

CHAPTER NO. 694

HOUSE BILL NO. 427

INTRODUCED BY KEMMIS, WATT, METCALF, REICHERT, DAY,
GOULD, HARPER, WALDRON, NORDTVEDT,
SHELDEN, BENGTON, CONOVER, YARDLEY

IN THE HOUSE

January 27, 1979	Introduced and referred to Committee on Taxation.
March 24, 1979	Committee recommend bill do pass. Report adopted. Printed and placed on members' desks.
March 26, 1979	Second reading, do pass.
March 27, 1979	Considered correctly engrossed. Third reading, passed. Transmitted to second house.

IN THE SENATE

March 27, 1979	Introduced and referred to Committee on Taxation.
April 6, 1979	Committee recommend bill be concurred in as amended. Report adopted.
April 9, 1979	Second reading, concurred in.
April 11, 1979	Third reading, concurred in as amended.

IN THE HOUSE

April 12, 1979	Returned from second house. Concurred in as amended.
April 13, 1979	Second reading, amendments adopted.

April 16, 1979

Third reading, amendments
adopted. Sent to enrolling.

Reported correctly enrolled.

1 House BILL NO. 427
 2 INTRODUCED BY Hemmis, Watt, Metcalf, Reichert, Day
 3 Stall, Hays, Walden, Nordholt, Sheldon
 4 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION Baughman
 5 15-35-108, MCA, TO ALLOCATE A PORTION OF THE PROCEEDS OF THE Conover
 6 COAL SEVERANCE TAX FOR CERTAIN LIBRARY SERVICES; AND Hardley
 7 APPROPRIATING FUNDS FOR THOSE SERVICES."

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

10 Section 1. Section 15-35-108, MCA, is amended to read:
11 "15-35-108. Disposal of severance taxes. Severance
12 taxes collected under the provisions of this chapter are
13 allocated as follows:

14 (1) To the trust fund created by Article IX, section
15 5, of the Montana constitution, 25% of total collections a
16 year. After December 31, 1979, 50% of coal severance tax
17 collections are allocated to this trust fund. The trust fund
18 moneys shall be deposited in the fund established under
19 17-6-203(5) and invested by the board of investments as
20 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) to the county in which coal is mined, 2% of the

1 severance tax paid on the coal mined in that county until
2 January 1, 1980, for such purposes as the governing body of
3 the county may determine;

4 (b) 2 1/2% until December 31, 1979, and thereafter 5%
5 to the earmarked revenue fund to the credit of the
6 alternative energy research development and demonstration
7 account;

8 (c) 26 1/2% until July 1, 1979, and thereafter 37 1/2%
9 to the earmarked revenue fund to the credit of the local
10 impact and education trust fund account;

11 (d) for each of the 2 fiscal years following June 30,
12 1977, 13% to the earmarked revenue fund to the credit of the
13 coal area highway improvement account;

14 (e) 10% to the earmarked revenue fund for state
15 equalization aid to public schools of the state;

16 (f) 1% to the earmarked revenue fund to the credit of
17 the county land planning account;

18 (g) 2 1/2% to the sinking fund to the credit of the
19 renewable resource development bond account;

20 (h) 2 1/2% through June 30, 1979, one-half to the
21 earmarked revenue fund for the purpose of acquisition,
22 operation, or maintenance of sites and areas described in
23 23-1-102 and protection of works of art in the state capitol
24 and other cultural and aesthetic projects, subject to
25 legislative appropriations, and one-half to the earmarked

1 revenue fund to be invested in a trust fund for the purpose
2 of parks acquisition or management. After June 30, 1979, 5%
3 to the trust fund for the purpose of parks acquisition or
4 management. Income from the fund established in this
5 subsection (h) may be appropriated for the acquisition of
6 sites and areas described in 23-1-102 and the operation and
7 maintenance of sites so acquired and protection of works of
8 art in the state capitol and other cultural and aesthetic
9 projects;

10 (i) 1% to the earmarked revenue fund to the credit of
11 the state library commission for the purposes of providing
12 basic library services for the residents of all counties
13 through library federations and for payment of the costs of
14 participating in regional and national networking;

15 ~~††(j)~~ all other revenues from severance taxes
16 collected under the provisions of this chapter to the credit
17 of the general fund of the state."

18 Section 2. Appropriation. There is appropriated to the
19 State Library Commission all available funds deposited in
20 the earmarked revenue fund under 15-35-108(i) for the
21 purposes stated therein for the biennium ending June 30,
22 1981.

-End-

STATE OF MONTANA

REQUEST NO. 176-79

FISCAL NOTE

Form BD-15

In compliance with a written request received January 29, 19 79, there is hereby submitted a Fiscal Note for House Bill 427 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

This proposed bill allocates a portion of the proceeds of the coal severance tax for certain library services; and appropriates funds for those services.

ASSUMPTIONS

- 1) The Department of Revenue projections of \$49.093 M in FY80 and \$54.272 M in FY81 are correct.
- 2) Coal tax collections are homogeneous. (One quarter of the estimated fiscal year collections is collected each quarter.)

