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H BILL NO. 284
INTRODUCED BY J. Henderson
BY REQUEST OF THE GOVERNOR

A BILL FOR AN ACT ENTITLED: "AN ACT TO REDUCE THE PERCENTAGE OF MONEYS RECEIVED UNDER THE FEDERAL MINERAL LANDS LEASING ACT WHICH IS PAID INTO THE STATE HIGHWAY ACCOUNT IN THE EARMARKED REVENUE FUND, AND TO CHANGE CERTAIN TERMINOLOGY; AMENDING SECTION 79-211, R.C.M. 1947."

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

Section 1. Section 79-211, R.C.M. 1947, is amended to read as follows:

"79-211. Deposit of gas and oil royalties from federal government in highway account. It shall be the duty of the state treasurer to pay ~~one-half (1/2)~~ 27 1/2% of the moneys received from the treasurer of the United States as the state's share of gas, and oil, and other mineral royalties under the ~~Act of Congress of February 25, 1920,~~ federal Mineral Lands Leasing Act, as amended, to the state highway account in the earmarked revenue fund."

-End-

H B 284

STATE OF MONTANA

REQUEST NO. 156-77

FISCAL NOTE

Form BD-15

In compliance with a written request received January 24, 19 77, there is hereby submitted a Fiscal Note for HB 284 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:

An act to reduce the percentage of moneys received under the Federal Mineral Lands Leasing Act which is paid into the State Highway account in the Earmarked Revenue Fund, and change certain terminology.

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 Highways ERA - proposed law	\$2.4 million	\$2.5 million
Estimated U.S. oil and gas royalties to Highways ERA - existing law, but prior to new federal legislation	<u>2.4 million</u>	<u>2.5 million</u>
Net revenue effect	<u>\$0</u>	<u>\$0</u>

NOTE: A companion bill, House Bill 283, increases the percentage of monies 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%.

Richard L. Dancy for
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-28-77

STATE OF MONTANA

REQUEST NO. 156-77

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 284 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 284

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:

An act to reduce the percentage of moneys received under the Federal Mineral Lands Leasing Act which is paid into the State Highway account in the Earmarked Revenue Fund, and change certain terminology.

ASSUMPTIONS:

- Recent federal legislation increased the percentage of mineral lands leasing act moneys that are distributed to the states from 37½% to 50%.
- 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.
- 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 Highways ERA - proposed law	\$2.65 million	\$2.90 million
Estimated U.S. oil and gas royalties to Highways ERA - existing law, but prior to new federal legislation	<u>2.65 million</u>	<u>2.90 million</u>
Net revenue effect	<u>\$0</u>	<u>\$0</u>

NOTE: A companion bill, House Bill 283, increases the percentage of monies 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%.

Richard L. Dwyer
 BUDGET DIRECTOR
 Office of Budget and Program Planning
 Date: 3-10-77

Approved by Comm. on
Appropriation

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H BILL NO. 284
INTRODUCED BY J. Henderson Messersmith
BY REQUEST OF THE GOVERNOR

A BILL FOR AN ACT ENTITLED: "AN ACT TO REDUCE THE
PERCENTAGE OF MONEYS RECEIVED UNDER THE FEDERAL MINERAL
LANDS LEASING ACT WHICH IS PAID INTO THE STATE HIGHWAY
ACCOUNT IN THE EARMARKED REVENUE FUND, AND TO CHANGE CERTAIN
TERMINOLOGY; AMENDING SECTION 79-211, R.C.M. 1947."

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

Section 1. Section 79-211, R.C.M. 1947, is amended to
read as follows:

"79-211. Deposit of gas and oil royalties from federal
government in highway account. It shall be the duty of the
state treasurer to pay ~~one-half (1/2)~~ 37.1/2% of the moneys
received from the treasurer of the United States as the
state's share of gas, and oil, and other mineral royalties
under the ~~Act of Congress of February 25, 1920, federal~~
Mineral Lands Leasing Act, as amended, to the state highway
account in the earmarked revenue fund."

-End-

SECOND READING

HB284

1 H BILL NO. 284
 2 INTRODUCED BY J. Henderson
 3 BY REQUEST OF THE GOVERNOR

4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO REDUCE THE
 6 PERCENTAGE OF MONEYS RECEIVED UNDER THE FEDERAL MINERAL
 7 LANDS LEASING ACT WHICH IS PAID INTO THE STATE HIGHWAY
 8 ACCOUNT IN THE EARMARKED REVENUE FUND, AND TO CHANGE CERTAIN
 9 TERMINOLOGY; AMENDING SECTION 79-211, R.C.M. 1947."

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

12 Section 1. Section 79-211, R.C.M. 1947, is amended to
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14 "79-211. Deposit of gas and oil royalties from federal
 15 government in highway account. It shall be the duty of the
 16 state treasurer to pay ~~one-half (1/2)~~ 37 1/2% of the moneys
 17 received from the treasurer of the United States as the
 18 state's share of gas, end oil, and other mineral royalties
 19 under the ~~Act of Congress of February 25, 1920, federal~~
 20 Mineral Lands Leasing Act, as amended, to the state highway
 21 account in the earmarked revenue fund."

-End-

HB 284

1 HOUSE BILL NO. 284
 2 INTRODUCED BY J. GUNDERSON, DUSSAULT
 3 BY REQUEST OF THE GOVERNOR
 4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO REDUCE THE
 6 PERCENTAGE OF MONEYS RECEIVED UNDER THE FEDERAL MINERAL
 7 LANDS LEASING ACT WHICH IS PAID INTO THE STATE HIGHWAY
 8 ACCOUNT IN THE EARMARKED REVENUE FUND, AND TO CHANGE CERTAIN
 9 TERMINOLOGY; AMENDING SECTION 79-211, R.C.M. 1947."

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 15 government in highway account. It shall be the duty of the
 16 state treasurer to pay ~~one-half (1/2)~~ 37 1/2% of the moneys
 17 received from the treasurer of the United States as the
 18 state's share of gas, and oil, ~~and other mineral~~ royalties
 19 under the ~~Act of Congress of February 25, 1920, federal~~
 20 Mineral Lands Leasing Act, as amended, to the state highway
 21 account in the earmarked revenue fund."

-End-