-collection-of-corporation-license-and-income-taxes
 10 under-chapter-31-of-Title-15,--as-provided-by-15-1-501;
 11 (c)--money-allocated--to--state--equalization--from--the
 12 collection-of-the-severance-tax-on-coal;
 13 (d)--as--provided--in--(section--4),--62.5%--of--the--money
 14 received-from-the-treasurer-of--the--United--States--as--the
 15 state's--shares--of--oil,--gas,--and--other-mineral-royalties
 16 under-the-federal-Mineral-Lands-Leasing-Act,--as-amended;
 17 (e)--interest-and-income-money-described-in-20-9-341-and
 18 20-9-342;
 19 (f)--money-received-from-the-state-equalization-aid-levy
 20 under-20-9-360;
 21 (g)--income-from-the-lottery,--as-provided-in-23-5-1027;
 22 (h)--the-surplus-revenues-collected-by-the-counties--for
 23 foundation--program--support--according--to--20-9-331--and
 24 20-9-333;
 25 (i)--investment-income-earned-by-investing-money-in--the

1 state--equalization-aid-account-in-the-state-special-revenue
 2 fund,--and
 3 (j)--15%--of--the--income--and--earnings--of--all--coal
 4 severance-tax-funds-as-provided-in-17-5-704(2);
 5 (4)--The--superintendent--of--public--instruction--shall
 6 request--the-board-of-investments-to-invest-the-money-in-the
 7 state--equalization--aid--account--to--maximize--investment
 8 earnings-to-the-account;
 9 (5)--Any--surplus--revenue-in-the-state-equalization-aid
 10 account-in-the-second-year-of-a--biennium--may--be--used--to
 11 reduce--any--appropriation--required--for--the--next--succeeding
 12 biennium;"
 13 NEW-SECTION:--Section-4--Distribution-of--royalties--on
 14 minerals--received--from-federal-government;--For--each--fiscal
 15 year--beginning--on--or--after--July-1,--1991,--and--ending--on--or
 16 before--June--30,--2003,--the--state--treasurer--shall--distribute
 17 money--received--from--the--treasurer--of--the--United--States--as
 18 the--state's--share--of--gas,--oil,--and--other--mineral--royalties
 19 under--the--federal--Mineral--Lands--Leasing--Act,--as--amended,--as
 20 follows:
 21 (1)--37.5%--to--the--highway--reconstruction--trust--account
 22 established--in--60-3-216;--and
 23 (2)--62.5%--in--the--state--special--revenue--fund--to--be--used
 24 as--state--equalization--aid--as--provided--in--20-9-343;
 25 NEW-SECTION:--Section-5--Codification-----instruction;

~~{Section 4} is intended to be codified as an integral part of Title 17, chapter 3, part 2, and the provisions of Title 17, chapter 3, part 2, apply to {section 4}.~~

SECTION 3. ~~SECTION 15-35-108, MCA, IS AMENDED TO READ:~~

"15-35-108. (Temporary) Disposal of severance taxes.

Severance taxes collected under this chapter must be allocated according to the provisions in effect on the date the tax is due under 15-35-104. Severance taxes collected under the provisions of this chapter are allocated as follows:

(1) To the trust fund created by Article IX, section 5, of the Montana constitution, 50% of total coal severance tax collections. The trust fund moneys shall be deposited in the fund established under 17-6-203(5) and invested by the board of investments as provided by law.

(2) Starting July 1, 1987, and ending June 30, 1993 2003, 12% of coal severance tax collections are allocated to the highway reconstruction trust fund account in the state special revenue fund.

(3) Coal severance tax collections remaining after the allocations provided by subsections (1) and (2) are allocated in the following percentages of the remaining balance:

(a) 17.5% to the credit of the local impact account. Unencumbered funds remaining in the local impact account at

1 the end of each biennium are allocated to the state special
2 revenue fund for state equalization aid to public schools of
3 the state.

