

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

HOUSE COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT

Call to Order: By Rep. Bob Pavlovich, on February 21, 1989, at
7:30 a.m.

ROLL CALL

Members Present: All

Members Excused: None

Members Absent: None

Staff Present: Paul Verdon and Sue Pennington

Announcements/Discussion: None

DISPOSITION OF HOUSE BILL 669

Motion: Rep. Thomas moved to take HB 669 from the table. Rep.
Thomas moved DO PASS and moved the amendments.

Amendments, Discussion, and Vote: Sen. Eck had Paul look at all the submitted amendments to see if he could make them work. Paul said no one has okayed the amendments. Sen. Eck said she is interested in the bill. It has been a fairly complex bill and all I can say is if there is still problems with the bill, we will work on it. Rep. Thomas said Rep. Hanson's intent was to go along with these amendments proposed, in talking with her yesterday. Rep. Pavlovich said to Rep. Hanson that we have your amendments, do you know what they look like? She said they are suppose to take the local government and university system and schools out of the bill because that was the objection. Those folks are already self-funded. Rep. Hanson said the amendments presented by Rick Larson are the ones that she thought Paul put in. She said she had no problems with the amendments submitted by the U of M and Roger Tippy.

Rep. Simon wants to put a 2-year sunset on the bill. This will give the Senate time to scrutinize this, if they think it is okay, they can pull the termination date off. If there is still some concern, with the termination date, we can look at it in 2 years and see if it is working. Rep. Hanson said she had no problem with this.

Recommendation and Vote: HB 669 DO PASS as amended.

DISPOSITION OF HOUSE BILL 565

Motion: Rep. Simon moved DO PASS. Rep. Glaser moved the amendments.

Amendments, Discussion, and Votes: See the attached 4-page copy of the amendments. The amendments DO PASS.

Recommendation and Vote: HB 565 DO PASS as amended 15-1 vote.

DISPOSITION OF HOUSE BILL 221

Motion: Rep. Bachini moved DO PASS and moved the amendments.

Amendments, Discussion, and Votes: See the attached copy of amendments. The amendments DO PASS.

Recommendation and Vote: HB 211 DO PASS as amended 11-5 vote.

DISPOSITION OF HOUSE BILL 627

Motion: Rep. Simon moved the amendments and DO PASS on the bill.

Discussion: None

Amendments, Discussion, and Votes: The amendments DO PASS.

Recommendation and Vote: None

ADJOURNMENT

Adjournment At: 7:56 a.m.


REP. BOB PAVLOVICH, Chairman

DAILY ROLL CALL

BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE

51th LEGISLATIVE SESSION -- 1989

Date 2 21 89

| NAME | PRESENT | ABSENT | EXCUSED |
|------------------------|---------|--------|---------|
| PAVLOVICH, BOB | ✓ | | |
| DeMARS, GENE | ✓ | | |
| BACHINI, BOB | ✓ | | |
| BLOTKAMP, ROB | ✓ | | |
| HANSEN, STELLA JEAN | ✓ | | |
| JOHNSON, JOHN | ✓ | | |
| KILPATRICK, TOM | ✓ | | |
| MCCORMICK, LLOYD "MAC" | ✓ | | |
| STEPPLER, DON | ✓ | | |
| | | | |
| GLASER, BILL | ✓ | | |
| KELLER, VERNON | ✓ | | |
| NELSON, THOMAS | ✓ | | |
| SIMON, BRUCE | ✓ | | |
| SMITH, CLYDE | ✓ | | |
| THOMAS, FRED | ✓ | | |
| WALLIN, NORM | ✓ | | |
| PAUL VERDON | ✓ | | |
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ROLL CALL VOTE

BUSINESS AND ECONOMIC DEVELOPMENT

COMMITTEE

DATE 2/21/89 BILL NO. HB 669 NUMBER _____

| NAME | AYE | NAY |
|-----------------|-----|-----|
| Bob Pavlovich | | |
| Bob Bachini | | |
| Rob Blotkamp | | |
| Gene DeMars | | |
| Bill Glaser | | |
| Stella Hansen | | |
| John Johnson | | |
| Vernon Keller | | |
| Tom Kilpatrick | | |
| Lloyd McCormick | | |
| Thomas Nelson | | |
| Bruce Simon | | |
| Clyde Smith | | |
| Don Stepler | | |
| Fred Thomas | | |
| Norm Wallin | ✓ | |

