

HOUSE BILL 477

IN THE HOUSE

January 30, 1979

Introduced and referred to
Committee on Taxation.

March 24, 1979

Committee recommend bill,
do not pass.

March 26, 1979

Report adopted.

1 *House* BILL NO. *477*
 2 INTRODUCED BY *Stan Math Gubiri*
 3 *OConnell Parlour Daily NATHA Monahan*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOCATING TO THE
 5 MONTANA STATE BUREAU OF MINES AND GEOLOGY OF THE MONTANA
 6 COLLEGE OF MINERAL SCIENCES FOR RESEARCH AND INFORMATION
 7 SERVICES 1% OF COAL SEVERANCE TAX COLLECTIONS REMAINING
 8 AFTER ALLOCATION TO THE TRUST FUND; REQUIRING A REPORT TO
 9 EACH REGULAR LEGISLATURE; AMENDING SECTION 15-35-108, MCA."

10
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 12 Section 1. Section 15-35-108, MCA, is amended to read:
 13 "15-35-108. Disposal of severance taxes. Severance
 14 taxes collected under the provisions of this chapter are
 15 allocated as follows:
 16 (1) To the trust fund created by Article IX, section
 17 5, of the Montana constitution, 25% of total collections a
 18 year. After December 31, 1979, 50% of coal severance tax
 19 collections are allocated to this trust fund. The trust fund
 20 moneys shall be deposited in the fund established under
 21 17-6-203(5) and invested by the board of investments as
 22 provided by law.
 23 (2) Coal severance tax collections remaining after
 24 allocation to the trust fund under subsection (1) are
 25 allocated in the following percentages of the remaining

1 balance:
 2 (a) to the county in which coal is mined, 2% of the
 3 severance tax paid on the coal mined in that county until
 4 January 1, 1980, for such purposes as the governing body of
 5 the county may determine;
 6 (b) 2 1/2% until December 31, 1979, and thereafter 5%
 7 to the earmarked revenue fund to the credit of the
 8 alternative energy research development and demonstration
 9 account;
 10 (c) 26 1/2% until July 1, 1979, and thereafter 37 1/2%
 11 to the earmarked revenue fund to the credit of the local
 12 impact and education trust fund account;
 13 (d) for each of the 2 fiscal years following June 30,
 14 1977, 13% to the earmarked revenue fund to the credit of the
 15 coal area highway improvement account;
 16 (e) 10% to the earmarked revenue fund for state
 17 equalization aid to public schools of the state;
 18 (f) 1% to the earmarked revenue fund to the credit of
 19 the county land planning account;
 20 (g) 2 1/2% to the sinking fund to the credit of the
 21 renewable resource development bond account;
 22 (h) 2 1/2% through June 30, 1979, one-half to the
 23 earmarked revenue fund for the purpose of acquisition,
 24 operation, or maintenance of sites and areas described in
 25 23-1-102 and protection of works of art in the state capitol

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

12 ~~(i) 1% to the current restricted subfund of the~~
 13 ~~Montana state bureau of mines and geology of the Montana~~
 14 ~~college of mineral science and technology for research and~~
 15 ~~information services in minerals, mineral fuels, ground~~
 16 ~~water, and geologic hazards;~~

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

20 NEW SECTION. Section 2. Report to legislature. Prior
 21 to the 10th legislative day of each regular legislative
 22 session, the Montana state bureau of mines and geology shall
 23 submit to the legislature a report on its activities during
 24 the biennium that ended in the year prior to the session.
 25 This report shall include information on sources of revenue

1 for the bureau and on expenditures made by the bureau.

-End-

STATE OF MONTANA

REQUEST NO. 229-79

FISCAL NOTE

Form BD-15

In compliance with a written request received February 5, 19 79, there is hereby submitted a Fiscal Note for House Bill 477 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 to the Montana State Bureau of Mines and Geology of the Montana College of Mineral Sciences for research and information services 1% of coal severance tax collections remaining after allocation to the trust fund; requiring a report to each regular legislature.

ASSUMPTIONS

- 1) The Department of Revenue projections for coal severance tax of \$49.093 million in FY 80 and \$54.272 million in FY 81 are correct.
- 2) Coal tax collections are homogeneous. (One quarter of the estimated fiscal year tax collections is collected each quarter.)

FISCAL IMPACT

See attached sheet.

(Prepared by Department of Revenue)

Richard L. Drury for
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/8/79

FISCAL IMPACT - (F.N. Reg. 229-79 for House Bill 477)

MILLIONS OF DOLLARS

	FY80			FY81		
	Current Law	Proposed Law	Change	Current Law	Proposed Law	Change
Coal Tax Trust	\$15.342	\$15.342	0	\$27.136	\$27.136	0
County of Origin	.552	.552	0	0	0	0
Alternative Energy	.997	.997	0	1.357	1.357	0
Local Impact	11.644	11.644	0	10.176	10.176	0
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 & Areas	1.457	1.457	0	1.357	1.357	0
Coal Area Highways	1.197	1.197	0	0	0	0
Bureau Of Mines Account	0	.245	.245	0	.271	.271
General Fund	<u>13.347</u>	<u>13.102</u>	<u>(.245)</u>	<u>10.583</u>	<u>10.312</u>	<u>(.271)</u>
	<u>49.093</u>	<u>49.093</u>	<u>0</u>	<u>54.272</u>	<u>54.272</u>	<u>0</u>