

CHAPTER NO. ~~653~~

HOUSE BILL NO. 550

INTRODUCED BY SCULLY, DUSSAULT, FAGG,  
VINCENT, MARKS, RAMIREZ

IN THE HOUSE

February 3, 1979	Introduced and referred to Committee on Taxation.
March 24, 1979	Committee recommend bill do pass as amended. Report adopted.
March 26, 1979	Printed and placed on members' desks.
March 27, 1979	Second reading, do pass.  Considered correctly engrossed.  Third reading, passed. Transmitted to second house.

IN THE SENATE

March 27, 1979	Introduced and referred to Committee on Finance and Claims.
April 11, 1979	Committee recommend bill be concurrent in. Report adopted.
April 12, 1979	Motion pass consideration.
April 13, 1979	Second reading, concurred in.
April 17, 1979	Third reading, concurred in.

IN THE HOUSE

April 18, 1979	Returned from second house. Concurred in. Sent to enrolling.  Reported correctly enrolled.
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1 ~~HOUSE~~ BILL NO. 550  
 2 INTRODUCED BY Sully Mussant FAGE VINCENT  
 3 Mark Ramsey

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY AND REVISE  
 5 THE COAL SEVERANCE TAX ALLOCATIONS FOR ACQUISITION OF STATE  
 6 PARKS, RECREATION AREAS, MONUMENTS, AND HISTORICAL SITES AND  
 7 FOR GRANTS FOR CULTURAL AND AESTHETIC PROJECTS; REQUIRING  
 8 THAT THE LEGISLATURE MUST APPROVE EACH PURCHASE OR GRANT;  
 9 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%~~ 5/6 of 1% through June 30, 1979, one-half  
 23 ~~and thereafter 1 2/3%~~ to the earmarked revenue fund for--the  
 24 ~~purpose--of--acquisition--operation--or--maintenance--of--sites~~  
 25 ~~and--areas--described--in--23-1-102--and--protection--of--works--of~~

-2- HB 550  
 INTRODUCED BILL

1 ~~art in to the credit of the state capitol and other cultural~~  
 2 ~~and aesthetic projects, subject to legislative~~  
 3 ~~appropriations, and one-half to the earmarked revenue fund~~  
 4 ~~to be invested in a trust fund for the purpose of perks~~  
 5 ~~acquisition or management. After June 30, 1979, 5% to the~~  
 6 ~~trust fund for the purpose of perks acquisition or~~  
 7 ~~management, income from the fund established in this~~  
 8 ~~subsection (h) may be appropriated for the acquisition of~~  
 9 ~~sites and areas described in 23-1-102 and the operation and~~  
 10 ~~maintenance of sites so acquired and protection of works of~~  
 11 ~~art in the state capitol and other cultural and aesthetic~~  
 12 ~~projects account to be appropriated as provided in [section~~  
 13 ~~2];~~

14 ~~(i) 1 2/3% through June 30, 1979, and thereafter~~  
 15 ~~1 1/3% to the earmarked revenue fund to the credit of the~~  
 16 ~~park account, to be appropriated as provided in [section~~  
 17 ~~1]; and~~

18 ~~(j) 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 NEW SECTION. Section 2. Cultural and aesthetic  
 22 projects grants. (1) There is within the earmarked revenue  
 23 fund a cultural and aesthetic projects account. Money is  
 24 paid into this account as provided in 15-35-108.

25 (2) The board of trustees of the Montana historical

1 society shall recommend to the legislature by the 15th day  
 2 of any legislative session a list of grants to be made from  
 3 the cultural and aesthetic projects account to any  
 4 department, agency, board, commission, or other division of  
 5 the state government or to any local government unit. These  
 6 recommended grants shall be for the purpose of protecting  
 7 works of art in the state capitol or other cultural and  
 8 aesthetic projects.

9 (3) The legislature must appropriate funds from this  
 10 account before any grant is awarded.

11 (4) The grant proposals approved by the legislature  
 12 shall be administered by the Montana historical society.

13 NEW SECTION. Section 3. Acquisition of certain state  
 14 parks, monuments, or historical sites. (1) There is within  
 15 the earmarked revenue fund a parks account. Money is paid  
 16 into this account as provided in 15-35-108.

17 (2) The fish and game commission shall recommend to  
 18 the legislature by the 15th day of any legislative session a  
 19 list of areas, sites, or objects that it would like to  
 20 purchase for use as state parks, state recreational areas,  
 21 state monuments, or state historical sites with the money  
 22 contained in the parks account.

23 (3) The legislature must appropriate funds from this  
 24 account before any park, area, monument, or site may be  
 25 purchased.

