

CHAPTER NO. 619.

SENATE BILL NO. 347

INTRODUCED BY TOWE, MATHERS, MANNING, ROSKIE, SEVERSON

IN THE SENATE

|                   |  |
|-------------------|--|
| February 2, 1979  | Introduced and referred to Committee on Taxation.            |
| February 5, 1979  | Fiscal note requested.                                       |
| February 8, 1979  | Fiscal note returned.  |
| February 22, 1979 | Committee recommend bill do pass as amended. Report adopted. |
|                   | Printed and placed on members' desks.                        |
| February 27, 1979 | Second reading, do pass.                                     |
| February 28, 1979 | Considered correctly engrossed.                              |
| March 1, 1979     | Third reading, passed.<br>Transmitted to second house.       |

IN THE HOUSE

|                |   |
|----------------|---|
| March 2, 1979  | Introduced and referred to Committee on Taxation.                     |
| April 18, 1979 | Committee recommend bill be concurred in as amended. Report adopted.  |
|                | On motion rules suspended and bill placed on second reading this day. |
|                | Second reading, concurred in.   |
|                | Third reading, not concurred in as amended.                           |

IN THE SENATE

April 19, 1979

Returned from second house.  
Not concurred in as amended.

April 20, 1979

On motion request of House  
granted for return of Senate  
Bill No. 347 for further  
consideration. Motion adopted.

IN THE HOUSE

April 20, 1979

On motion of April 19, 1979,  
bill recalled from Senate  
to reconsider previous action.  
On motion bill placed on  
second reading.

Second reading concurred in  
as amended.

Third reading, concurred in  
as amended.

IN THE SENATE

April 20, 1979

Returned from second house.  
Concurred in as amended.

On motion rules suspended  
to allow consideration of  
House amendments and place  
on second reading.

Second reading, amendments  
adopted.

Third reading, amendments  
adopted. Sent to enrolling.

Reported correctly enrolled.

1 *Sen. Steve* BILL NO. *347*  
 2 INTRODUCED BY *Sen. Mark Manning, Rep. Sam*

3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO FURTHER DEFINE THE  
 5 CRITERIA FOR AWARDING COAL IMPACT GRANTS; AMENDING SECTION  
 6 90-6-206, MCA."

7  
 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 Section 1. Section 90-6-206, MCA, is amended to read:  
 10 "90-6-206. Basis for awarding grants. (1) Such grants  
 11 shall be awarded on the basis of:  
 12 (a) need;  
 13 (b) degree of severity of impact from the coal  
 14 development;  
 15 (c) availability of funds; and  
 16 (d) degree of local effort in meeting these needs.

17 ~~(2) the board shall formulate guidelines to evaluate~~  
 18 ~~degree of local effort, considering bond issues and millage~~  
 19 ~~levies. In determining the degree of local effort, the board~~  
 20 ~~shall review the millage rates levied for the present fiscal~~  
 21 ~~year in relation to the average millage rates levied during~~  
 22 ~~the 3 years immediately preceding coal development which~~  
 23 ~~impacts the local government unit applying for assistance.~~

24 (3) Millage rates for the present fiscal year which  
 25 are lower than the average millage rate levied during the 3

1 ~~years immediately preceding coal development shall be deemed~~  
 2 ~~by the board to indicate the lack of local effort. The~~  
 3 ~~application under such circumstances shall be rejected.~~

4 ~~(4) Further, in determining the degree of local~~  
 5 ~~effort, the board shall consider the possibility of~~  
 6 ~~requiring that local government unit to increase its bonded~~  
 7 ~~indebtedness to provide all or part of the governmental~~  
 8 ~~service or facility which is needed as a direct consequence~~  
 9 ~~of coal development.~~

10 (5) To the extent funds are needed to evaluate and  
 11 plan for the impact needs caused by coal development,  
 12 consideration of bond issues and millage levies may be  
 13 waived.

14 (6) To the extent the applicant has no history of mill  
 15 levies, subsections (2) and (3) do not apply."

-End-

STATE OF MONTANA

REQUEST NO. 211-79

FISCAL NOTE

Form BD-15

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In compliance with a written request received February 8, 19 79, there is hereby submitted a Fiscal Note for SB 347 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.

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DESCRIPTION OF LEGISLATION:

Senate Bill 347 further defines the criteria for awarding coal impact grants.

LOCAL IMPACT:

This bill merely restates existing grant criteria by more extensively defining local effort in the areas of an applicant government's mill levies and bonding capacity. Therefore, the extent to which these redefined criteria would effect the amount and allocation of future coal board grants cannot be determined.