TALLY

16 _____

Sue Pennington
Secretary

Bob Pavlovich
Chairman

MOTION: do pass as amended

ROLL CALL VOTE

BUSINESS AND ECONOMIC DEVELOPMENT

COMMITTEE

DATE 2/21/89 BILL NO. HB221 NUMBER _____

| NAME | AYE | NAY |
|-----------------|-----|-----|
| Bob Pavlovich | X | |
| Bob Bachini | X | |
| Rob Blotkamp | X | |
| Gene DeMars | X | |
| Bill Glaser | X | |
| Stella Hansen | X | |
| John Johnson | X | |
| Vernon Keller | | X |
| Tom Kilpatrick | X | |
| Lloyd McCormick | X | |
| Thomas Nelson | | X |
| Bruce Simon | | X |
| Clyde Smith | X | |
| Don Stepler | X | |
| Fred Thomas | | X |
| Norm Wallin | | X |

TALLY

11 5

Sue Pennington
Secretary

Bob Pavlovich
Chairman

MOTION: do pass as amended

ROLL CALL VOTE

BUSINESS AND ECONOMIC DEVELOPMENT

COMMITTEE

DATE 2/21/89 BILL NO. 19565 NUMBER _____

| NAME | AYE | NAY |
|-----------------|-----|-----|
| Bob Pavlovich | ↓ | |
| Bob Bachini | | |
| Rob Blotkamp | | |
| Gene DeMars | | |
| Bill Glaser | | |
| Stella Hansen | | |
| John Johnson | | |
| Vernon Keller | | |
| Tom Kilpatrick | | |
| Lloyd McCormick | | |
| Thomas Nelson | | |
| Bruce Simon | | |
| Clyde Smith | | |
| Don Stepler | | |
| Fred Thomas | | |
| Norm Wallin | | |

TALLY

15 1

Sue Pennington
Secretary

Bob Pavlovich
Chairman

MOTION: to pass as amended

STANDING COMMITTEE REPORT

February 21, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that HOUSE BILL 221 (second reading copy - yellow) do pass as amended.

Signed: _____
Robert Pavlovich, Chairman

And, that such amendments read:

1. Title, line 4.
Following: "PROVIDE FOR"
Insert: "OPTIONAL"
2. Title, lines 6 and 7.
Strike: "AMENDING" on line 6 through "MCA;" on line 7
3. Page 1, line 12.
Following: "policy"
Insert: "-- option"
4. Page 1, line 14.
Strike: "shall issue a"
Insert: "that issues"
Strike: "policy"
Insert: "policies"
5. Page 1, line 15.
Following: "61-6-103,"
Insert: "must provide provisions that permit coverage"
6. Page 1, line 18.
Following: "insurance"
Insert: "that provides coverage for the benefit of a person as provided in subsection (1),"
7. Page 2, line 1 through page 8, line 23.
Strike: sections 2 through 4 in their entirety
Renumber: subsequent sections

STANDING COMMITTEE REPORT

February 21, 1989

Page 1 of 4

Mr. Speaker: We, the committee on Business and Economic Development report that HOUSE BILL 669 (first reading copy -- white) do pass as amended .

Signed: _____
Robert Pavlovich, Chairman

And, that such amendments read:

1. Page 1, lines 13 and 14.
Page 2, lines 6, 9, and 19.
Page 4, line 4.
Page 5, lines 15 and 21.
Page 9, line 17.
Page 13, line 8.
Page 14, lines 12 and 14.
Page 19, line 20.
Page 22, lines 10, 14, 21, and 22.
Page 23, lines 3, 4, and 8.
Page 26, line 22.
Page 31, line 23.