STATE OF MONTANA

REQUEST NO. 458-79

FISCAL NOTE

Form BD-15

In compliance with a written request received March 9, 19 79, there is hereby submitted a Fiscal Note for House Bill 550 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 clarifies and revises the coal severance tax allocations for acquisition of state parks, recreation areas, monuments, and historical sites and for grants for cultural and aesthetic projects; requiring that the legislature must approve each purchase or grant.

ASSUMPTIONS

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

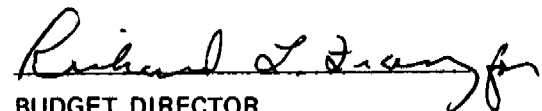
FISCAL IMPACT

See Attached Sheet.

TECHNICAL NOTE

Page 2, line 22 and page 3, line 14 each propose changes in the allocation of coal tax receipts received prior to June 30, 1979; however, without an effective date, the proposed law would not take effect until July 1, 1979.

(Prepared by the Department of Revenue)

  
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 3/17/79

FISCAL IMPACT - (F.N. Reg. 458-79 for House Bill 550)

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	.230	(1.227)	1.357	0	(1.357)
Coal Area Highways	1.197	1.197	0	0	0	0
Cultural and Aesthetic Grants	0	.512	.512	0	.453	.453
Parks Account	0	.810	.810	0	.895	.895
General Fund	<u>13.347</u>	<u>13.252</u>	<u>(.095)</u>	<u>10.583</u>	<u>10.592</u>	<u>.009</u>
	<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. 550

INTRODUCED BY SCULLY, DUSSAULT, FAGG,

VINCENT, MARKS, RAMIREZ

A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY AND REVISE THE COAL SEVERANCE TAX ALLOCATIONS FOR ACQUISITION OF STATE PARKS, RECREATION AREAS, MONUMENTS, AND HISTORICAL SITES AND FOR GRANTS FOR CULTURAL AND AESTHETIC PROJECTS; REQUIRING THAT THE LEGISLATURE MUST APPROVE EACH PURCHASE OR GRANT; AMENDING SECTION 15-35-108, MCA."

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% 5/6 of 1% through June 30, 1979, one-half and thereafter 1 1/2% to the earmarked revenue fund for the purpose of acquisition, operation, or maintenance of sites~~

1 and areas described in 23-1-102 and protection of works of  
 2 art in the state capitol and other cultural  
 3 and aesthetic projects, subject to legislative  
 4 appropriations and one-half to the earmarked revenue fund  
 5 to be invested in a trust fund for the purpose of parks  
 6 acquisition or management. After June 30, 1979, 5% to the  
 7 trust fund for the purpose of parks acquisition or  
 8 management income from the fund established in this  
 9 subsection (h) may be appropriated for the acquisition of  
 10 sites and areas described in 23-1-102 and the operation and  
 11 maintenance of sites so acquired and protection of works of  
 12 art in the state capitol and other cultural and aesthetic  
 13 projects account to be appropriated as provided in section  
 14 23j.

15 ~~from 1979 through June 30, 1979, and thereafter~~  
 16 ~~to the earmarked revenue fund to the credit of the~~  
 17 ~~parks account to be appropriated as provided in section~~  
 18 ~~23j and~~

19 (H) 5% TO THE EARMARKED REVENUE FUND TO THE CREDIT OF  
 20 A TRUST FUND FOR THE PURPOSE OF PARKS ACQUISITION OR  
 21 MANAGEMENT, PROTECTION OF WORKS OF ART IN THE STATE CAPITOL,  
 22 AND OTHER CULTURAL AND AESTHETIC PROJECTS. INCOME FROM THIS  
 23 TRUST FUND SHALL BE APPROPRIATED AS FOLLOWS:

24 (1) 1/3 FOR PROTECTION OF WORKS OF ART IN THE STATE  
 25 CAPITOL AND OTHER CULTURAL AND AESTHETIC PROJECTS; AND

1 1/3 2/3 FOR THE ACQUISITION OF SITES AND AREAS  
 2 DESCRIBED IN 23-1-102 AND THE OPERATION AND MAINTENANCE OF  
 3 SITES SO ACQUIRED.

4 ~~1/3 2/3~~ all other revenues from severance taxes  
 5 collected under the provisions of this chapter to the credit  
 6 of the general fund of the state."