*Richard J. Drayton*  
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: \*1/8/79

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## SENATE BILL NO. 347

INTRODUCED BY TOWE, MATHERS, MANNING, ROSKIE, SEVERSON

A BILL FOR AN ACT ENTITLED: "AN ACT TO FURTHER DEFINE THE CRITERIA FOR AWARDING COAL IMPACT GRANTS; AMENDING SECTION 90-6-206, MCA."

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

Section 1. Section 90-6-206, MCA, is amended to read:

"90-6-206. Basis for awarding grants. (1) Such grants shall be awarded on the basis of:

(a) need;

(b) degree of severity of impact from the coal development;

(c) availability of funds; and

(d) degree of local effort in meeting these needs.

(2) ~~The board shall formulate guidelines to evaluate degree of local effort, considering bond issues and millage levies. In determining the degree of local effort, the board shall review the millage rates levied for the present fiscal year in relation to the average millage rates levied during the 3 years immediately preceding coal development IN THAT AREA OR 1972, WHICHEVER IS LATER, which impacts the local government unit applying for assistance.~~

(3) Millage rates for the present fiscal year which

are lower than the average millage rate levied during the 3 years immediately preceding coal development IN THAT AREA OR 1972, WHICHEVER IS LATER, shall be deemed by the board to indicate the lack of local effort. The application under such circumstances shall be rejected.

(4) Further, in determining the degree of local effort, the board shall consider the possibility of requiring that local government unit to increase its bonded indebtedness to provide all or part of the governmental service or facility which is needed as a direct consequence of coal development.

(5) To the extent funds are needed to evaluate and plan for the impact needs caused by coal development, consideration of bond issues and millage levies may be waived.

(6) To the extent the applicant has no history of mill levies, subsections (2) and (3) do not apply."

-End-

## 1 SENATE BILL NO. 347

2 INTRODUCED BY TOWE, MATHERS, MANNING, RJSKIE, SEVERSON

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO FURTHER DEFINE THE  
5 CRITERIA FOR AWARDING COAL IMPACT GRANTS; ~~CREATING A COAL~~  
6 ~~TAX OVERSIGHT SUBCOMMITTEE OF THE REVENUE OVERSIGHT~~  
7 ~~COMMITTEE; APPROPRIATING FUNDS FOR THE EXPENSES OF THE~~  
8 ~~SUBCOMMITTEE; AMENDING SECTION 90-6-206, MCA."~~

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

11 Section 1. Section 90-6-206, MCA, is amended to read:

12 "90-6-206. Basis for awarding grants. (1) Such grants  
13 shall be awarded on the basis of:

14 (a) need;

15 (b) degree of severity of impact from the coal  
16 development;

17 (c) availability of funds; and

18 (d) degree of local effort in meeting these needs.

19 (2) ~~The board shall formulate guidelines to evaluate~~  
20 ~~degree of local effort, considering bond issues and millage~~  
21 ~~levies. In determining the degree of local effort, the board~~  
22 ~~shall review the millage rates levied for the present fiscal~~  
23 ~~year in relation to the average millage rates levied during~~  
24 ~~the 3 years immediately preceding coal development IN THAT~~  
25 ~~AREA OR 1972 1970, WHICHEVER IS LATER, which impacts the~~

1 ~~local government unit applying for assistance.~~

2 ~~(3) Millage rates for the present fiscal year which~~  
3 ~~are lower than the average millage rate levied during the 3~~  
4 ~~years immediately preceding coal development IN THAT AREA OR~~  
5 ~~1972 1970, WHICHEVER IS LATER, shall be deemed by the board~~  
6 ~~to indicate the lack of local effort. The application under~~  
7 ~~such circumstances shall MAY be rejected.~~

8 ~~(4) Further, in determining the degree of local~~  
9 ~~effort, the board shall consider the possibility of~~  
10 ~~requiring that local government unit to increase its bonded~~  
11 ~~indebtedness to provide all or part of the governmental~~  
12 ~~service or facility which is needed as a direct consequence~~  
13 ~~of coal development.~~

14 (5) To the extent funds are needed to evaluate and  
15 plan for the impact needs caused by coal development,  
16 consideration of bond issues and millage levies may be  
17 waived.

18 (6) ~~To the extent the applicant has no history of mill~~  
19 ~~levies, subsections (2) and (3) do not apply."~~

20 ~~SECTION 2. THERE IS A NEW MCA SECTION THAT READS:~~

21 ~~Coal tax oversight subcommittee duties. (1) The~~  
22 ~~chairman of the revenue oversight committee shall appoint a~~  
23 ~~coal tax oversight subcommittee for the biennium ending June~~  
24 ~~30, 1981.~~

25 (2) ~~The subcommittee consists of four members of the~~

1 revenue oversight committee and four legislators who are not  
 2 members of the revenue oversight committee. Four members  
 3 must be from the senate and four members must be from the  
 4 house of representatives. No more than two members from each  
 5 house may be members of the same political party.

