

SENATE BILL 300

IN THE SENATE

January 30, 1979	Introduced and referred to Committee on Taxation.
January 31, 1979	Fiscal note requested.
February 6, 1979	Fiscal note returned.
March 23, 1979	Committee recommend bill, as amended.
	Printed and placed on members' desks.
March 24, 1979	Second reading, do pass.
	Considered correctly engrossed.
March 27, 1979	Third reading, passed.

IN THE HOUSE

March 28, 1979	Introduced and referred to Committee on Taxation.
April 13, 1979	Committee recommend bill, not concurred.
April 16, 1979	Report adopted.

IN THE SENATE

April 17, 1979	Returned from House, not concurred.
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*Senate BILL NO. 300
Monte Sognor Rockies*

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4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REALLOCATE THE COAL
5 SEVERANCE TAX MONEY AND TO GENERALLY REVISE THE PROGRAMS
6 RECEIVING THIS MONEY; AMENDING SECTIONS 15-35-108, 90-6-202,
7 90-6-205, AND 90-6-211, MCA; REPEALING SECTIONS 90-1-108,
8 90-2-101 THROUGH 90-2-128, AND 90-6-210, MCA."

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

11 Section 1. Section 15-35-108, MCA, is amended to read:
12 "15-35-108. Disposal of severance taxes. 111 Severance
13 taxes collected payable under the provisions of this chapter
14 are allocated as follows:

15 titlal to the trust fund created by Article IX,
16 section 5 of the Montana constitution, 25% of total
17 collections taxes payable a year. After through December 31,
18 1979, and thereafter 50% of coal severance tax collections
19 are allocated to this trust fund to the trust fund created
20 by Article IX, section 5 of the Montana constitution. The
21 trust fund moneys shall be deposited in the fund established
22 under 17-6-203(5) and invested by the board of investments
23 as provided by law.

24 f27 Coal severance tax collections remaining after
25 allocation to the trust fund under subsection f17 are

1 allocated in the following percentages of the remaining
2 balance:

3 tot to the county in which coal is mined 25% of the
4 severance tax paid on the coal mined in that county unt
5 January 1 1980, for such purposes as the governing body of
6 the county may determine:

7 (b) 2 1/2% unt1 December 31 1979, and thereafter 5%
8 23 to the earmarked revenue fund to the credit of the
9 alternative energy research development and demonstration
10 account;

11 (c) 26 1/2% unt1 December 31 1979,
12 and thereafter 37 1/2% 12 to the earmarked revenue fund to
13 the credit of the local impact and education trust fund
14 account;

15 (d) for each of the 2 fiscal years following June 30,
16 1977, 13% 12 through December 31 1979, and thereafter 4% to
17 the earmarked revenue fund to the credit of the coal area
18 highway improvement rural urban street and road development
19 account created in [section 3 of Senate Bill No. 135, 46th
20 Legislature];

21 (e) 10% 15% through December 31 1979, and thereafter
22 12% to the earmarked revenue fund for state equalization aid
23 to public schools of the state;

24 f27 18 to the earmarked revenue fund to the credit of
25 the county land planning account

1 ~~for 2-1/2% to the sinking fund to the credit of the~~
 2 renewable resource development bond account
 3 ~~the 2-1/2% through June 30, 1979, one-half to the~~
 4 earmarked revenue fund for the purpose of acquisitions
 5 operations or maintenance of sites and areas described in
 6 23-1-102 and protection of works of art in the state capitol
 7 and other cultural and aesthetic projects subject to
 8 legislative appropriations, and one-half to the earmarked
 9 revenue fund to be invested in a trust fund for the purpose
 10 of parks acquisition or management. After June 30, 1979, 5%
 11 to the trust fund for the purpose of parks acquisition or
 12 management. Income from the fund established in this
 13 subsection (h) may be appropriated for the acquisition of
 14 sites and areas described in 23-1-102 and the operation and
 15 maintenance of sites so acquired and protection of works of
 16 art in the state capitol and other cultural and aesthetic
 17 projects.
 18 ~~title~~ all other revenues from severance taxes
 19 collected payable under the provisions of this chapter to
 20 the credit of the general fund of the state.
 21 (2) The allocations established in subsection (1) are
 22 based on coal severance taxes accruing during each quarter."
 23 Section 2. Section 90-6-202, MCA, is amended to read:
 24 "90-6-202. Accounts established. (1) There is within
 25 the earmarked revenue fund ~~to~~~~cost~~ ~~impact~~ and an education

