

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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1 *Senate* BILL NO. *300*
 2 INTRODUCED BY *Martha Sorenson Rodhe*

3
 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. (1) Severance
 13 taxes collected payable under the provisions of this chapter
 14 are allocated as follows:

15 ~~(1)(a) 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 ~~(2) Coal severance tax collections remaining after~~
 25 ~~allocation to the trust fund under subsection (1) are~~

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

3 ~~(a) to the county in which coal is mined, 2% of the~~
 4 ~~severance tax paid on the coal mined in that county until~~
 5 ~~January 1, 1980, for such purposes as the governing body of~~
 6 ~~the county may determine;~~

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

11 ~~(c) 2 1/2% until July 1, 1979, and thereafter 8% through December 31, 1979,~~
 12 ~~and thereafter 37 1/2% 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% 5% 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 ~~(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 acquisition,~~
5 ~~operation, 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) 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 a local impact and an education

1 trust fund account for the purposes established in 90-6-211.
2 Moneys 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 board.

5 (2) There is within the earmarked revenue fund a local
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 board."

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~~ the principal of the ~~local impact and~~
 16 ~~education~~ 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 SECTION. 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, 19 79, 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. Drury for

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/6/79

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

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)(a) To the trust fund created by Article IX, section 5, of the Montana constitution, 25% of total collections taxes payable 6 years after through December 31, 1979, and thereafter 50% of coal severance tax collections are allocated to this trust fund to the trust fund created by Article IX, section 5, of the Montana constitution. 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 and demonstration account;

(c) 26 1/2% until July 1, 80 through December 31, 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, 1% 5% 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 3 of Senate Bill No. 135, 46th Legislature;

(e) 10% 1% 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;

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

(i) -- all -- other -- revenues -- from -- severance -- taxes collected ~~payable~~ under the provisions of -- this -- chapter -- to the credit of the general fund of the state;

(j) -- The -- allocations established in subsection (i) are based on coal severance taxes accruing during each quarter:

(1) _____	JULY 1, 1979	JANUARY 1, 1980	_____
_____	THROUGH	THROUGH	_____
_____	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 DEMONSTRATION ACCOUNT		
10		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	(2) 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	BIENNIUM.		

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 9); 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~~ and 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. ~~Moneys 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 BIENNIUM 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 to exceed \$1 billion 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 accounts 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 income from the account~~
25 ~~reinvested in the account in trust for the public schools~~

1 ~~end the university system~~

2 ~~(5) award grants from the local impact account in~~

3 ~~excess of \$1 million during a biennium if:~~

4 ~~(a) the grant is awarded in accordance with 90-6-206~~

5 ~~for the purpose established in (4) of this section~~

6 ~~(b) 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 ~~(c) 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 ~~(d) 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(4), 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, monument, or site may be
24 purchased.

25 NEW SECTION. Section 7. Investment of and disposition

1 of interest from local impact account, 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 (1) 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 98-6-202.~~

25 (2) ANY FUNDS PAID TO THE CREDIT OF THE COUNTIES IN

SB 0300/03

1 ~~WHICH GOAL 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 90-1-100, AND 90-2-101
6 through 90-2-128 and 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) (a) To the trust fund created by Article IX, section 5, of the Montana constitution, 25% of total collections taxes payable 0 years. After through December 31, 1979, and thereafter 50% of coal severance tax collections are allocated to this trust fund to the trust fund created by Article IX, section 5, of the Montana constitution. 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 and demonstration account;

(c) 26 1/2% until July 1, 81 through December 31, 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, 1979, 13 5/8% 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 1/2% 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 (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 acquisition,
 5 operation, 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, 50
 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) 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 ~~(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 DEMONSTRATION ACCOUNT _____ 2 1/2% _____ 2 1/2% _____ 2 1/2% _____
 10 LOCAL IMPACT
 11 ACCOUNT _____ 12 1/2% _____ 12 1/2% _____ 8 3/4% _____
 12 STATE EQUALIZATION
 13 AID TO PUBLIC
 14 SCHOOLS _____ 15% _____ 15% _____ 15% _____
 15 GENERAL FUND
 16 OF THE STATE _____ 42 1/2% _____ 17 1/2% _____ 21 1/4% _____

17 (2) ~~THE CONSTITUTIONAL TRUST FUND MONEY SHALL BE~~
 18 ~~DEPOSITED IN THE FUND ESTABLISHED UNDER 17-6-203(5) AND~~
 19 ~~INVESTED BY THE BOARD OF INVESTMENTS AS PROVIDED BY LAW.~~
 20 ~~INCOME EARNED FROM THE INVESTMENT OF THIS TRUST FUND SHALL~~
 21 ~~BE DEPOSITED IN THE GENERAL FUND, EXCEPT THAT \$1 MILLION OF~~
 22 ~~THIS INCOME SHALL BE PAID INTO THE COAL AREA HIGHWAY~~
 23 ~~IMPROVEMENT ACCOUNT DURING EACH FISCAL YEAR OF THE 1980-1981~~
 24 ~~BIENNIUM.~~
 25

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~~ and 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. Moneys 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 FARMARKED 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 to 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 income from the account~~
25 ~~reinvested in the account in trust for the public schools~~

1 ~~and the university system~~
 2 ~~(5) award grants from the local impact account in~~
 3 ~~excess of \$1 million during a biennium if:~~
 4 ~~(a) the grant is awarded in accordance with 90-6-206~~
 5 ~~for the purpose established in (4) of this section;~~
 6 ~~(b) significant new coal developments, 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 ~~(c) 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 ~~(d) 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(4), 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, monument, or site may be
24 purchased.

25 NEW SECTION. Section 7. Investment of and disposition

1 of interest from local impact account, 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 (1) 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 Nov 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 98-6-202.~~

25 (2) 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 90-1-100, AND 90-2-101
6 through 90-2-128 and 90-6-210, MCA, are repealed.

-End-