4 (b) 30% to the state special revenue fund for state
5 equalization aid to public schools of the state;

6 (c) 1% to the state special revenue fund to the credit
7 of the county land planning account;

8 (d) 1 1/4% to the credit of the renewable resource
9 development bond fund;

10 (e) 5% to a nonexpendable trust fund for the purpose of
11 parks acquisition or management, protection of works of art
12 in the state capitol, and other cultural and aesthetic
13 projects. Income from this trust fund shall be appropriated
14 as follows:

15 (i) 1/3 for protection of works of art in the state
16 capitol and other cultural and aesthetic projects; and

17 (ii) 2/3 for the acquisition, development, operation,
18 and maintenance of any sites and areas described in
19 23-1-102;

20 (f) 1% to the state special revenue fund to the credit
21 of the state library commission for the purposes of
22 providing basic library services for the residents of all
23 counties through library federations and for payment of the
24 costs of participating in regional and national networking;

25 (g) 1/2 of 1% to the state special revenue fund for

1 conservation districts;

2 (h) 1 1/4% to the debt service fund type to the credit
3 of the water development debt service fund;

4 (i) 2% to the state special revenue fund for the
5 Montana Growth Through Agriculture Act;

6 (j) all other revenues from severance taxes collected
7 under the provisions of this chapter to the credit of the
8 general fund of the state. (Terminates July 1, 1993
9 2003--sec. 7, Ch. 541, L. 1983.)

10 15-35-108. (Effective July 1, 1993 2003) Disposal of
11 severance taxes. Severance taxes collected under this
12 chapter must be allocated according to the provisions in
13 effect on the date the tax is due under 15-35-104. Severance
14 taxes collected under the provisions of this chapter are
15 allocated as follows:

16 (1) To the trust fund created by Article IX, section 5,
17 of the Montana constitution, 50% of total coal severance tax
18 collections. The trust fund moneys shall be deposited in the
19 fund established under 17-6-203(5) and invested by the board
20 of investments as provided by law.

21 (2) Coal severance tax collections remaining after
22 allocation to the trust fund under subsection (1) are
23 allocated in the following percentages of the remaining
24 balance:

25 (a) 17.5% to the credit of the local impact account.

1 Unencumbered funds remaining in the local impact account at
2 the end of each biennium are allocated to the state special
3 revenue fund for state equalization aid to public schools of
4 the state.

5 (b) 30% to the state special revenue fund for state
6 equalization aid to public schools of the state;

7 (c) 1% to the state special revenue fund to the credit
8 of the county land planning account;

9 (d) 1 1/4% to the credit of the renewable resource
10 development bond fund;

11 (e) 5% to a nonexpendable trust fund for the purpose of
12 parks acquisition or management, protection of works of art
13 in the state capitol, and other cultural and aesthetic
14 projects. Income from this trust fund shall be appropriated
15 as follows:

16 (i) 1/3 for protection of works of art in the state
17 capitol and other cultural and aesthetic projects; and

18 (ii) 2/3 for the acquisition, development, operation,
19 and maintenance of any sites and areas described in
20 23-1-102;

21 (f) 1% to the state special revenue fund to the credit
22 of the state library commission for the purposes of
23 providing basic library services for the residents of all
24 counties through library federations and for payment of the
25 costs of participating in regional and national networking;

1 (g) 1/2 of 1% to the state special revenue fund for
2 conservation districts;

3 (h) 1 1/4% to the debt service fund type to the credit
4 of the water development debt service fund;

5 (i) 2% to the state special revenue fund for the
6 Montana Growth Through Agriculture Act;

7 (j) all other revenues from severance taxes collected
8 under the provisions of this chapter to the credit of the
9 general fund of the state."

10 NEW SECTION. Section 4. Effective date --
11 applicability -- termination date. (1) ~~{Sections 1 through~~
12 ~~6}~~ are [THIS ACT] IS effective on passage and approval.

13 (2) [Section 1] applies retroactively, within the
14 meaning of 1-2-109, to April 16, 1983.

15 (3) [Sections 1 through 4] terminate July 1, 2003.

-End-

SENATE BILL NO. 122

INTRODUCED BY WEEDING, STANG, HARP, MAZUREK, NOBLE, TVEIT, FARRELL, BRUSKI, REA, STIMATZ, KOEHNKE, GERVAIS, L. NELSON

A BILL FOR AN ACT ENTITLED: "AN ACT EXTENDING THE HIGHWAY RECONSTRUCTION TRUST PROGRAM; ALLOCATING CERTAIN REVENUE TO THE HIGHWAY RECONSTRUCTION TRUST ACCOUNT; AMENDING SECTION 7, CHAPTER 541, LAWS OF 1983, AND SECTIONS 20-9-343 15-36-108 AND 60-3-216, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE, A RETROACTIVE APPLICABILITY DATE, AND A TERMINATION DATE."