Strike: "24"

Insert: "26"

2. Page 5, line 7.

Strike: "or"

3. Page 5, line 11.

Following: "act]"

Insert: "; or

(g) a self-regulated health plan that is established, maintained, and administered by the board of regents"

4. Page 8, line 10.

Strike: "30"

Insert: "45"

5. Page 8, line 21.

Strike: "180"

Insert: "60"



6. Page 8, line 22.

Strike: "its completion"

Insert: "the submission of the completed application"

7. Page 12, line 10.

Following: "certified"

Insert: "annually after the first year"

8. Page 13, line 4.

Strike: "calendar"

Insert: "fiscal"

9. Page 13, line 7.

Strike: "calendar"

Insert: "fiscal"

10. Page 13, line 20.

Strike: "Taxes"

Insert: "Fees"

11. Page 13, line 20 through page 14, line 3.

Strike: subsection (1) in its entirety

Renumber: subsequent subsections

12. Page 14, line 13.

Following: "(3)"

Strike: remainder of line 13

Insert: "Fees"

13. Page 14, lines 17 through 19.

Following: "shall" on line 17

Strike: remainder of line 17 through "state" on line 19

Insert: "use fees generated under Title 33, chapter 2, to offset expenses incurred for the regulation of self-funded plans"

14. Page 17, line 7.

Strike: "be in favor"

Insert: "protect the assets"

Strike: "and"

15. Page 17, line 8.

Strike: "penalty"

16. Page 17, lines 12 and 13.

Following: "writing" on line 12

Strike: remainder of line 12 through "bond" on line 13

Following: "." on line 13

Insert: "A blanket bond covering one trust but not more than one

administrator is acceptable."

17. Page 19, line 23.

Strike: "tax"

Insert: "fee"

18. Page 25.

Following: line 12

Insert: "NEW SECTION. Section 25. Choice of dental plan providers. A self-funded plan issued or amended on or after [the effective date of this act] that covers a dental care assistance plan and restricts the covered persons in the selection of the providers of dental services to a single provider or group or providers must offer an alternative dental care assistance plan that permits the covered persons to obtain dental care services from any licensed dental care provider of their choice. The portion of the premium paid by the employer for the limiting plan must be comparable to but not greater than the portion of the premium paid by the employer for the alternative plan.

NEW SECTION. Section 26. Use of benefit trust funds. Any benefit trust established by or for a state political subdivision or pool of subdivisions must be used exclusively to provide benefits to trust beneficiaries."

Renumber: subsequent sections

19. Page 27.

Following: line 9

Insert: "(9) This code does not apply to the board of regents' group insurance program authorized under 2-18-702 for the benefit of employees of the university system and their dependents."

20. Page 30.

Following: line 22

Insert: "(2) When the annual statement referred to in subsection (1) (o) (ii) is filed with the commissioner, each registered self-funded plan must pay a fee to the commissioner of 14 cents a month per employee covered by the self-funded plan during the fiscal year of the annual statement."

Renumber: subsequent subsections

21. Page 31.

Following: line 18

Insert: "(1)"

22. Page 31, line 19.

Strike: "24"

Insert: "25"

23. Page 31, line 21.

Strike: "24"

Insert: "25"

24. Page 31.

Following: line 21

Insert: "(2) [Section 26] is intended to be codified as an
integral part of Title 39, chapter 2, and the provisions of
Title 39, chapter 2, apply to [section 26]."

STANDING COMMITTEE REPORT

February 21, 1989

Page 1 of 4

Mr. Speaker: We, the committee on Business and Economic Development report that HOUSE BILL 565 (first reading copy -- white) do pass as amended .

Signed: _____
Robert Pavlovich, Chairman

And, that such amendments read:

1. Title, lines 4 and 5.

Following: the second "ACT"

Strike: remainder of line 4 through "ACCOUNT" on line 5

Insert: "REVISING THE ALLOCATION OF COAL SEVERANCE TAX
COLLECTIONS AND PROVIDING A PORTION"

2. Title, line 6.

Strike: "AND"

3. Title, line 7.

Following: "SECTIONS"

Insert: "15-35-108,"

Following: "90-6-201,"

Insert: "90-6-202,"

Strike: "AND"

4. Title, line 8.

Following: "90-6-208,"

Insert: "AND 90-6-212,"

Following: "MCA"

Insert: "; AND PROVIDING AN EFFECTIVE DATE"

5. Page 1, line 23.

Strike: "local impact"

Insert: "public works grant and loan program"

6. Page 3, line 11.

Following: line 10

Insert: "Section 5. Section 15-35-108, MCA, is amended to read:

"15-35-108. 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, 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) 4 % to the state special revenue fund to the credit of the alternative energy research development and demonstration account;

~~(b) 4% until June 30, 1989, to the state special revenue fund to the credit of the local impact account and thereafter (i) 20% to the state special revenue fund to the credit of the local impact and education trust fund account; and 17.5%~~

(ii) 8.75% to the credit of the local impact account; and

(iii) 8.75% to the credit of the public works grant and loan program account. Unencumbered funds remaining in the local impact account at the end of each biennium are allocated to the education trust fund account.