1 trust fund account for the purposes established in 90-6-211.
 2 Money are payable into this account under 15-35-108—the
 3 state treasurer shall draw warrants from this account upon
 4 order of the coal boards.
 5 (2) There is within the earmarked revenue fund a ~~cost~~
 6 ~~area~~ highway improvement local impact account. Money
 7 received from the coal severance tax as provided in
 8 15-35-108 shall be paid into this account. The state
 9 treasurer's office shall issue warrants from this account to
 10 the extent allowed in 90-6-205 upon order of the coal
 11 boards."
 12 Section 3. Section 90-6-205, MCA, is amended to read:
 13 "90-6-205. Coal board -- general powers. The board
 14 may:
 15 (1) retain professional consultants and advisors;
 16 (2) adopt rules governing its proceedings;
 17 (3) consider applications for grants from the local
 18 impact and education trust fund account; and
 19 (4) award grants, subject to 90-6-207, the total of
 20 which may not to exceed \$1 million during any biennium
 21 except as provided in subsection (5), in any one year
 22 seven-elevenths and after June 30, 1979, seven-fifteenths
 23 of the revenue paid into from the local impact and education
 24 trust fund account to local governmental units and state
 25 agencies to assist local governmental units in meeting the

1 local impact of coal development by enabling them to
 2 adequately provide governmental services and facilities
 3 which are needed as a direct consequence of coal
 4 development. ~~As--used--in--the--preceding--sentence--"revenue~~
 5 ~~paid--does--not--include--interest--income--from--the--account~~
 6 ~~reinvested--in--the--account--in--trust--for--the--public--schools~~
 7 ~~and--the--university--system--"~~

8 (5) award grants from the local impact account in
 9 excess of \$1 million during a biennium if:

10 (a) the grant is awarded in accordance with 90-6-206
 11 for the purpose established in (4) of this section;

12 (b) significant new coal development, including but
 13 not limited to construction of a new coal-fired electric
 14 generating unit, construction of a coal gasification plant,
 15 large-scale expansion of an existing mine, or the opening of
 16 a new mine, occurs and produces impact on nearby local
 17 governmental units;

18 (c) the applications for the grants are reviewed by
 19 the legislative finance committee and the coal tax oversight
 20 committee, if that committee is in existence, prior to final
 21 consideration and board action; and

22 (d) a budget amendment for the expenditure is approved
 23 by the governor or his designated representative."

24 Section 4. Section 90-6-211, MCA, is amended to read:
 25 "90-6-211. Disposition of interest from unexpended

1 balance of education trust fund. The unexpended balance in
 2 the local--impact--and education trust fund account shall be
 3 invested as provided by statute by the board of investments.
 4 Of the income from such investments each year 10% shall be
 5 added to the principal of the account to be segregated and
 6 held in trust for the purposes of supporting the public
 7 schools and university systems of the state. Of the
 8 remaining 90% of the income from such investments,
 9 three-fourths shall be annually paid into the earmarked
 10 revenue fund for state equalization aid to public schools of
 11 the state and one-fourth each year shall be paid to the
 12 board of regents of higher education for use by the
 13 institutions of higher learning in the state, subject to the
 14 budgeting authority of the legislature. Except as provided
 15 in 90-6-205(4), the principal of the local--impact--and
 16 education trust fund shall be dedicated to
 17 education and forever remain inviolate and sacred to this
 18 purpose as provided in sections 3 and 10 of Article X of the
 19 Montana constitution."

20 NEW SECTION. Section 5. Investment of and disposition
 21 of interest from local impact account. The unexpended
 22 balance in the local impact account shall be invested as
 23 provided by statute by the board of investments. The income
 24 from such investments shall be added to the principal of the
 25 account.

1 NEW SECTIONa. Section 6. Transfer of funds. The
2 balance on June 30, 1979, of the funds to the credit of:
3 (1) the renewable resources development bond account
4 in the sinking fund account and the clearance fund account
5 shall be transferred to the general fund;
6 (2) the coal area highway improvement account shall be
7 transferred to the earmarked revenue fund to the credit of
8 the rural-urban street and road development account created
9 in [section 3 of Senate Bill No. 135, 46th Legislature];
10 (3) the funds in the earmarked revenue fund to the
11 credit of the local impact and education trust fund shall be
12 transferred to the education trust fund account established
13 in 90-6-202.
14 Section 7. Repealer. Sections 90-1-108, 90-2-101
15 through 90-2-128 and 90-6-210, MCA, are repealed.

-End-

STATE OF MONTANA

REQUEST NO. 188-79

FISCAL NOTE

Form BD-15

In compliance with a written request received January 31, 1979, there is hereby submitted a Fiscal Note for Senate Bill 300 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 reallocates the coal severance tax money and generally revises the programs receiving this money.

ASSUMPTIONS

- 1) The Department of Revenue projections for the coal severance tax 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.

TECHNICAL NOTE

Section 6 page 7 transfers balances in certain funds as of June 30, 1979. According to an Attorney General's opinion, the money from the June 30, 1979 quarter, which is due by July 31, 1980, must be distributed by the allocation scheme in effect when the quarter ended. This is the reason some funds receive revenues even though they are phased out in June 30, 1979.