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

Section 1. Section 7, Chapter 541, Laws of 1983, is

amended to read:

"Section 7. Effective date -- termination date.

Sections 1 through 5 are effective July 1, 1983, and terminate July 1, 1993 2003."

Section 2. Section 60-3-216, MCA, is amended to read:

"60-3-216. (Temporary) Highway reconstruction trust

account. (1) There is a highway reconstruction trust account created in the state special revenue fund.

(2) The highway reconstruction trust fund account consists of allocations:

(a) from the taxes collected pursuant to 15-35-103 for

each fiscal year beginning on or after July 1, 1986, and ending on or before June 30, 1993 2003, the amounts allocated to the account pursuant to 15-35-108; and AND

~~(b) all money received from the state treasurer pursuant to (section 4) for each fiscal year beginning on or after July 1, 1991, and ending on or before June 30, 2003, and~~

~~(b)(c)(B) from the taxes collected pursuant to 15-70-204 and 15-70-321, for each fiscal year beginning on or after July 1, 1983, and ending on or before June 30, 1993 2003, in IN an amount that, when added to the amount received pursuant to subsections (2)(a) and (2)(b), will equal appropriated expenditures. (Terminates July 1, 1993 2003--sec. 7, Ch. 541, L. 1983.)"~~

~~Section 3--Section 20-9-343, MCA, is amended to read:~~

~~"20-9-343--Definition--of--and--revenue--for--state equalization aid--(1) As used in this title, the term "state equalization aid" means the money deposited in the state special revenue fund as required in this section plus any legislative appropriation of money from other sources for distribution to the public schools for the purposes of payment of guaranteed tax base aid and equalization of the foundation program;~~

~~(2) The superintendent of public instruction may spend funds appropriated for state equalization aid as required~~

THIRD READING



1 for--guaranteed-tax-base-aid-and-foundation-program-purposes
 2 throughout-the-biennium;
 3 {j}--The-following-must-be-paid-into-the--state--special
 4 revenue-fund-for-state-equalization-aid-to-public-schools-of
 5 the-state;
 6 {a}--money--received-from-the-collection-of-income-taxes
 7 under-chapter-30-of-Title-15,--as-provided-by-15-1-501;
 8 {b}--except-as-provided--in--15-31-702,--money--received
 9 from--the-collection-of-corporation-license-and-income-taxes
 10 under-chapter-31-of-Title-15,--as-provided-by-15-1-501;
 11 {c}--money-allocated--to--state--equalization--from--the
 12 collection-of-the-severance-tax-on-coal;
 13 {d}--as-provided-in-{section-4}7--62.5%--of--the-money
 14 received-from-the-treasurer-of--the--United--States--as--the
 15 state's--shares--of--oil,--gas,--and-other-mineral-royalties
 16 under-the-federal-Mineral-Lands-Leasing-Act,--as-amended;
 17 {e}--interest-and-income-money-described-in-20-9-341-and
 18 20-9-342;
 19 {f}--money-received-from-the-state-equalization-aid-levy
 20 under-20-9-360;
 21 {g}--income-from-the-lottery,--as-provided-in-23-5-1827;
 22 {h}--the-surplus-revenues-collected-by-the-counties--for
 23 foundation---program---support--according--to--20-9-331--and
 24 20-9-333;
 25 {i}--investment-income-earned-by-investing-money-in--the

