

SENATE BILL 3

IN THE SENATE

January 3, 1979

Introduced and referred to
Committee on Finance and
Claims.

Fiscal Note Requested.

January 4, 1979

On motion, by chief sponsor
Senators Galt, Lowe, Lockrem,
Manley, Roskie, Severson, Graham,
McCallum, Mehrens, Etchart were
added as authors to the pre-
filed bill.

January 8, 1979

Fiscal Note returned.

February 17, 1979

Committee recommend bill,
do not pass.

Senate BILL NO. 3

INTRODUCED BY Dover

A BILL FOR AN ACT ENTITLED: "AN ACT TO REALLOCATE MONEY RECEIVED FROM FEDERAL MINERAL LEASES AND TO DISTRIBUTE THE MONEY TO THE STATE HIGHWAY ACCOUNT, TO STATE EQUALIZATION AID FOR SCHOOLS, AND TO THE BUREAU OF MINES AND GEOLOGY AND TO REQUIRE THE BUREAU OF MINES TO REPORT TO THE LEGISLATURE; AMENDING SECTIONS 17-3-201 and 20-9-343, MCA."

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

Section 1. Section 17-3-201, MCA, is amended to read:

"17-3-201. ~~Deposit~~ Distribution of gas and oil royalties from federal government ~~in highway account~~. It shall be the duty of the state treasurer to ~~pay 37 1/2% of~~ distribute the moneys ~~money~~ received from the treasurer of the United States as the state's share of gas, oil, and other mineral royalties under the federal Mineral Lands Leasing Act, as amended, ~~to the state highway account in the earmarked revenue funds in the following manner:~~

(1) of the first \$6,250,000 received:

(a) ~~34 1/2%~~ shall be deposited in the state highway account in the earmarked revenue funds;

(b) ~~57 1/2%~~ shall be deposited in the earmarked revenue fund for state equalization aid to public schools;

and

(c) ~~8%~~ shall be deposited to the credit of the Montana state bureau of mines and geology of the Montana college of mineral science and technology, with any unspent funds to revert to the general fund at the end of the biennium; and

(2) of any amount received in excess of \$6,250,000:

(a) ~~37 1/2%~~ shall be deposited in the state highway account in the earmarked revenue funds; and

(b) ~~62 1/2%~~ shall be deposited in the earmarked revenue fund for state equalization aid to public schools."

Section 2. Section 20-9-343, MCA, is amended to read:

"20-9-343. Definition of and revenue for state equalization aid. (1) As used in this title, the term "state equalization aid" means those moneys deposited in the earmarked revenue fund as required in this section plus any legislative appropriation of moneys from other sources for distribution to the public schools for the purpose of equalization of the foundation program.

(2) The following shall be paid into the earmarked revenue fund for state equalization aid to public schools of the state:

(a) 25% of all moneys received from the collection of income taxes under chapter 30 of Title 15;

(b) 25% of all moneys received from the collection of corporation license taxes under chapter 31 of Title 15, as

1 provided by 15-1-501;

2 (c) 10% of the moneys received from the collection of
3 the severance tax on coal under chapter 35 of Title 15;

4 (d) ~~62-172%~~ the portion specified in 17-3-201 of the
5 moneys received from the treasurer of the United States as
6 the state's shares of oil, gas, and other mineral royalties
7 under the federal Mineral Lands Leasing Act, as amended;

8 (e) interest and income moneys described in 20-9-341
9 and 20-9-342;

10 (f) income from the local impact and education trust
11 fund account; and

12 (g) in addition to these revenues, the surplus
13 revenues collected by the counties for foundation program
14 support according to 20-9-331 and 20-9-333 shall be paid
15 into the same earmarked revenue fund."

16 NEW SECTION. Section 3. Report to legislature. Prior
17 to the 10th legislative day of each regular legislative
18 session, the Montana state bureau of mines and geology shall
19 submit to the legislature a report on its activities during
20 the biennium that ended in the year prior to the session.
21 This report shall include information on sources of revenue
22 for the bureau and on expenditures made by the bureau.

-End-

STATE OF MONTANA

REQUEST NO. 1-79

FISCAL NOTE

Form BD-15

In compliance with a written request received January 3, 1979, there is hereby submitted a Fiscal Note for Senate Bill 3 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 OF PROPOSED LEGISLATION:

An act to reallocate money received from federal mineral leases and to distribute the money to the state highway account, to state equalization aid for schools, and to the Bureau of Mines and Geology, and to require the Bureau of Mines to report to the Legislature.

ASSUMPTIONS:

1. The state's share of gas, oil, and other mineral royalties under the Federal Mineral Lands Leasing Act will be \$7 million per year.
2. The Bureau of Mines will incur minimal costs in preparing and presenting the mandated report to the Legislature.

REVENUE IMPACT:

	State Highway Account	State Equalization Aid	Bureau of Mines and Geology	Total
Current distribution of receipts	\$2,625,000	\$4,375,000	\$ 0	\$7,000,000
Distribution under proposed law	<u>2,437,500</u>	<u>4,062,500</u>	<u>500,000</u>	<u>7,000,000</u>
Annual increase (decrease) in receipts due to proposed legislation.	<u>(\$ 187,500)</u>	<u>(\$ 312,500)</u>	<u>\$500,000</u>	<u>\$ 0</u>

Richard L. Drury for
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1/5/79