PREPARED BY DEPARTMENT OF REVENUE

Richard L. Tracy for
BUDGET DIRECTOR
Office of Budget and Program Planning
Date: 4/6/79

FISCAL IMPACT - (F.N. Req. 188-79 for Senate Bill 300)

MILLIONS OF DOLLARS

	FY 80			FY 81		
	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	.184	(.368)	0	0	0
Alternative Energy	.997	.966	(.031)	1.357	1.085	(.272)
Local Impact	11.644	4.894	(6.750)	10.176	2.171	(8.005)
School Equalization	3.375	6.075	2.700	2.714	6.513	3.799
County Planning	.338	.092	(.246)	.271	0	(.271)
Renewable Resources	.844	.230	(.614)	.678	0	(.678)
Sites & Areas	1.457	.230	(1.227)	1.357	0	(1.357)
Coal Area Highways	1.197	1.197	0	0	0	0
Rural-Urban Street Development	0	1.718	1.718	0	2.171	2.171
General Fund	<u>13.347</u>	<u>18.165</u>	<u>4.818</u>	<u>10.583</u>	<u>15.196</u>	<u>4.613</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

SENATE BILL NO. 300

INTRODUCED BY MATHERS, SEVERSON, ROSKIE

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REALLOCATE THE COAL
5 SEVERANCE TAX MONEY AND TO GENERALLY REVISE THE PROGRAMS
6 RECEIVING THIS MONEY; AMENDING SECTIONS 15-35-108, 90-6-202,
7 90-6-205, AND 90-6-211, MCA; REPEALING SECTIONS 90-1-108,
8 AND 90-2-101 THROUGH 90-2-128, AND 90-6-218, MCA."

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

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

12 "15-35-108. Disposal of severance taxes. ~~III~~ Severance

13 taxes collected ~~payable~~ ~~COLLECTED~~ under the provisions of

14 this chapter are allocated as follows:

15 titlai--to--the--trust--fund--created--by--Article--IX--
16 section--5--of--the--Montana--constitution,--25%--of--total
17 collections taxes--payable a--year,--After through December
18 31,--1979, and--thereafter 50%--of--cost--severance--tax
19 collections--are--allocated--to--this--trust--fund to--the--trust
20 fund--created--by--Article--IX--section--5--of--the--Montana
21 constitution. The--trust--fund--money--shall--be--deposited--in
22 the--fund--established--under--17-6-203(5)--and--invested--by--the
23 board--of--investments--as--provided--by--law.

24 t27--Cost--severance--tax--collections--remaining--after
25 allocation--to--the--trust--fund--under--subsection--five--are

1 attlocated-in-the--following--percentages--of--the--remaining
2 balancest
3 (f) --to--the--county--in--which--cost--is--stined--2%--of--the
4 severance--tax--paid--on--the--cost--stined--in--that--county--until
5 January--17-1980--for--such--purposes--as--the--governing--body--of
6 the--county--may--determine
7 (f) --2-1/2%--until--December--31--1979--and--thereafter--5%
8 2%--to--the--earmarked--revenue--fund--to--the--credit--of--the
9 alternative--energy--research--development--and--demonstration
10 account
11 (f) --26-1/2%--until--duty--is--stimated--through--December--31--1979--
12 and--thereafter--37-1/2%--5%--to--the--earmarked--revenue--fund--to
13 the--credit--of--the--local--inspect--and--education--trust--fund
14 account
15 (f) --for--each--of--the--2--fiscal--years--following--June--30--
16 1977--1988--5%--through--December--31--1979--and--thereafter--4%--to
17 the--earmarked--revenue--fund--to--the--credit--of--the--cost--area
18 highway--improvement--rural--urban--street--and--road--development
19 account--created--in--Section--3--of--Senate--Bill--No--135--46th
20 legislature
21 (f) --10%--15%--through--December--31--1979--and--thereafter
22 12%--to--the--earmarked--revenue--fund--for--state--equalization--and
23 to--public--schools--of--the--state
24 (f) --1%--to--the--earmarked--revenue--fund--to--the--credit--of
25 the--county--land--planning--account

1 (g) --2-1/2% --to--the--sinking-fund-to-the-credit-of-the
 2 renewable-resource-development-bond-account
 3 (h) --2-1/2% through June 30, 1979, --one-half--to--the
 4 earmarked--revenue--fund--for--the--purpose--of-acquisitions
 5 operations--or-maintenance--of-sites-and--areas--described--in
 6 23-1-102--and--protection--of--works--of--art--in--the--state--capitol
 7 and--other--cultural--and--aesthetic--projects--subject--to
 8 legislative-appropriations--and--one-half--to--the--earmarked
 9 revenue--fund--to--be--invested--in--a--trust--fund--for--the--purpose
 10 of--parks--acquisition--or--management--After--June--30--1979--5%
 11 to--the--trust--fund--for--the--purpose--of--parks--acquisition--or
 12 management--income--from--the--fund--established--in--this
 13 subsection--(h)--may--be--appropriated--for--the--acquisition--of
 14 sites--and--areas--described--in--23-1-102--and--the--operation--and
 15 maintenance--of--sites--so--acquired--and--protection--of--works--of
 16 art--in--the--state--capitol--and--other--cultural--and--aesthetic
 17 projects
 18 (i)----other----revenues---from--severance--taxes
 19 collected payable under the provisions of--this--chapter--to
 20 the--credit--of--the--general--fund--of--the--state
 21 (j)----the--allocations--established--in--subsection--(i)--are
 22 based--on--coal--severance--taxes--accruing--during--each--quarter
 23 (1) JULY 1, 1979 JANUARY 1, 1980
 24 THROUGH THROUGH
 25 DECEMBER 31, 1979 JUNE 30, 1980 THEREAFTER