1 state--equalization-aid-account-in-the-state-special-revenue
 2 fund;--and
 3 {j}--15%--of--the--income--and--earnings--of--all---coal
 4 severance-tax-funds-as-provided-in-17-5-704(2);
 5 {k}--The--superintendent--of--public--instruction--shall
 6 request--the-board-of-investments-to-invest-the-money-in-the
 7 state--equalization--aid--account--to--maximize---investment
 8 earnings-to-the-account;
 9 {l}--Any--surplus--revenue-in-the-state-equalization-aid
 10 account-in-the-second-year-of-a--biennium--may--be--used--to
 11 reduce--any--appropriation--required-for-the-next-succeeding
 12 biennium."
 13 NEW-SECTION:--Section-4,--Distribution-of--royalties--on
 14 minerals--received--from-federal-government,--For-each-fiscal
 15 year-beginning-on-or-after-July-1,--1991,--and--ending-on--or
 16 before--June--30,--2003,--the-state-treasurer-shall-distribute
 17 money-received-from-the-treasurer-of-the--United--States--as
 18 the--state's--share-of-gas,--oil,--and-other-mineral-royalties
 19 under-the-federal-Mineral-Lands-Leasing-Act,--as-amended,--as
 20 follows:
 21 {1}--37.5%--to--the-highway-reconstruction-trust-account
 22 established-in-60-3-216,--and
 23 {2}--62.5%--in-the-state-special-revenue-fund-to-be-used
 24 as-state-equalization-aid-as-provided-in-20-9-343;
 25 NEW-SECTION:--Section-5,--Codification-----instruction;

~~{Section--4}--is-intended-to-be-codified-as-an-integral-part
of-Title-177-chapter-37-part-27-and-the-provisions-of--Title
177-chapter-37-part-27-apply-to-{section-4}.~~

SECTION 3. SECTION 15-35-108, MCA, IS AMENDED TO READ:

***15-35-108. (Temporary) Disposal of severance taxes.**
Severance taxes collected under this chapter must be allocated according to the provisions in effect on the date the tax is due under 15-35-104. Severance taxes collected under the provisions of this chapter are allocated as follows:

(1) To the trust fund created by Article IX, section 5, of the Montana constitution, 50% of total coal severance tax collections. The trust fund moneys shall be deposited in the fund established under 17-6-203(5) and invested by the board of investments as provided by law.

(2) Starting July 1, 1987, and ending June 30, ~~1993~~ 2003, 12% of coal severance tax collections are allocated to the highway reconstruction trust fund account in the state special revenue fund.

(3) Coal severance tax collections remaining after the allocations provided by subsections (1) and (2) are allocated in the following percentages of the remaining balance:

(a) 17.5% to the credit of the local impact account.
Unencumbered funds remaining in the local impact account at

the end of each biennium are allocated to the state special revenue fund for state equalization aid to public schools of the state.

(b) 30% to the state special revenue fund for state equalization aid to public schools of the state;

(c) 1% to the state special revenue fund to the credit of the county land planning account;

(d) 1 1/4% to the credit of the renewable resource development bond fund;

(e) 5% to a nonexpendable trust fund for the purpose of parks acquisition or management, protection of works of art in the state capitol, and other cultural and aesthetic projects. Income from this trust fund shall be appropriated as follows:

(i) 1/3 for protection of works of art in the state capitol and other cultural and aesthetic projects; and

(ii) 2/3 for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102;

(f) 1% to the state special revenue fund to the credit of the state library commission for the purposes of providing basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking;

(g) 1/2 of 1% to the state special revenue fund for

1 conservation districts;

2 (h) 1 1/4% to the debt service fund type to the credit
3 of the water development debt service fund;

4 (i) 2% to the state special revenue fund for the
5 Montana Growth Through Agriculture Act;

6 (j) all other revenues from severance taxes collected
7 under the provisions of this chapter to the credit of the
8 general fund of the state. (Terminates July 1, 1993
9 2003--sec. 7, Ch. 541, L. 1983.)

10 15-35-108. (Effective July 1, 1993 2003) Disposal of
11 severance taxes. Severance taxes collected under this
12 chapter must be allocated according to the provisions in
13 effect on the date the tax is due under 15-35-104. Severance
14 taxes collected under the provisions of this chapter are
15 allocated as follows:

16 (1) To the trust fund created by Article IX, section 5,
17 of the Montana constitution, 50% of total coal severance tax
18 collections. The trust fund moneys shall be deposited in the
19 fund established under 17-6-203(5) and invested by the board
20 of investments as provided by law.

21 (2) Coal severance tax collections remaining after
22 allocation to the trust fund under subsection (1) are
23 allocated in the following percentages of the remaining
24 balance:

25 (a) 17.5% to the credit of the local impact account.

