

1 *Senate* BILL NO. 345  
 2 INTRODUCED BY ~~E. Smith~~ ~~M. Bellum~~ ~~Jerguson~~ ~~Khatit~~  
 3 ~~Graham~~ ~~Manly~~

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND THE OPEN CUT  
 5 MINING ACT TO PROVIDE AN EXEMPTION OF THE FEES AND BONDS FOR  
 6 THE STATE OF MONTANA AND ITS SUBDIVISIONS."

7  
 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 Section 1. There is a new R.C.M. section numbered  
 10 50-1516.1 that reads as follows:

11 50-1516.1. The provisions of the Open Cut Mining Act  
 12 relating to fees or bonds shall not apply to the state of  
 13 Montana, counties, cities or towns for strip mining or  
 14 prospecting being done by or for the governmental unit.

-End-

INTRODUCED BILL

SB 345

## FISCAL NOTE

In compliance with a written request received February 3, 1975, there is hereby submitted a fiscal note for Senate Bill 346 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

## DESCRIPTION OF PROPOSED LEGISLATION:

Senate Bill 346 imposes an excise tax on non-interest bearing deposits in banks and provides for the distribution of the tax to the counties of the state based on relative population.

## ASSUMPTIONS:

1. Estimated deposits which will be subject to the proposed excise tax are \$482,900,813 in FY 76 and \$531,190,800 in FY 77. The estimates are based on FY 73 and FY 74 data.
2. Administration of the proposed excise tax will entail an auditor, office equipment and travel. Required office space, secretarial assistance, etc. can be absorbed within the Department of Revenue.
3. Administrative costs will be paid from the proceeds of the tax before distribution to the counties.
4. The current property tax on non-interest bearing deposits will not be altered.

## FISCAL IMPACT:

|   | FY 76       | FY 77       |
|---|-------------|-------------|
| Estimated excise tax collections under proposed law     | \$1,931,603 | \$2,124,763 |
| Estimated increase in expenditures by category          |             |             |
| Personal Services                                       | 13,200      | 14,500      |
| Operating Expenses                                      | 6,000       | 6,600       |
| Capital Outlay  | 1,000       | 0           |
| Total increase in expenditures                          | 20,200      | 21,100      |
| Net excise tax collections for distribution to counties | \$1,911,403 | \$2,103,663 |

## CONCLUSION:

Enactment of Senate Bill 346 would result in an estimated additional \$4 million in net tax collections during the biennium. The additional revenue would be distributed to counties on the basis of population.

## \* TECHNICAL NOTE:

Section 1 of Senate Bill 346 states "the purpose of this Chapter is to replace that portion of the property tax levied upon solvent credits which has been applied to non-interest bearing bank deposits with an excise tax on such deposits". Since the bill does not specifically repeal the existing property tax on non-interest bearing banks, the fiscal impact of repealing the property tax was not considered.

*Michael B. Perkins*  
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: February 8, 1975

Approved by Committee  
on Natural Resources

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15       ~~prospecting-being-done-by-or-for-the-governmental-unit.~~

-End-

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-End-

March 4, 1975

HOUSE NATURAL RESOURCE COMMITTEE AMENDMENTS TO SENATE BILL 345

Be amended in the third reading copy as follows:

1. Amend on page 1, section 1, line 12.  
Following: "of"  
Strike: "the Open Cut Mining Act"  
Insert: "this chapter"

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-End-

REFERENCE BILL

SB 345