1 TRUST FUND CREATED
 2 IN ARTICLE IX
 3 SECTION 5 25% 50% 50%
 4 PARKS AND
 5 CULTURAL
 6 TRUST FUND 2 1/2% 2 1/2% 2 1/2%
 7 ALTERNATIVE ENERGY
 8 RESEARCH DEVELOP-
 9 MENT AND DEMONSTRA-
 10 TION ACCOUNT 2 1/2% 2 1/2% 2 1/2%
 11 LOCAL IMPACT
 12 ACCOUNT 12 1/2% 12 1/2% 8 3/4%
 13 STATE EQUALIZATION
 14 AID TO PUBLIC
 15 SCHOOLS 15% 15% 15%
 16 GENERAL FUND
 17 OF THE STATE 42 1/2% 17 1/2% 21 1/4%
 18 (1) THE CONSTITUTIONAL TRUST FUND MONEY SHALL BE
 19 DEPOSITED IN THE FUND ESTABLISHED UNDER 17-6-203(5) AND
 20 INVESTED BY THE BOARD OF INVESTMENTS AS PROVIDED BY LAW.
 21 INCOME EARNED FROM THE INVESTMENT OF THIS TRUST FUND SHALL
 22 BE DEPOSITED IN THE GENERAL FUND, EXCEPT THAT \$1 MILLION OF
 23 THIS INCOME SHALL BE PAID INTO THE COAL AREA HIGHWAY
 24 IMPROVEMENT ACCOUNT DURING EACH FISCAL YEAR OF THE 1980-1981
 25 BIENNIAL.

1 (3) INCOME FROM THE PARKS AND CULTURAL PROJECTS TRUST
 2 FUND SHALL BE APPROPRIATED AS FOLLOWS:

3 (A) ONE-THIRD FOR PROTECTION OF WORKS OF ART IN THE
 4 STATE CAPITOL AND OTHER CULTURAL AND AESTHETIC PROJECTS
 5 UNDER THE PROVISIONS OF [SECTION 5]; AND

6 (B) TWO-THIRDS FOR THE ACQUISITION OF SITES AND AREAS
 7 DESCRIBED IN 23-1-102 AND THE OPERATION AND MAINTENANCE OF
 8 SITES SO ACQUIRED UNDER THE PROVISIONS OF [SECTION 6]."

9 Section 2. Section 90-6-202, MCA, is amended to read:
 10 "90-6-202. Accounts established. (1) There is within
 11 the earmarked revenue fund ~~a local impact fund~~ an EXISTING
 12 education trust fund account for the purposes established in
 13 90-6-211. NO FURTHER MONEY IS PAYABLE INTO THIS ACCOUNT
 14 UNDER THE PROVISIONS OF 15-35-108. Money is payable into
 15 this account under 15-35-108, the state treasurer shall draw
 16 warrants from this account upon order of the coal board."

17 (2) There is within the earmarked revenue fund a coal
 18 area--highway--improvement local impact account. Money
 19 received from the coal severance tax as provided in
 20 15-35-108 shall be paid into this account. The state
 21 treasurer's office shall issue warrants from this account to
 22 the extent allowed in 90-6-205 upon order of the coal board.

23 (3) ANY UNOBLIGATED FUNDS IN THE LOCAL IMPACT ACCOUNT
 24 AT THE END OF EACH BIENNIAL SHALL BE TRANSFERRED TO THE
 25 GENERAL FUND.

1 (4) THERE IS WITHIN THE EARMARKED REVENUE FUND AN
 2 EXISTING TRUST FUND CREATED BY THE FORMER 15-35-108(2)(H),
 3 WHICH IS HEREBY RENAMED THE PARKS AND CULTURAL PROJECTS
 4 TRUST FUND. MONEY RECEIVED FROM THE COAL SEVERANCE TAX AS
 5 PROVIDED IN 15-35-108 SHALL BE PAID INTO THIS ACCOUNT."