7 NEW SECTION. Section 2. Cultural and aesthetic  
 8 projects grants. (1) There is within the earmarked revenue  
 9 fund a cultural and aesthetic projects account. Money is  
 10 paid into this account as provided in 15-35-108. ANY PERSON,  
 11 ASSOCIATION, OR REPRESENTATIVE OF A GOVERNING UNIT SEEKING  
 12 A GRANT FOR A CULTURAL OR AESTHETIC PROJECT FROM THE INCOME  
 13 OF THE TRUST FUND CREATED IN 15-35-108 MUST SUBMIT A GRANT  
 14 PROPOSAL TO THE BOARD OF TRUSTEES OF THE MONTANA HISTORICAL  
 15 SOCIETY BY DECEMBER 1 OF THE YEAR PRECEDING THE CONVENING OF  
 16 A LEGISLATIVE SESSION.

17 (2) The board of trustees of the Montana historical  
 18 society shall recommend PRESENTI to the legislature by the  
 19 15th day of any legislative session a list of grants GRANT  
 20 PROPOSALS to be made from the cultural and aesthetic  
 21 projects account to any department, agency, board,  
 22 commission, or other division of the state government or to  
 23 any local government unit. These recommended grants GRANT  
 24 PROPOSALS shall be for the purpose of protecting works of  
 25 art in the state capitol or other cultural and aesthetic

1 projects.

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3 account before any grant is awarded.

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13 CREATED IN 15-35-108 TO THE DEPARTMENT OF FISH AND GAME BY  
14 DECEMBER 1 OF THE YEAR PRECEDING THE CONVENING OF A  
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16 (2) The fish and game commission shall recommend  
17 PRESENT to the legislature by the 15th day of any  
18 legislative session a list of areas, sites, or objects that  
19 ~~it would like to~~ HERE PROPOSED FOR purchase for use as state  
20 parks, state recreational areas, state monuments, or state  
21 historical sites with the money contained in the parks  
22 account.

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-End-



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 5 January 1, 1980, for such purposes as the governing body of  
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 8 to the earmarked revenue fund to the credit of the  
 9 alternative energy research development and demonstration  
 10 account;

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

14 (d) for each of the 2 fiscal years following June 30,  
 15 1977, 13% to the earmarked revenue fund to the credit of the  
 16 coal area highway improvement account;

17 (e) 10% to the earmarked revenue fund for state  
 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;

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

23 ~~(h) 2 1/2% 5/6 of 1% through June 30, 1979, one-half~~  
 24 ~~and thereafter 1 2/3% to the earmarked revenue fund for the~~  
 25 ~~purpose of acquisition, operation, or maintenance of sites~~

1 ~~and areas described in 23-1-102 and protection of works of~~  
 2 ~~art in to the credit of the state capitol and other cultural~~  
 3 ~~and aesthetic projects subject to legislative~~  
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 12 ~~art in the state capitol and other cultural and aesthetic~~  
 13 ~~projects account to be appropriated as provided in section~~  
 14 ~~23.~~

15 ~~§ 1-233 through June 30, 1979, and thereafter~~  
 16 ~~§ 1-233 to the earmarked revenue fund to the credit of the~~  
 17 ~~parks account to be appropriated as provided in section~~  
 18 ~~33 and~~

19 (H) 5% TO THE EARMARKED REVENUE FUND TO THE CREDIT OF  
 20 A TRUST FUND FOR THE PURPOSE OF PARKS ACQUISITION OR  
 21 MANAGEMENT, PROTECTION OF WORKS OF ART IN THE STATE CAPITOL,  
 22 AND OTHER CULTURAL AND AESTHETIC PROJECTS. INCOME FROM THIS  
 23 TRUST FUND SHALL BE APPROPRIATED AS FOLLOWS:

24 (1) 1/3 FOR PROTECTION OF WORKS OF ART IN THE STATE  
 25 CAPITOL AND OTHER CULTURAL AND AESTHETIC PROJECTS; AND

1 (1) 2/3 FOR THE ACQUISITION OF SITES AND AREAS  
 2 DESCRIBED IN 23-1-102 AND THE OPERATION AND MAINTENANCE OF  
 3 SITES SO ACQUIRED.

4 ~~§ 1-233~~ all other revenues from severance taxes  
 5 collected under the provisions of this chapter to the credit  
 6 of the general fund of the state."

7 NEW SECTION. Section 2. Cultural and aesthetic  
 8 projects grants. (1) There is within the earmarked revenue  
 9 fund a cultural and aesthetic projects account. Money is  
 10 paid into this account as provided in 15-35-108. ANY PERSON,  
 11 ASSOCIATION, OR REPRESENTATIVE OF A GOVERNING UNIT SEEKING  
 12 A GRANT FOR A CULTURAL OR AESTHETIC PROJECT FROM THE INCOME  
 13 OF THE TRUST FUND CREATED IN 15-35-108 MUST SUBMIT A GRANT  
 14 PROPOSAL TO THE BOARD OF TRUSTEES OF THE MONTANA HISTORICAL  
 15 SOCIETY BY DECEMBER 1 OF THE YEAR PRECEDING THE CONVENING OF  
 16 A LEGISLATIVE SESSION.