(c) 44.2% until June 30, 1989, and thereafter 10% to the state special revenue fund for state equalization aid to public schools of the state;

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

(e) 1 % to the credit of the renewable resource development bond fund;

(f) after June 30, 1989, 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;

(g) 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;

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

(i) 1 % to the debt service fund type to the credit of the water development debt service fund;

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

(k) all other revenues from severance taxes collected under the provisions of this chapter to the credit of the general fund of the state.

(4) Unencumbered funds remaining in the local impact account and the public works works grant and loan program account at the end of each biennium are allocated to the education trust fund account."

Section 6. Section 90-6-202, MCA, is amended to read:

"90-6-202. Accounts established. (1) There is within the state special revenue fund a local impact account. ~~Moneys are Money is payable into this account under 15-35-108. The state treasurer shall draw warrants from this account upon order of the coal board.~~

(2) There is within the state special revenue fund a coal area highway improvement account.

(3) There is within the state special revenue fund a public works grant and loan program account. Money is payable into this account under 15-35-108.

~~(3)~~ (4) There is within the nonexpendable trust fund an education trust fund account.

(5) The state treasurer shall draw warrants from the accounts established in subsections (1) and (3) upon order of the coal board."

Renumber: subsequent sections

7. Page 3, line 21.

Following: "loans"

Strike: ", "

Insert: ":

(a)"

8. Page 3, lines 21 and 22.

Strike: "and [section 3]"

9. Page 3, line 23.

Strike: "(a)"

Insert: "(i)"

10. Page 4, line 4.

Following: "and"

Insert: "and"

11. Page 4, line 5.

Strike: "(b)"

Insert: "(ii)"

12. Page 4, line 11.

Strike: "(c)"

Insert: "(b) subject to [section 3], from the public works grant and loan program account,"

13. Page 4, line 13.

Following: "unit"

Insert: "from the local impact account"

14. Page 6, line 10.

Following: "loan"

Insert: "under [section 2]"

15. Page 6, line 14.

Following: line 13

Insert: "Section 10. Section 90-6-212, MCA, is amended to read:

"90-6-212. Local impact account and public works grant and loan program account -- disposition of loan repayments, interest, and unexpended balances. (1) The money derived from loans made pursuant to this part:

(a) 90-6-206 through 90-6-209, including interest thereon, must be deposited to the credit of the local impact account created in 90-6-202; and

(b) [sections 2 and 3], including interest thereon, must be deposited to the credit of the public works grant and loan program account established in 90-6-202.

(2) The unexpended money in the local impact account and the public works grant and loan program account must be invested by the board of investments as provided by statute. Interest and earnings must be deposited to the credit of the education trust fund account.

(3) The unexpended balance in the local impact account and the public works grant and loan program account at the end of each biennium must be deposited to the credit of the education trust fund account."

16. Page 6, line 23.

Following: line 22

Insert: "NEW SECTION. Section 13. Effective date. [This act] is effective July 1, 1989."

Amendments to House Bill No. 221
Second Reading Copy

Requested by Representative Menahan

Prepared by Lee Heiman
February 20, 1989

1. Title, line 4.

Following: "PROVIDE FOR"

Insert: "OPTIONAL"

2. Title, lines 6 and 7.

Strike: "AMENDING" on line 6 through "MCA;" on line 7

3. Page 1, line 12.

Following: "policy"

Insert: "-- option"

4. Page 1, line 14.

Strike: "shall issue a"

Insert: "that issues"

Strike: "policy"

Insert: "policies"

5. Page 1, line 15.

Following: "61-6-103,"

Insert: "shall include provisions that permit coverage"

6. Page 1, line 18.

Following: "insurance"

Insert: "that provides coverage for the benefit of a person,
pursuant to subsection (1),"