FISCAL IMPACT

(See attached sheet)

EFFECT ON LOCAL GOVERNMENTS

No Impact.

PREPARED BY DEPARTMENT OF REVENUE

Richard L. Franzen

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/2/79

FISCAL IMPACT – (F.N. Req. No. 176-79 for HB 427)

MILLIONS OF DOLLARS

	FY80			FY81		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Change</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Change</u>
Coal Tax Trust	\$15.342	\$15.342	\$ 0	\$27.136	\$27.136	\$ 0
County of Origin	.552	.552	0	0	0	0
Alternate Energy	.997	.997	0	1.357	1.357	0
Local Impact	11.644	11.644	0	10.176	10.176	0
State Library Earmarked Revenue	0	.246	.246	0	.271	.271
School Equalization	3.375	3.375	0	2.714	2.714	0
County Planning	.338	.338	0	.271	.271	0
Renewable Resources	.844	.844	0	.678	.678	0
Sites and Areas	1.457	1.457	0	1.357	1.357	0
General Fund	13.347	13.101	(.246)	10.583	10.312	(.271)
Coal Area Highway Improvement	1.197	1.197	0	0	0	0
	<u>\$49.093</u>	<u>\$49.093</u>	<u>\$ 0</u>	<u>\$54.272</u>	<u>\$54.272</u>	<u>\$ 0</u>

Approved by Committee
on Taxation

House BILL NO. *427*

INTRODUCED BY *Hemmis, Watt, Melcaek, Reichert, Day, Halls, Hagen, Walden, Withers, Shields, Bangton, Conover, Hudley*
A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION 15-35-108, MCA, TO ALLOCATE A PORTION OF THE PROCEEDS OF THE COAL SEVERANCE TAX FOR CERTAIN LIBRARY SERVICES; AND APPROPRIATING FUNDS FOR THOSE SERVICES."

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

Section 1. Section 15-35-108, MCA, is amended to read:

"15-35-108. Disposal of severance taxes. 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, 25% of total collections a year. After December 31, 1979, 50% of coal severance tax collections are allocated to this trust fund. 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) Coal severance tax collections remaining after allocation to the trust fund under subsection (1) are allocated in the following percentages of the remaining balance:

(a) to the county in which coal is mined, 2% of the

severance tax paid on the coal mined in that county until January 1, 1980, for such purposes as the governing body of the county may determine;

(b) 2 1/2% until December 31, 1979, and thereafter 5% to the earmarked revenue fund to the credit of the alternative energy research development and demonstration account;

(c) 26 1/2% until July 1, 1979, and thereafter 37 1/2% to the earmarked revenue fund to the credit of the local impact and education trust fund account;

(d) for each of the 2 fiscal years following June 30, 1977, 13% to the earmarked revenue fund to the credit of the coal area highway improvement account;

(e) 10% to the earmarked revenue fund for state equalization aid to public schools of the state;

(f) 1% to the earmarked revenue fund to the credit of the county land planning account;

(g) 2 1/2% to the sinking fund to the credit of the renewable resource development bond account;

(h) 2 1/2% through June 30, 1979, one-half to the earmarked revenue fund for the purpose of acquisition, operation, or maintenance of sites and areas described in 23-1-102 and protection of works of art in the state capitol and other cultural and aesthetic projects, subject to legislative appropriations, and one-half to the earmarked

1 revenue fund to be invested in a trust fund for the purpose
2 of parks acquisition or management. After June 30, 1979, 5%
3 to the trust fund for the purpose of parks acquisition or
4 management. Income from the fund established in this
5 subsection (h) may be appropriated for the acquisition of
6 sites and areas described in 23-1-102 and the operation and
7 maintenance of sites so acquired and protection of works of
8 art in the state capitol and other cultural and aesthetic
9 projects;

10 ~~(i) 1% to the earmarked revenue fund to the credit of~~
11 ~~the state library commission for the purposes of providing~~
12 ~~basic library services for the residents of all counties~~
13 ~~through library federations and for payment of the costs of~~
14 ~~participating in regional and national networking;~~

15 ~~††(j) all other revenues from severance taxes~~
16 ~~collected under the provisions of this chapter to the credit~~
17 ~~of the general fund of the state."~~

18 Section 2. Appropriation. There is appropriated to the
19 State Library Commission all available funds deposited in
20 the earmarked revenue fund under 15-35-108(i) for the
21 purposes stated therein for the biennium ending June 30,
22 1981.

-End-

House BILL NO. *427*

INTRODUCED BY *Kemmis, Watt, Metcalf, Reichert, Day, Hulse, Hagen, Walden, Northwest, Shields, Baugton, Conover, and Hurdley*
A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION 15-35-108, MCA, TO ALLOCATE A PORTION OF THE PROCEEDS OF THE COAL SEVERANCE TAX FOR CERTAIN LIBRARY SERVICES; AND APPROPRIATING FUNDS FOR THOSE SERVICES."