1 Unencumbered funds remaining in the local impact account at
2 the end of each biennium are allocated to the state special
3 revenue fund for state equalization aid to public schools of
4 the state.

5 (b) 30% to the state special revenue fund for state
6 equalization aid to public schools of the state;

7 (c) 1% to the state special revenue fund to the credit
8 of the county land planning account;

9 (d) 1 1/4% to the credit of the renewable resource
10 development bond fund;

11 (e) 5% to a nonexpendable trust fund for the purpose of
12 parks acquisition or management, protection of works of art
13 in the state capitol, and other cultural and aesthetic
14 projects. Income from this trust fund shall be appropriated
15 as follows:

16 (i) 1/3 for protection of works of art in the state
17 capitol and other cultural and aesthetic projects; and

18 (ii) 2/3 for the acquisition, development, operation,
19 and maintenance of any sites and areas described in
20 23-1-102;

21 (f) 1% to the state special revenue fund to the credit
22 of the state library commission for the purposes of
23 providing basic library services for the residents of all
24 counties through library federations and for payment of the
25 costs of participating in regional and national networking;

1 (g) 1/2 of 1% to the state special revenue fund for
2 conservation districts;

3 (h) 1 1/4% to the debt service fund type to the credit
4 of the water development debt service fund;

5 (i) 2% to the state special revenue fund for the
6 Montana Growth Through Agriculture Act;

7 (j) all other revenues from severance taxes collected
8 under the provisions of this chapter to the credit of the
9 general fund of the state."

10 NEW SECTION. Section 4. Effective date --
11 applicability -- termination date. (1) [Sections 1 through
12 6] are [THIS ACT] IS effective on passage and approval.

13 (2) [Section 1] applies retroactively, within the
14 meaning of 1-2-109, to April 16, 1983.

15 (3) [Sections 1 through 4 3] terminate July 1, 2003.

-End-

1 SENATE BILL NO. 122

2 INTRODUCED BY WEEDING, STANG, HARP, MAZUREK, NOBLE, TVEIT,
3 FARRELL, BRUSKI, REA, STIMATZ, KOEHNKE, GERVAIS, L. NELSON
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT EXTENDING THE HIGHWAY
6 RECONSTRUCTION TRUST PROGRAM; ALLOCATING CERTAIN REVENUE TO
7 THE HIGHWAY RECONSTRUCTION TRUST ACCOUNT; AMENDING SECTION
8 7, CHAPTER 541, LAWS OF 1983, AND SECTIONS ~~20-9-343~~
9 15-36-108 AND 60-3-216, MCA; AND PROVIDING AN IMMEDIATE
10 EFFECTIVE DATE, A RETROACTIVE APPLICABILITY DATE, AND A
11 TERMINATION DATE."
12

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

14 **Section 1.** Section 7, Chapter 541, Laws of 1983, is
15 amended to read:

16 "Section 7. Effective date -- termination date.
17 Sections 1 through 5 are effective July 1, 1983, and
18 terminate July 1, 1993 2003."

19 **Section 2.** Section 60-3-216, MCA, is amended to read:

20 "60-3-216. (Temporary) Highway reconstruction trust
21 account. (1) There is a highway reconstruction trust account
22 created in the state special revenue fund.

23 (2) The highway reconstruction trust fund account
24 consists of allocations:

25 (a) from the taxes collected pursuant to 15-35-103 for

1 each fiscal year beginning on or after July 1, 1986, and
2 ending on or before June 30, 1993 2003, the amounts
3 allocated to the account pursuant to 15-35-108; and AND

4 ~~(b) all money received from the state treasurer~~
5 ~~pursuant to (section 4) for each fiscal year beginning on or~~
6 ~~after July 1, 1991, and ending on or before June 30, 2003;~~
7 and

8 ~~(b)(c)(B)~~ from the taxes collected pursuant to
9 15-70-204 and 15-70-321, for each fiscal year beginning on
10 or after July 1, 1983, and ending on or before June 30, 1993
11 2003, in IN an amount that ~~when added to the amount~~
12 ~~received pursuant to subsections (2)(a) and (2)(b),~~ will
13 equal appropriated expenditures. (Terminates July 1, 1993
14 2003--sec. 7, Ch. 541, L. 1983.)"