7. Page 2, line 1 through page 8, line 23.

Strike: sections 2 through 4 in their entirety

Renumber: subsequent sections

Amendments to House Bill No. 669

First Reading Copy

Requested by Representative Marian Hanson

Prepared by Paul Verdon
February 20, 1989

1. Page 1, lines 13 and 14.
Page 2, lines 6, 9, and 19.
Page 4, line 4.
Page 5, lines 15 and 21.
Page 9, line 17.
Page 13, line 8.
Page 14, lines 12 and 14.
Page 19, line 20.
Page 22, lines 10, 14, 21, and 22.
Page 23, lines 3, 4, and 8.
Page 26, line 22.
Page 31, line 23.
Strike: "24"
Insert: "26"
2. Page 5, line 7.
Strike: "or"
3. Page 5, line 11.
Following: "act"
Insert: "; or
(g) a self-regulated health plan that is established,
maintained, and administered by the board of regents"
4. Page 8, line 10.
Strike: "30"
Insert: "45"
5. Page 8, line 21.
Strike: "180"
Insert: "60"
6. Page 8, line 22.
Strike: "its completion"
Insert: "the submission of the completed application"
7. Page 12, line 10.
Following: "certified"
Insert: "annually after the first year"
8. Page 13, line 4.
Strike: "calendar"
Insert: "fiscal"
9. Page 13, line 7.
Strike: "calendar"

Insert: "fiscal"

10. Page 13, line 20.

Strike: "Taxes"

Insert: "Fees"

11. Page 13, line 20 through page 14, line 3.

Strike: subsection (1) in its entirety

Re-number: subsequent subsections

12. Page 14, line 13.

Following: "(3)"

Strike: remainder of line 13

Insert: "Fees"

13. Page 14, lines 17 through 19.

Following: "shall" on line 17

Strike: remainder of line 17 through "state" on line 19

Insert: "use fees generated under Title 33, chapter 2, to offset expenses incurred for the regulation of self-funded plans"

14. Page 17, line 7.

Strike: "be in favor"

Insert: "protect the assets"

Strike: "and"

15. Page 17, line 8.

Strike: "penalty"

16. Page 17, lines 12 and 13.

Following: "writing" on line 12

Strike: remainder of line 12 through "bond" on line 13

Following: "." on line 13

Insert: "A blanket bond covering one trust but not more than one administrator is acceptable."

17. Page 19, line 23.

Strike: "tax"

Insert: "fee"

18. Page 25.

Following: line 12

Insert: "NEW SECTION. Section 25. Choice of dental plan providers. A self-funded plan issued or amended on or after [the effective date of this act] that covers a dental care assistance plan and restricts the covered persons in the selection of the providers of dental services to a single provider or group or providers must offer an alternative dental care assistance plan that permits the covered persons to obtain dental care services from any licensed dental care provider of their choice. The portion of the premium paid by the employer for the limiting plan must be comparable to but not greater than the portion of the premium paid by the employer for the alternative plan."

NEW SECTION. Section 26. Use of benefit trust funds.
Any benefit trust established by or for a state political subdivision or pool of subdivisions must be used exclusively to provide benefits to trust beneficiaries."

Renumber: subsequent sections

19. Page 27.

Following: line 9

Insert: "(9) This code does not apply to the board of regents' group insurance program authorized under 2-18-702 for the benefit of employees of the university system and their dependents."

20. Page 30.

Following: line 22

Insert: "(2) When the annual statement referred to in subsection (1)(o)(ii) is filed with the commissioner, each registered self-funded plan must pay a fee to the commissioner of 14 cents a month per employee covered by the self-funded plan during the fiscal year of the annual statement."

Renumber: subsequent subsections

21. Page 31.

Following: line 18

Insert: "(1)"

22. Page 31, line 19.

Strike: "24"

Insert: "25"

23. Page 31, line 21.

Strike: "24"

Insert: "25"

24. Page 31.

Following: line 21

Insert: "(2) [Section 26] is intended to be codified as an integral part of Title 39, chapter 2, and the provisions of Title 39, chapter 2, apply to [section 26]."

