

1 H BILL NO. 283  
 2 INTRODUCED BY J. Rudman Stussell  
 3 BY REQUEST OF THE GOVERNOR

4  
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE THE  
 6 PERCENTAGE OF MONEYS RECEIVED UNDER THE FEDERAL MINERAL  
 7 LANDS LEASING ACT WHICH IS PAID INTO THE EARMARKED REVENUE  
 8 FUND FOR STATE EQUALIZATION AID TO PUBLIC SCHOOLS OF THE  
 9 STATE AND TO CHANGE CERTAIN TERMINOLOGY; AMENDING SECTION  
 10 75-6916, R.C.M. 1947."

11  
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 Section 1. Section 75-6916, R.C.M. 1947, is amended to  
 14 read as follows:

15 "75-6916. Definition of and revenue for state  
 16 equalization aid. The following shall be paid into the  
 17 earmarked revenue fund, for state equalization aid to public  
 18 schools of the state:

19 (1) ~~twenty-five-per-cent-(25%)~~ of all moneys received  
 20 from the collection of income taxes under chapter 49 of  
 21 Title 84, R.C.M. 1947,

22 (2) ~~twenty-five-per-cent-(25%)~~ of all moneys received  
 23 from the collection of corporation license taxes under  
 24 chapter 15 of Title 84, R.C.M. 1947, as provided by section  
 25 84-1901, R.C.M. 1947,

1 (3) ~~ten-percent-(10%)~~ of the moneys received from the  
 2 collection of the severance tax on coal under chapter 13 of  
 3 Title 84, R.C.M. 1947,

4 (4) ~~one-half-(1/2)~~ 62 1/2% of the moneys received from  
 5 the treasurer of the United States as the state's shares of  
 6 oil, and gas, and other mineral royalties under the ~~Act of~~  
 7 Congress of February-25-1920 federal Mineral Lands Leasing  
 8 Act, as amended,

9 (5) interest and income moneys described in sections  
 10 75-6907 and 75-6908, R.C.M. 1947,

11 (6) income from the local impact and education trust  
 12 fund account, and

13 (7) in addition to these revenues, the surplus  
 14 revenues collected by the counties for foundation program  
 15 support according to sections 75-6912 and 75-6913 shall be  
 16 paid into the same earmarked revenue fund.

17 As used in this title, the term "state equalization  
 18 aid" means those moneys deposited in the earmarked revenue  
 19 fund as required in this section plus any legislative  
 20 appropriation of moneys from other sources for distribution  
 21 to the public schools for the purpose of equalization of the  
 22 foundation program."

-End-

*HB283*

## STATE OF MONTANA

REQUEST NO. 157-77

## FISCAL NOTE

Form BD-15

In compliance with a written request received January 26, 19 77, there is hereby submitted a Fiscal Note for HB 283 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:

House Bill 283 will increase the percentage of moneys received under the federal mineral lands leasing act which is paid into the earmarked revenue fund for state equalization aid to public schools from 50% to 62½%.

## ASSUMPTIONS:

1. Recent federal legislation increased the percentage of mineral lands leasing act moneys that are distributed to the states from 37½% to 50%.
2. The estimated revenue accruing to Montana under the new federal law will be \$6.4 million in FY78 and \$6.7 million in FY79. Under the old federal law, the amount allocated to Montana would have been \$4.8 million in FY78 and \$5.0 million in FY79.
3. The proposed legislation essentially allocates the additional moneys resulting from the change in federal law to the earmarked revenue fund for state equalization, leaving the amount accruing to the highway earmarked revenue account the same as would have been received under the old federal law.

## FISCAL IMPACT:

	<u>FY78</u>	<u>FY79</u>
Estimated U.S. oil and gas royalties to equalization ERA - proposed law	\$4.00 million	\$4.20 million
Estimated U.S. oil and gas royalties to equalization ERA - existing law, but prior to new federal legislation	<u>2.40 million</u>	<u>2.50 million</u>
Estimated increase under proposed law	<u>\$1.60 million</u>	<u>\$1.70 million</u>

## TECHNICAL NOTE:

A companion bill, House Bill 284, amends Section 79-211 to decrease the highway earmarked revenue allocation of federal mineral lands leasing act moneys from 50% to 37½%.

*Richard L. Tracy for*  
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-28-77

## STATE OF MONTANA

REVISED

REQUEST NO. 157-77

## FISCAL NOTE

Form BD-15

In compliance with a written request received March 10, 19 77, there is hereby submitted a Fiscal Note for HB-283 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.

## THIS FISCAL NOTE REVISES THE ORIGINAL FISCAL NOTE ON HB 283

After the fiscal notes on House Bills 283 and 284 were written, the Billings BLM office indicated that the state can expect an increase in Mineral Lands Leasing Act revenues of approximately 9% per year through the 1979 Biennium. Assuming such an increase, an additional \$1.73 million dollars will be available during the biennium above what was reflected on the original fiscal note. The additional revenues would be distributed as follows:

Highways ERA	\$ 650,000
Public Schools Equalization ERA	<u>1,080,000</u>
	<u>\$1,730,000</u>

## DESCRIPTION:

House Bill 283 will increase the percentage of moneys received under the federal mineral lands leasing act which is paid into the earmarked revenue fund for state equalization aid to public schools from 50% to 62½%.

## ASSUMPTIONS:

1. Recent federal legislation increased the percentage of mineral lands leasing act moneys that are distributed to the states from 37½% to 50%.
2. The estimated revenue accruing to Montana under the new federal law will be \$7.1 million in FY78 and \$7.7 million in FY79. Under the old federal law, the amount allocated to Montana would have been \$5.3 million in FY78 and \$5.8 million in FY79.
3. The proposed legislation essentially allocates the additional moneys resulting from the change in federal law to the earmarked revenue fund for state equalization, leaving the amount accruing to the highway earmarked revenue account the same as would have been received under the old federal law.

## FISCAL IMPACT:

	<u>FY78</u>	<u>FY79</u>
Estimated U.S. oil and gas royalties to equalization ERA - proposed law	\$4.44 million	\$4.84 million
Estimated U.S. oil and gas royalties to equalization ERA - existing law, but prior to new federal legislation	<u>\$2.65 million</u>	<u>\$2.90 million</u>
	<u>\$1.79 million</u>	<u>\$1.94 million</u>

## TECHNICAL NOTE:

A companion bill, House Bill 284, amends Section 79-211 to decrease the highway earmarked revenue allocation of federal mineral lands leasing act moneys from 50% to 37½%.

*Richard L. Franjo*  
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 3-10-77

Approved by Comm. on  
Appropriation

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-End-

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