6 Section 3. Section 90-6-205, MCA, is amended to read:
 7 "90-6-205. Coal board -- general powers. The board
 8 may:

9 (1) retain professional consultants and advisors;
 10 (2) adopt rules governing its proceedings;
 11 (3) consider applications for grants from the local
 12 impact and education trust fund account; and
 13 (4) award grants, subject to 90-6-207, ~~the total of~~
 14 which may not exceed ~~\$1 million during any biennium~~
 15 except as provided in subsection (5) in any one year
 16 seven-elevenths and after June 30, 1979, seven-fifteenths
 17 of the revenue paid into from the local impact and education
 18 trust fund account to local governmental units and state
 19 agencies to assist local governmental units in meeting the
 20 local impact of coal development by enabling them to
 21 adequately provide governmental services and facilities
 22 which are needed as a direct consequence of coal
 23 development. As used in the preceding sentence, revenue
 24 paid does not include interest from the account
 25 reinvested in the account in trust for the public schools

1 and the university systems
 2 that award grants from the local impact account in
 3 excess of \$1 million during a biennium if
 4 the grant is awarded in accordance with 90-6-206
 5 for the purpose established in 1st of this section
 6 that significant new coal development including but
 7 not limited to construction of a new coal-fired electric
 8 generating unit, construction of a coal gasification plant,
 9 large-scale expansion of an existing mine or the opening of
 10 a new mine occurs and produces impact on nearby local
 11 governmental units
 12 if the applications for the grants are reviewed by
 13 the legislative finance committee and the coal tax oversight
 14 committee if that committee is in existence prior to final
 15 consideration and board action and
 16 that a budget amendment for the expenditure is approved
 17 by the governor or his designated representative"
 18 Section 4. Section 90-6-211, MCA, is amended to read:
 19 "90-6-211. Disposition of interest from unexpended
 20 balance of education trust fund. The unexpended balance in
 21 the local-impact-and education trust fund account shall be
 22 invested as provided by statute by the board of investments.
 23 Of the income from such investments each year 10% shall be
 24 added to the principal of the account to be segregated and
 25 held in trust for the purposes of supporting the public

1 schools and university systems of the state. Of the
 2 remaining 90% of the income from such investments,
 3 three-fourths shall be annually paid into the earmarked
 4 revenue fund for state equalization aid to public schools of
 5 the state and one-fourth each year shall be paid to the
 6 board of regents of higher education for use by the
 7 institutions of higher learning in the state, subject to the
 8 budgeting authority of the legislature. Except as provided
 9 in 90-6-205~~44~~ the principal of the local-impact-and
education trust fund shall be dedicated to
 11 education and forever remain inviolate and sacred to this
 12 purpose as provided in sections 3 and 10 of Article X of the
 13 Montana constitution."

14 SECTION 5. THERE IS A NEW MCA SECTION THAT READS:
 15 Cultural and aesthetic projects grants. (1) Any person,
 16 association, or representative of a governing unit seeking
 17 a grant for a cultural or aesthetic project from the income
 18 of the parks and cultural projects trust fund under the
 19 provisions of 15-35-108(3) shall submit a grant proposal to
 20 the board of trustees of the Montana historical society by
 21 December 1 of the year preceding the convening of a
 22 legislative session. The grant proposals must be for the
 23 purpose of protecting works of art in the state capitol or
 24 other cultural and aesthetic projects.

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

1 society shall present to the legislature by the 15th day of
 2 any legislative session a list of grant proposals submitted.

3 (3) The legislature must appropriate funds from the
 4 income earned from the trust fund before any award is
 5 granted.

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

8 SECTION 6. THERE IS A NEW MCA THAT READS:

9 Acquisition of certain state parks, monuments, or
 10 historical sites. (1) Any person, association, or
 11 representative of a governing unit may submit a proposal for
 12 the acquisition of a site or area described in 23-1-102 from
 13 the income of the parks and cultural projects trust fund
 14 under the provisions of 15-35-108(3) to the department of
 15 fish and game by December 1 of the year preceding the
 16 convening of legislative session.

17 (2) The fish and game commission shall present to the
 18 legislature by the 15th day of any legislative session a
 19 list of proposals for areas, sites, or objects that were
 20 proposed for use as state parks, state recreational areas,
 21 state monuments, or state historical sites.

22 (3) The legislature must appropriate funds from this
 23 source before any park, areas, monument, or site may be
 24 purchased.

25 NEW SECTION. Section 7. Investment of and disposition

1 of interest from local impact accounts, ALTERNATIVE ENERGY,
 2 AND COAL AREA HIGHWAY IMPROVEMENT ACCOUNTS. The unexpended
 3 balance BALANCES in the local impact account, ALTERNATIVE
 4 ENERGY RESEARCH DEVELOPMENT AND DEMONSTRATION ACCOUNT, AND
 5 COAL AREA HIGHWAY IMPROVEMENT ACCOUNT shall be invested as
 6 provided by statute by the board of investments. The income
 7 from such investments shall be added-to-the-principle-of-the
 8 account TRANSFERRED TO THE GENERAL FUND AT THE END OF EACH
 9 EISCAL YEAR.

10 NEW SECTION. Section 8. Transfer of funds. (1) The
 11 balance on June 30, 1979, of the funds to the credit of
 12 ~~the~~ the renewable resources development bond account in
 13 the--sinking--fund--account--and NUMBERED 03002, the BOND
 14 PROCEEDS AND clearance fund account NUMBERED 06001, AND THE
 15 RENEWABLE RESOURCES EARMARKED REVENUE ACCOUNT NUMBERED 02950
 16 shall be transferred to the general funds.