17 (2) The board of trustees of the Montana historical  
 18 society shall recommend PRESENTI to the legislature by the  
 19 15th day of any legislative session a list of grants GRANT  
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 21 projects account to any department, agency, board,  
 22 commission, or other division of the state government or to  
 23 any local government unit. These recommended grants GRANT  
 24 PROPOSALS shall be for the purpose of protecting works of  
 25 art in the state capitol or other cultural and aesthetic

1 projects.

2 (3) The legislature must appropriate funds from this  
3 account before any grant is awarded.

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6 NEW SECTION. Section 3. Acquisition of certain state  
7 parks, monuments, or historical sites. (1) ~~There is within~~  
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16 (2) The fish and game commission shall recommend  
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23 (3) The legislature must appropriate funds from this  
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25 purchased.

-End-

## HOUSE BILL NO. 550

INTRODUCED BY SCULLY, DUSSAULT, FAGG,

VINCENT, MARKS, RAMIREZ

A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY AND REVISE THE COAL SEVERANCE TAX ALLOCATIONS FOR ACQUISITION OF STATE PARKS, RECREATION AREAS, MONUMENTS, AND HISTORICAL SITES AND FOR GRANTS FOR CULTURAL AND AESTHETIC PROJECTS; REQUIRING THAT THE LEGISLATURE MUST APPROVE EACH PURCHASE OR GRANT; AMENDING SECTION 15-35-108, MCA."

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 14 ~~23+~~

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 9 fund a cultural and aesthetic projects account. Money is  
 10 paid into this account as provided in 15-35-108. ANY PERSON,  
 11 ASSOCIATION, OR REPRESENTATIVE OF A GOVERNING UNIT SEEKING  
 12 A GRANT FOR A CULTURAL OR AESTHETIC PROJECT FROM THE INCOME  
 13 OF THE TRUST FUND CREATED IN 15-35-108 MUST SUBMIT A GRANT  
 14 PROPOSAL TO THE BOARD OF TRUSTEES OF THE MONTANA HISTORICAL  
 15 SOCIETY BY DECEMBER 1 OF THE YEAR PRECEDING THE CONVENING OF  
 16 A LEGISLATIVE SESSION.

17 (2) The board of trustees of the Montana historical  
 18 society shall recommend PRESENT to the legislature by the  
 19 15th day of any legislative session a list of grants GRANT  
 20 PROPOSALS to be made from the cultural and aesthetic  
 21 projects account to any department, agency, board,  
 22 commission, or other division of the state government or to  
 23 any local government unit. These recommended grants GRANT  
 24 PROPOSALS shall be for the purpose of protecting works of  
 25 art in the state capitol or other cultural and aesthetic

1 projects.

2 (3) The legislature must appropriate funds from this  
3 account before any grant is awarded.

4 (4) The grant proposals approved by the legislature  
5 shall be administered by the Montana historical society.

6 NEW SECTION. Section 3. Acquisition of certain state  
7 parks, monuments, or historical sites. (1) ~~There is within~~  
8 ~~the earmarked revenue fund a parks account. Money is paid~~  
9 ~~into this account as provided in 15-35-100.~~ ANY PERSON,  
10 ASSOCIATION, OR REPRESENTATIVE OF A GOVERNING UNIT MAY  
11 SUBMIT A PROPOSAL FOR THE ACQUISITION OF A SITE OR AREA  
12 DESCRIBED IN 23-1-102 FROM THE INCOME OF THE TRUST FUND  
13 CREATED IN 15-35-108 TO THE DEPARTMENT OF FISH AND GAME BY  
14 DECEMBER 1 OF THE YEAR PRECEDING THE CONVENING OF A  
15 LEGISLATIVE SESSION.

16 (2) The fish and game commission shall recommend  
17 PRESENT to the legislature by the 15th day of any  
18 legislative session a list of areas, sites, or objects that  
19 ~~it would like to~~ WERE PROPOSED FOR purchase for use as state  
20 parks, state recreational areas, state monuments, or state  
21 historical sites with the money contained in the parks  
22 account.

23 (3) The legislature must appropriate funds from this  
24 account before any park, area, monument, or site may be  
25 purchased.