15 ~~Section 3--Section 20-9-343--MCA, is amended to read:~~

16 "~~20-9-343--Definition--of--and--revenue--for--state~~
17 ~~equalization aid--(1)--As used in this title, the term "state~~
18 ~~equalization aid" means the money deposited in the state~~
19 ~~special revenue fund as required in this section plus any~~
20 ~~legislative appropriation of money from other sources for~~
21 ~~distribution to the public schools for the purposes of~~
22 ~~payment of guaranteed tax base aid and equalization of the~~
23 ~~foundation program:~~

24 ~~(2)--The superintendent of public instruction may spend~~
25 ~~funds appropriated for state equalization aid as required~~

REFERENCE BILL

1 for--guaranteed-tax-base-aid-and-foundation-program-purposes
 2 throughout-the-biennium;
 3 {3}--The-following-must-be-paid-into-the--state--special
 4 revenue-fund-for-state-equalization-aid-to-public-schools-of
 5 the-state:
 6 (a)--money--received-from-the-collection-of-income-taxes
 7 under-chapter-30-of-Title-15,--as-provided-by-15-1-501;
 8 (b)--except-as-provided--in--15-31-702,--money--received
 9 from--the-collection-of-corporation-license-and-income-taxes
 10 under-chapter-31-of-Title-15,--as-provided-by-15-1-501;
 11 (c)--money-allocated--to--state--equalization--from--the
 12 collection-of-the-severance-tax-on-coal;
 13 (d)--~~as--provided--in--{section--4}7--62.5%--of--the--money~~
 14 ~~received--from--the--treasurer--of--the--United--States--as--the~~
 15 ~~state's--share--of--oil,--gas,--and--other--mineral--royalties~~
 16 ~~under--the--federal--Mineral--Leasing--Act,--as--amended;~~
 17 (e)--interest--and--income--money--described--in--20-9-341--and
 18 20-9-342;
 19 (f)--money--received--from--the--state--equalization--aid--levy
 20 under--20-9-360;
 21 (g)--income--from--the--lottery,--as--provided--in--23-5-1027;
 22 (h)--the--surplus--revenues--collected--by--the--counties--for
 23 foundation---program---support---according---to---20-9-331---and
 24 20-9-333;
 25 (i)--investment--income--earned--by--investing--money--in--the

1 state--equalization-aid-account-in-the-state-special-revenue
 2 fund,--and
 3 (j)--15%--of--the--income--and--earnings--of--all--coal
 4 severance-tax-funds--as--provided--in--17-5-704(2);
 5 (4)--The--superintendent--of--public--instruction--shall
 6 request--the--board--of--investments--to--invest--the--money--in--the
 7 state--equalization--aid--account--to--maximize--investment
 8 earnings--to--the--account;
 9 (5)--Any--surplus--revenue--in--the--state--equalization--aid
 10 account--in--the--second--year--of--a--biennium--may--be--used--to
 11 reduce--any--appropriation--required--for--the--next--succeeding
 12 biennium."
 13 NEW SECTION:--Section-4--Distribution-of--royalties--on
 14 minerals--received--from--federal--government;--For--each--fiscal
 15 year--beginning--on--or--after--July-17-1991,--and--ending--on--or
 16 before--June--30,--2003,--the--state--treasurer--shall--distribute
 17 money--received--from--the--treasurer--of--the--United--States--as
 18 the--state's--share--of--gas,--oil,--and--other--mineral--royalties
 19 under--the--federal--Mineral--Leasing--Act,--as--amended,--as
 20 follows:
 21 (1)--37.5%--to--the--highway--reconstruction--trust--account
 22 established--in--60-3-216;--and
 23 (2)--62.5%--in--the--state--special--revenue--fund--to--be--used
 24 as--state--equalization--aid--as--provided--in--20-9-343;
 25 NEW SECTION:--Section-5--Codification--instruction

1 ~~{Section--4}--is-intended-to-be-codified-as-an-integral-part~~
 2 ~~of-Title-17-chapter-3-part-2-and-the-provisions-of-Title~~
 3 ~~17-chapter-3-part-2-apply-to-{section-4}~~

4 **SECTION 3. SECTION 15-35-108, MCA, IS AMENDED TO READ:**

5 **"15-35-108. (Temporary) Disposal of severance taxes.**

6 Severance taxes collected under this chapter must be
 7 allocated according to the provisions in effect on the date
 8 the tax is due under 15-35-104. Severance taxes collected
 9 under the provisions of this chapter are allocated as
 10 follows:

11 (1) To the trust fund created by Article IX, section 5,
 12 of the Montana constitution, 50% of total coal severance tax
 13 collections. The trust fund moneys shall be deposited in the
 14 fund established under 17-6-203(5) and invested by the board
 15 of investments as provided by law.