6 (3) The subcommittee may:

7 (a) review the programs financed by the coal severance  
 8 tax funds; and

9 (b) consider any matters relating to coal taxation.

10 (4) The subcommittee shall elect a chairman and may  
 11 meet upon the call of that chairman.

12 SECTION 2. THERE IS A NEW MCA SECTION THAT READS:

13 Coal tax oversight subcommittee. (1) There is a coal  
 14 tax oversight subcommittee of the revenue oversight  
 15 committee for the biennium ending June 30, 1981.

16 (2) The subcommittee consists of four legislators who  
 17 are not members of the revenue oversight committee. Two  
 18 members must be from the senate and two members must be from  
 19 the house of representatives. No more than two members may  
 20 be members of the same political party. The subcommittee  
 21 shall be appointed by the speaker of the house and the  
 22 senate committee on committees.

23 (3) The subcommittee may:

24 (a) review the programs financed by the coal severance  
 25 tax funds; and

1 (b) consider any matters relating to coal taxation.  
 2 (4) The subcommittee shall elect a chairman and may  
 3 meet upon the call of that chairman. The subcommittee shall  
 4 report and make recommendations to the revenue oversight  
 5 committee.

6 SECTION 3. APPROPRIATION. THERE IS APPROPRIATED  
 7 \$8,000 FROM THE LOCAL IMPACT AND EDUCATION TRUST FUND  
 8 ACCOUNT IN THE EARMARKED REVENUE FUND TO THE LEGISLATIVE  
 9 COUNCIL FOR THE EXPENSES OF THE COAL TAX OVERSIGHT  
 10 SUBCOMMITTEE.

-End-

HOUSE OF REPRESENTATIVES  
APRIL 16, 1979

Committee on Taxation amendments to Senate Bill No. 347, third reading copy, as follows:

1. Title, line 5.  
Following: "GRANTS;"  
Insert: "CREATING A COAL TAX OVERSIGHT SUBCOMMITTEE OF THE REVENUE OVERSIGHT COMMITTEE, APPROPRIATING FUNDS FOR THE EXPENSES OF THE SUBCOMMITTEE;"

2. Page 1, line 23.  
Following: "OR"  
Strike: "1972"  
Insert: "1970"

3. Page 2, line 3.  
Following: line 2  
Strike: "1972"  
Insert: "1970"

4. Page 2, line 5.  
Following: "circumstances"  
Strike: "shall"  
Insert: "may"

5. Page 2.  
Following: line 17  
Insert: "SECTION 2. THERE IS A NEW MCA SECTION THAT READS:

Coal tax oversight subcommittee -- duties. (1) The chairman of the revenue oversight committee shall appoint a coal tax oversight subcommittee for the biennium ending June 30, 1981.

(2) The subcommittee consists of four members of the revenue oversight committee and four legislators who are not members of the revenue oversight committee. Four members must be from the senate and four members must be from the house of representatives. No more than two members from each house may be members of the same political party.

(3) The subcommittee may;

(a) review the programs financed by the coal severance tax funds; and

(b) consider any matters relating to coal taxation.

(4) The subcommittee shall elect a chairman and may meet upon the call of that chairman.

Section 3. Appropriation. There is appropriated \$8,000 from the local impact and education trust fund account in the earmarked revenue fund to the legislative council for the expenses of the coal tax oversight subcommittee."

AND AS AMENDED, BE CONCURRED IN



HOUSE OF REPRESENTATIVES  
April 19, 1979

Committee of the Whole Amendments to Committee on Taxation Amendments to Senate Bill No. 347, third reading copy, as follows:

1. Amendment 5, insertion, Section 2.

Following: "Insert:"

Strike: Section 2 in its entirety

Insert: "SECTION 2. THERE IS A NEW MCA SECTION THAT READS:

Coal tax oversight subcommittee. (1) There is a coal tax oversight subcommittee of the revenue oversight committee for the biennium ending June 30, 1981.

(2) The subcommittee consists of four legislators who are not members of the revenue oversight committee. Two members must be from the senate and two members must be from the house of representatives. No more than two members may be members of the same political party. The subcommittee shall be appointed by the speaker of the house and the senate committee on committees.

(3) The subcommittee may:

(a) review the programs financed by the coal severance tax funds; and

(b) consider any matters relating to coal taxation.

(4) The subcommittee shall elect a chairman and may meet upon the call of that chairman. The subcommittee shall report and make recommendations to the revenue oversight committee."

AND AS AMENDED  
BE CONCURRED IN