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severance tax paid on the coal mined in that county until January 1, 1980, for such purposes as the governing body of the county may determine;

(b) 2 1/2% until December 31, 1979, and thereafter 5% to the earmarked revenue fund to the credit of the alternative energy research development and demonstration account;

(c) 26 1/2% until July 1, 1979, and thereafter 37 1/2% to the earmarked revenue fund to the credit of the local impact and education trust fund account;

(d) for each of the 2 fiscal years following June 30, 1977, 13% to the earmarked revenue fund to the credit of the coal area highway improvement account;

(e) 10% to the earmarked revenue fund for state equalization aid to public schools of the state;

(f) 1% to the earmarked revenue fund to the credit of the county land planning account;

(g) 2 1/2% to the sinking fund to the credit of the renewable resource development bond account;

(h) 2 1/2% through June 30, 1979, one-half to the earmarked revenue fund for the purpose of acquisition, operation, or maintenance of sites and areas described in 23-1-102 and protection of works of art in the state capitol and other cultural and aesthetic projects, subject to legislative appropriations, and one-half to the earmarked

1 revenue fund to be invested in a trust fund for the purpose
2 of parks acquisition or management. After June 30, 1979, 5%
3 to the trust fund for the purpose of parks acquisition or
4 management. Income from the fund established in this
5 subsection (h) may be appropriated for the acquisition of
6 sites and areas described in 23-1-102 and the operation and
7 maintenance of sites so acquired and protection of works of
8 art in the state capitol and other cultural and aesthetic
9 projects;

10 (i) 1% to the earmarked revenue fund to the credit of
11 the state library commission for the purposes of providing
12 basic library services for the residents of all counties
13 through library federations and for payment of the costs of
14 participating in regional and national networking;

15 ~~++(j)~~ all other revenues from severance taxes
16 collected under the provisions of this chapter to the credit
17 of the general fund of the state."

18 Section 2. Appropriation. There is appropriated to the
19 State Library Commission all available funds deposited in
20 the earmarked revenue fund under 15-35-108(i) for the
21 purposes stated therein for the biennium ending June 30,
22 1981.

-End-

1 HOUSE BILL NO. 427

2 INTRODUCED BY KEMMIS, WATT, METCALF, REICHERT, DAY,

3 GOULD, HARPER, WALDRON, NORDTVEDT,

4 SHELDEN, BENGTON, CONOVER, YARDLEY

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8 COAL SEVERANCE TAX FOR CERTAIN LIBRARY SERVICES; AND
9 APPROPRIATING FUNDS FOR THOSE SERVICES; AND PROVIDING AN
10 EFFECTIVE DATE."

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14 "15-35-108. Disposal of severance taxes. Severance
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10 account;

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13 impact and education trust fund account;

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15 1977, 13% to the earmarked revenue fund to the credit of the
16 coal area highway improvement account;

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18 equalization aid to public schools of the state;

19 (f) 1% to the earmarked revenue fund to the credit of
20 the county land planning account;

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22 renewable resource development bond account;

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24 earmarked revenue fund for the purpose of acquisition,
25 operation, or maintenance of sites and areas described in

1 23-1-102 and protection of works of art in the state capitol
 2 and other cultural and aesthetic projects, subject to
 3 legislative appropriations, and one-half to the earmarked
 4 revenue fund to be invested in a trust fund for the purpose
 5 of parks acquisition or management. After June 30, 1979, 5%
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 8 subsection (h) may be appropriated for the acquisition of
 9 sites and areas described in 23-1-102 and the operation and
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 14 the state library commission for the purposes of providing
 15 basic library services for the residents of all counties
 16 through library federations and for payment of the costs of
 17 participating in regional and national networking;

18 ~~†††~~ all other revenues from severance taxes
 19 collected under the provisions of this chapter to the credit
 20 of the general fund of the state."

21 Section 2. Appropriation. There is appropriated to the
 22 State Library Commission all available funds deposited in
 23 the earmarked revenue fund under 15-35-108(i) for the
 24 purposes stated therein for the biennium ending June 30,
 25 1981.

1 SECTION 3. EFFECTIVE AND APPLICABILITY DATES. THIS
 2 ACT IS EFFECTIVE ON PASSAGE AND APPROVAL AND APPLIES TO ALL
 3 COAL SEVERANCE TAX COLLECTIONS AFTER JUNE 30, 1979.

-End-

April 6, 1979

SENATE STANDING COMMITTEE REPORT
(Taxation)

That House Bill No. 427, third reading bill, be amended as follows:

1. Title, line 6.

Strike: "AND"

2. Title, line 7.

Following: "SERVICES"

Insert: "; AND PROVIDING AN EFFECTIVE DATE"

3. Page 3.

Following: line 22

Insert: "Section 3. Effective and applicability dates. This act is effective on passage and approval and applies to all coal severance tax collections after June 30, 1979."