17 ~~(2)~~--the--coal--area--highway--improvement--account--shall--be
 18 transferred--to--the--earmarked--revenue--fund--to--the--credit--of
 19 the--rural--urban--street--and--road--development--account--created
 20 in-[section-3-of-Senate-Bill-No-135,-46th-legislature]
 21 ~~(3)~~--the--funds--in--the--earmarked--revenue--fund--to--the
 22 credit--of--the--local--impact--and--education--trust--fund--shall--be
 23 transferred--to--the--education--trust--fund--account--established
 24 in-90-6-202*

25 121 ANY FUNDS PAID TO THE CREDIT OF THE COUNTIES IN

1 WHICH COAL IS MINED OR TO THE CREDIT OF THE COUNTY LAND
2 PLANNING ACCOUNT AND RENEWABLE RESOURCE DEVELOPMENT BOND
3 ACCOUNT IN FISCAL YEAR 1280 SHALL BE TRANSFERRED TO THE
4 GENERAL FUND.

5 Section 9. Repealer. Sections 90-1-108~~v~~ AND 90-2-101
6 through 90-2-128 end-90-6-210, MCA, are repealed.

-End-

SENATE BILL NO. 300

INTRODUCED BY MATHERS, SEVERSON, ROSKIE

A BILL FOR AN ACT ENTITLED: "AN ACT TO REALLOCATE THE COAL SEVERANCE TAX MONEY AND TO GENERALLY REVISE THE PROGRAMS RECEIVING THIS MONEY; AMENDING SECTIONS 15-35-108, 90-6-202, 90-6-205, AND 90-6-211, MCA; REPEALING SECTIONS 90-1-108, AND 90-2-101 THROUGH 90-2-128, AND 90-6-210, 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. (1) Severance taxes collected payable COLLECTED under the provisions of this chapter are allocated as follows:

(1) (i) To the trust fund created by Article 15, section 5, of the Montana constitution, 25% of total collections taxes payable a year. After through December 31, 1979, and thereafter 50% of coal severance tax collections are allocated to this trust fund. (2) The trust fund created by Article 15, section 2, of the Montana constitution, the trust fund money 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) To the earmarked revenue fund to the credit of the alternative energy research development and demonstration account.

(c) 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 1/3% through December 31, 1979, and thereafter 4% to the earmarked revenue fund to the credit of the coal area highway improvement rural urban street and road development account created in section 2 of Senate Bill No. 135, 46th legislature.

(e) 10% 1/3 through December 31, 1979, and thereafter 12% 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.

1 to--2-1/2%--to--the--sinking-fund-to-the-credit-of-the
 2 renewable-resource-development-bond-account
 3 th--2-1/2%--through-June--30--1979--one-half--to--the
 4 earmarked--revenue--fund--for--the--purpose--of-acquisition
 5 operation--or-maintenance--of-sites-and--areas--described--in
 6 23--1--02--and--protection--of--works--of--art--in--the--state--capitol
 7 and--other--cultural--and--aesthetic--projects--subject--to
 8 legislative-appropriations--and--one-half--to--the--earmarked
 9 revenue--fund--to--be--invested--in--a--trust--fund--for--the--purpose
 10 of--parks--acquisition--or--management--after--June--30--1979--5%
 11 to--the--trust--fund--for--the--purpose--of--parks--acquisition--or
 12 management--income--from--the--fund--established--in--this
 13 subsection--th--may--be--appropriated--for--the--acquisition--of
 14 sites--and--areas--described--in--23--1--02--and--the--operation--and
 15 maintenance--of--sites--so--acquired--and--protection--of--works--of
 16 art--in--the--state--capitol--and--other--cultural--and--aesthetic
 17 projects
 18 f--f--f--st--other--revenues--from--severance--taxes
 19 collected--payable--under--the--provisions--of--this--chapter--to
 20 the--credit--of--the--general--fund--of--the--state
 21 f--f--f--the--allocations--established--in--subsection--f--are
 22 based--on--coal--severance--taxes--accruing--during--each--quarters
 23 (1) JULY 1, 1979 JANUARY 1, 1980
 24 THROUGH THROUGH
 25 DECEMBER 31, 1979 JUNE 30, 1980 THEREAFTER

1 TRUST FUND CREATED
 2 IN ARTICLE IXa
 3 SECTION 5 25% 50% 50%
 4 PARKS AND
 5 CULTURAL
 6 TRUST FUND 2 1/2% 2 1/2% 2 1/2%
 7 ALTERNATIVE ENERGY
 8 RESEARCH DEVELOP-
 9 MENT AND DEMONSTRA-
 10 TION ACCOUNT 2 1/2% 2 1/2% 2 1/2%
 11 LOCAL IMPACT
 12 ACCOUNT 12 1/2% 12 1/2% 8 3/4%
 13 STATE EQUALIZATION
 14 AID TO PUBLIC
 15 SCHOOLS 15% 15% 15%
 16 GENERAL FUND
 17 OF THE STATE 52 1/2% 17 1/2% 21 1/4%
 18 121 THE CONSTITUTIONAL TRUST FUND MONEY SHALL BE
 19 DEPOSITED IN THE FUND ESTABLISHED UNDER 17-6-203(51) AND
 20 INVESTED BY THE BOARD OF INVESTMENTS AS PROVIDED BY LAW.
 21 INCOME EARNED FROM THE INVESTMENT OF THIS TRUST FUND SHALL
 22 BE DEPOSITED IN THE GENERAL FUND, EXCEPT THAT \$1 MILLION OF
 23 THIS INCOME SHALL BE PAID INTO THE COAL AREA HIGHWAY
 24 IMPROVEMENT ACCOUNT DURING EACH FISCAL YEAR OF THE 1980-1981
 25 BIENNIAL.