16 (2) Starting July 1, 1987, and ending June 30, 1993
 17 2003, 12% of coal severance tax collections are allocated to
 18 the highway reconstruction trust fund account in the state
 19 special revenue fund.

20 (3) Coal severance tax collections remaining after the
 21 allocations provided by subsections (1) and (2) are
 22 allocated in the following percentages of the remaining
 23 balance:

24 (a) 17.5% to the credit of the local impact account.
 25 Unencumbered funds remaining in the local impact account at

1 the end of each biennium are allocated to the state special
 2 revenue fund for state equalization aid to public schools of
 3 the state.

4 (b) 30% to the state special revenue fund for state
 5 equalization aid to public schools of the state;

6 (c) 1% to the state special revenue fund to the credit
 7 of the county land planning account;

8 (d) 1 1/4% to the credit of the renewable resource
 9 development bond fund;

10 (e) 5% to a nonexpendable trust fund for the purpose of
 11 parks acquisition or management, protection of works of art
 12 in the state capitol, and other cultural and aesthetic
 13 projects. Income from this trust fund shall be appropriated
 14 as follows:

15 (i) 1/3 for protection of works of art in the state
 16 capitol and other cultural and aesthetic projects; and

17 (ii) 2/3 for the acquisition, development, operation,
 18 and maintenance of any sites and areas described in
 19 23-1-102;

20 (f) 1% to the state special revenue fund to the credit
 21 of the state library commission for the purposes of
 22 providing basic library services for the residents of all
 23 counties through library federations and for payment of the
 24 costs of participating in regional and national networking;

25 (g) 1/2 of 1% to the state special revenue fund for

1 conservation districts;

2 (h) 1 1/4% to the debt service fund type to the credit
3 of the water development debt service fund;

4 (i) 2% to the state special revenue fund for the
5 Montana Growth Through Agriculture Act;

6 (j) all other revenues from severance taxes collected
7 under the provisions of this chapter to the credit of the
8 general fund of the state. (Terminates July 1, 1993
9 2003--sec. 7, Ch. 541, L. 1983.)

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13 effect on the date the tax is due under 15-35-104. Severance
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1 Unencumbered funds remaining in the local impact account at
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3 revenue fund for state equalization aid to public schools of
4 the state.

5 (b) 30% to the state special revenue fund for state
6 equalization aid to public schools of the state;

7 (c) 1% to the state special revenue fund to the credit
8 of the county land planning account;

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10 development bond fund;

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12 parks acquisition or management, protection of works of art
13 in the state capitol, and other cultural and aesthetic
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17 capitol and other cultural and aesthetic projects; and

18 (ii) 2/3 for the acquisition, development, operation,
19 and maintenance of any sites and areas described in
20 23-1-102;

21 (f) 1% to the state special revenue fund to the credit
22 of the state library commission for the purposes of
23 providing basic library services for the residents of all
24 counties through library federations and for payment of the
25 costs of participating in regional and national networking;

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1 (g) 1/2 of 1% to the state special revenue fund for
2 conservation districts;

3 (h) 1 1/4% to the debt service fund type to the credit
4 of the water development debt service fund;

5 (i) 2% to the state special revenue fund for the
6 Montana Growth Through Agriculture Act;

7 (j) all other revenues from severance taxes collected
8 under the provisions of this chapter to the credit of the
9 general fund of the state."

10 NEW SECTION. Section 4. Effective date --
11 applicability -- termination date. (1) ~~Sections 1 through~~
12 ~~6~~ are (THIS ACT) IS effective on passage and approval.

13 (2) [Section 1] applies retroactively, within the
14 meaning of 1-2-109, to April 16, 1983.

15 (3) [Sections 1 through 4 3] terminate July 1, 2003.

-End-