Amendments to House Bill No. 565
First Reading Copy

For the Committee on Business and Economic Development

Prepared by Paul Verdon
February 15, 1989

1. Title, lines 4 and 5.

Following: "ACT"

Strike: remainder of line 1 and through "ACCOUNT" on line 5

Insert: "REVISING THE ALLOCATION OF COAL SEVERANCE TAX
COLLECTIONS AND PROVIDING A PORTION"

2. Title, line 6.

Strike: "AND"

3. Title, line 7.

Following: "SECTIONS"

Insert: "15-35-108,"

Following: "90-6-201,"

Insert: "90-6-202,"

Strike: "AND"

4. Title, line 8.

Following: "90-6-208,"

Insert: "AND 90-6-212,"

Following: "MCA"

Insert: "; AND PROVIDING AN EFFECTIVE DATE"

5. Page 1, line 23.

Strike: "local impact"

Insert: "public works grant and loan program"

6. Page 3, line 11.

Following: line 10

Insert: "Section 5. Section 15-35-108, MCA, is amended to read:

"15-35-108. 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, 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) 4½% to the state special revenue fund to the credit of the alternative energy research development and demonstration account;

~~(b) 4% until June 30, 1989, to the state special revenue fund to the credit of the local impact account and thereafter (i) 20% to the state special revenue fund to the credit of the local impact and education trust fund account; and 17.5%~~

~~(ii) 8.75% to the credit of the local impact account; and~~

~~(iii) 8.75% to the credit of the public works grant and loan program account. Unencumbered funds remaining in the local impact account at the end of each biennium are allocated to the education trust fund account.~~

(c) 44.2% until June 30, 1989, and thereafter 10% to the state special revenue fund for state equalization aid to public schools of the state;

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

(e) 1½% to the credit of the renewable resource development bond fund;

(f) after June 30, 1989, 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;

(g) 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;

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

(i) 1½% to the debt service fund type to the credit of the water development debt service fund;

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

(k) all other revenues from severance taxes collected under the provisions of this chapter to the credit of the general fund of the state.

(4) Unencumbered funds remaining in the local impact account and the public works works grant and loan program account at the end of each biennium are allocated to the education trust fund account."

Section 6. Section 90-6-202, MCA, is amended to read:

"90-6-202. Accounts established. (1) There is within the state special revenue fund a local impact account. ~~Moneys are Money is payable into this account under 15-35-108. The state treasurer shall draw warrants from this account upon order of the coal board.~~

(2) There is within the state special revenue fund a coal

area highway improvement account.

(3) There is within the state special revenue fund a public works grant and loan program account. Money is payable into this account under 15-35-108.

~~(3)~~(4) There is within the nonexpendable trust fund an education trust fund account.

(5) The state treasurer shall draw warrants from the accounts established in subsections (1) and (3) upon order of the coal board."

Renumber: subsequent sections

7. Page 3, line 21.

Following: "loans"

Strike: ", "

Insert: ":"

(a)"

8. Page 3, lines 21 and 22.

Strike: "and [section 3]"

9. Page 3, line 23.

Strike: "(a)"

Insert: "(i)"

10. Page 4, line 4.

Following: "and"

Insert: "and"

11. Page 4, line 5.

Strike: "(b)"

Insert: "(ii)"

12. Page 4, line 11.

Strike: "(c)"

Insert: "(b) subject to [section 3], from the public works grant and loan program account,"

13. Page 4, line 13.

Following: "unit"

Insert: "from the local impact account"

14. Page 6, line 10.

Following: "loan"

Insert: "under [section 2]"

15. Page 6, line 14.

Following: line 13

Insert: "Section 10. Section 90-6-212, MCA, is amended to read:

"90-6-212. Local impact account and public works grant and loan program account -- disposition of loan repayments, interest, and unexpended balances. (1) The money derived from loans made pursuant to this part:

(a) 90-6-206 through 90-6-209, including interest thereon, must be deposited to the credit of the local impact account

created in 90-6-202; and

(b) [sections 2 and 3], including interest thereon, must be deposited to the credit of the public works grant and loan program account established in 90-6-202.

(2) The unexpended money in the local impact account and the public works grant and loan program account must be invested by the board of investments as provided by statute. Interest and earnings must be deposited to the credit of the education trust fund account.

(3) The unexpended balance in the local impact account and the public works grant and loan program account at the end of each biennium must be deposited to the credit of the education trust fund account."

16. Page 6, line 23.

Following: line 22

Insert: "NEW SECTION. Section 13. Effective date. [This act] is effective July 1, 1989."