1 (3) INCOME FROM THE PARKS AND CULTURAL PROJECTS TRUST
 2 FUND SHALL BE APPROPRIATED AS FOLLOWS:

3 (A) ONE-THIRD FOR PROTECTION OF WORKS OF ART IN THE
 4 STATE CAPITOL AND OTHER CULTURAL AND AESTHETIC PROJECTS
 5 UNDER THE PROVISIONS OF [SECTION 5]; AND

6 (B) TWO-THIRDS FOR THE ACQUISITION OF SITES AND AREAS
 7 DESCRIBED IN 23-1-102 AND THE OPERATION AND MAINTENANCE OF
 8 SITES SO ACQUIRED UNDER THE PROVISIONS OF [SECTION 6]."

9 Section 2. Section 90-6-202, MCA, is amended to read:
 10 "90-6-202. Accounts established. (1) There is within
 11 the earmarked revenue fund a local impact end an EXISTING
 12 education trust fund account for the purposes established in
 13 90-6-211. NO FURTHER MONEY IS PAYABLE INTO THIS ACCOUNT
 14 UNDER THE PROVISIONS OF 15-35-108. Money are payable into
 15 this account under 15-35-108. The state treasurer shall draw
 16 warrants from this account upon order of the coal board.

17 (2) There is within the earmarked revenue fund a coal
 18 area--highway--improvement local impact account. Money
 19 received from the coal severance tax as provided in
 20 15-35-108 shall be paid into this account. The state
 21 treasurer's office shall issue warrants from this account to
 22 the extent allowed in 90-6-205 upon order of the coal board.

23 (3) ANY UNOBLIGATED FUNDS IN THE LOCAL IMPACT ACCOUNT
 24 AT THE END OF EACH BIENNIAL SHALL BE TRANSFERRED TO THE
 25 GENERAL FUND.

1 (4) THERE IS WITHIN THE EARMARKED REVENUE FUND AN
 2 EXISTING TRUST FUND CREATED BY THE FORMER 15-35-108(1)(H),
 3 WHICH IS HEREBY RENAMED THE PARKS AND CULTURAL PROJECTS
 4 TRUST FUND. MONEY RECEIVED FROM THE COAL SEVERANCE TAX AS
 5 PROVIDED IN 15-35-108 SHALL BE PAID INTO THIS ACCOUNT."

6 Section 3. Section 90-6-205, MCA, is amended to read:
 7 "90-6-205. Coal board -- general powers. The board
 8 may:

9 (1) retain professional consultants and advisors;
 10 (2) adopt rules governing its proceedings;
 11 (3) consider applications for grants from the local
 12 impact and education trust fund account; and
 13 (4) award grants, subject to 90-6-207, the total of
 14 which may not exceed \$1 million during any biennium,
 15 except as provided in subsection (5) in any one year
 16 seven-elevenths and after June 30, 1979, seven-fifteenths
 17 of the revenue paid into from the local impact end education
 18 trust fund account to local governmental units and state
 19 agencies to assist local governmental units in meeting the
 20 local impact of coal development by enabling them to
 21 adequately provide governmental services and facilities
 22 which are needed as a direct consequence of coal
 23 development. As used in the preceding sentence, "revenue
 24 paid" does not include interest from the account
 25 reinvested in the account in trust for the public schools.

1 and the university systems

2 ~~5% of grants from the local impact account in~~
 3 ~~excess of \$1 million during a biennium if it~~
 4 ~~for the grant is awarded in accordance with 90-6-296~~
 5 ~~for the purposes established in 141 of this section~~
 6 ~~that is significant new coal development including but~~
 7 ~~not limited to construction of a new coal-fired electric~~
 8 ~~generating unit, construction of a coal gasification plant,~~
 9 ~~large-scale expansion of an existing plant, or the opening of~~
 10 ~~a new mine, occurs and produces impact on nearby local~~
 11 ~~governmental units~~

12 ~~for the applications for the grants are reviewed by~~
 13 ~~the legislative finance committee and the coal tax oversight~~
 14 ~~committee if that committee is in existence prior to final~~
 15 ~~consideration and board action and~~
 16 ~~that a budget amendment for the expenditure is approved~~
 17 ~~by the governor or his designated representatives"~~

18 Section 4. Section 90-6-211, MCA, is amended to read:
 19 "90-6-211. Disposition of interest from unexpended
 20 balance of education trust fund. The unexpended balance in
 21 the ~~local impact and~~ education trust fund account shall be
 22 invested as provided by statute by the board of investments.
 23 Of the income from such investments each year 10% shall be
 24 added to the principal of the account to be segregated and
 25 held in trust for the purposes of supporting the public

1 schools and university systems of the state. Of the
 2 remaining 90% of the income from such investments,
 3 three-fourths shall be annually paid into the earmarked
 4 revenue fund for state equalization aid to public schools of
 5 the state and one-fourth each year shall be paid to the
 6 board of regents of higher education for use by the
 7 institutions of higher learning in the state, subject to the
 8 budgeting authority of the legislature. Except as provided
 9 in 90-6-205~~44~~, the ~~the~~ principal of the ~~local impact and~~
 10 ~~education~~ education trust fund shall be dedicated to
 11 education and forever remain inviolate and sacred to this
 12 purpose as provided in sections 3 and 10 of Article X of the
 13 Montana constitution."

14 SECTION 5. THERE IS A NEW MCA SECTION THAT READS:
 15 Cultural and aesthetic projects grants. (1) Any person,
 16 association, or representative of a governing unit seeking
 17 a grant for a cultural or aesthetic project from the income
 18 of the parks and cultural projects trust fund under the
 19 provisions of 15-35-108(3) shall submit a grant proposal to
 20 the board of trustees of the Montana historical society by
 21 December 1 of the year preceding the convening of a
 22 legislative session. The grant proposals must be for the
 23 purpose of protecting works of art in the state capitol or
 24 other cultural and aesthetic projects.

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

1 society shall present to the legislature by the 15th day of
 2 any legislative session a list of grant proposals submitted.

3 (3) The legislature must appropriate funds from the
 4 income earned from the trust fund before any award is
 5 granted.

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

8 SECTION 6. THERE IS A NEW MCA THAT READS:

9 Acquisition of certain state parks, monuments, or
 10 historical sites. (1) Any person, association, or
 11 representative of a governing unit may submit a proposal for
 12 the acquisition of a site or area described in 23-1-102 from
 13 the income of the parks and cultural projects trust fund
 14 under the provisions of 15-35-108(3) to the department of
 15 fish and game by December 1 of the year preceding the
 16 convening of legislative session.

17 (2) The fish and game commission shall present to the
 18 legislature by the 15th day of any legislative session a
 19 list of proposals for areas, sites, or objects that were
 20 proposed for use as state parks, state recreational areas,
 21 state monuments, or state historical sites.

22 (3) The legislature must appropriate funds from this
 23 source before any park, areas, monuments, or site may be
 24 purchased.

25 NEW SECTION. Section 7. Investment of and disposition

1 of interest from local impact accounts, ALTERNATIVE ENERGY,
 2 AND COAL AREA HIGHWAY IMPROVEMENT ACCOUNTS. The unexpended
 3 balance BALANCES in the local impact account, ALTERNATIVE
 4 ENERGY RESEARCH DEVELOPMENT AND DEMONSTRATION ACCOUNT, AND
 5 COAL AREA HIGHWAY IMPROVEMENT ACCOUNT shall be invested as
 6 provided by statute by the board of investments. The income
 7 from such investments shall be added-to-the-principal-of-the
 8 account TRANSFERRED TO THE GENERAL FUND AT THE END OF EACH
 9 FISCAL YEAR.

10 NEW SECTION. Section 8. Transfer of funds. (1) The
 11 balance on June 30, 1979, of the funds to the credit of
 12 the renewable resources development bond account in
 13 the--sinking--fund--account--and NUMBERED 03002, the BOND
 14 PROCEEDS AND clearance fund account NUMBERED 06001, AND THE
 15 RENEWABLE RESOURCES EARMARKED REVENUE ACCOUNT NUMBERED 02950
 16 shall be transferred to the general fund.

17 ~~(2) the coal area highway improvement account shall be
 18 transferred to the earmarked revenue fund to the credit of
 19 the rural urban street and road development account created
 20 in [section 3 of Senate Bill No. 135, 46th Legislature];
 21 (3) the funds in the earmarked revenue fund to the
 22 credit of the local impact and education trust fund shall be
 23 transferred to the education trust fund account established
 24 in 90-6-202;~~

25 121 ANY FUNDS PAID TO THE CREDIT OF THE COUNTIES IN

1 WHICH COAL IS MINED OR TO THE CREDIT OF THE COUNTY LAND
2 PLANNING ACCOUNT AND RENEWABLE RESOURCE DEVELOPMENT BOND
3 ACCOUNT IN FISCAL YEAR 1980 SHALL BE TRANSFERRED TO THE
4 GENERAL FUND.

5 Section 9. Repealer. Sections 90-1-108~~v~~ AND 90-2-101
6 through 90-2-128 ~~and~~ 90-6-210, MCA, are repealed.

-End-