

House Bill 121

In The House

January 8, 1981	Introduced and referred to Committee on Taxation.
January 27, 1981	Committee recommend bill do pass as amended.
January 28, 1981	Bill printed and placed on members' desks.
January 29, 1981	Motion pass consideration.
January 30, 1981	Second reading pass consideration. Motion to return to Committee. Rereferred to Committee on Taxation.
February 6, 1981	Committee recommend bill do pass as amended.
February 9, 1981	Bill printed and placed on members' desks.
February 10, 1981	Second reading pass consideration.
February 11, 1981	Second reading do pass.
February 12, 1981	Correctly engrossed.
February 13, 1981	Third reading passed.

In The Senate

February 14, 1981	Introduced and referred to Committee on Taxation.
March 18, 1981	Committee recommend bill not concurred.

In The House

March 19, 1981	Returned from Senate not concurred.
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1 HOUSE BILL NO. 121
 2 INTRODUCED BY Conroy Roay Rota
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY PROVISIONS
 5 RELATING TO THE LOCAL IMPACT AND EDUCATION TRUST FUND;
 6 PROVIDING FOR THE DISPOSITION AND INVESTMENT OF UNEXPENDED
 7 BALANCES IN THE LOCAL IMPACT FUND; AMENDING SECTIONS
 8 15-35-108, 90-6-202, 90-6-207, AND 90-6-211, 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. Severance
 13 taxes collected under the provisions of this chapter are
 14 allocated as follows:

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

22 (2) Coal severance tax collections remaining after
 23 allocation to the trust fund under subsection (1) are
 24 allocated in the following percentages of the remaining
 25 balance:

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

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

9 ~~(c) 26-1/2% until July 1, 1979, and thereafter 37-1/2%~~
 10 ~~17 1/2%~~ to the earmarked revenue fund to the credit of the
 11 local impact ~~and education trust fund~~ account;

12 ~~(d) 20% to the education trust fund as established by~~
 13 ~~sections 3 and 10 of Article X of the Montana constitution;~~

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

17 ~~(e)(f)~~ 10% to the earmarked revenue fund for state
 18 equalization aid to public schools of the state;

19 ~~(f)(g)~~ 1% to the earmarked revenue fund to the credit
 20 of the county land planning account;

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

23 ~~(h)(i)~~ 5% to the earmarked revenue fund to the credit
 24 of a trust fund for the purpose of parks acquisition or
 25 management, protection of works of art in the state capitol,

1 and other cultural and aesthetic projects. Income from this
2 trust fund shall be appropriated as follows:

3 (i) 1/3 for protection of works of art in the state
4 capitol and other cultural and aesthetic projects; and

5 (ii) 2/3 for the acquisition of sites and areas
6 described in 23-1-102 and the operation and maintenance of
7 sites so acquired;

8 ~~1/3~~ 1% to the earmarked revenue fund to the credit
9 of the state library commission for the purposes of
10 providing basic library services for the residents of all
11 counties through library federations and for payment of the
12 costs of participating in regional and national networking;

13 ~~1/3~~ all other revenues from severance taxes
14 collected under the provisions of this chapter to the credit
15 of the general fund of the state."

16 Section 2. Section 90-6-202, MCA, is amended to read:

17 "90-6-202. Accounts established. (1) There is within
18 the earmarked revenue fund a local impact ~~and education~~
19 ~~trust-fund~~ account. Moneys are payable into this account
20 under 15-35-108(2)(c). The state treasurer shall draw
21 warrants from this account upon order of the coal board.

22 (2) There is within the earmarked revenue fund a coal
23 area highway improvement account."

24 Section 3. Section 90-6-207, MCA, is amended to read:

25 "90-6-207. Priorities for impact grants. (1) The

1 department of community affairs shall designate counties,
2 towns, school districts, and other governmental units which
3 have had or expect to have an increase in estimated
4 population of at least 10% during any 3 years since 1972 as
5 a result of the impact of coal development. The coal board
6 shall, subject to the appropriations of the legislature,
7 award at least 50% of all grants awarded to governmental
8 units and state agencies for meeting the needs caused by
9 coal development each year to these designated governmental
10 units.

11 (2) Attention should be given by the coal board to the
12 need for community planning before the full impact is
13 realized. Applicants should be able to show how their
14 request reasonably fits into an overall plan for the orderly
15 management of the existing or contemplated growth problems.

16 ~~(3) All funds placed in the local impact and~~
17 ~~educational trust fund account established under this part,~~
18 ~~subject to the limitations imposed by 90-6-211, shall be~~
19 ~~subject to appropriations by the legislature for use related~~
20 ~~to local impact or for transfer to a permanent trust for~~
21 ~~education."~~

22 Section 4. Section 90-6-211, MCA, is amended to read:

23 "90-6-211. Disposition of interest from unexpended
24 balance the education trust fund. The unexpended balance in
25 the ~~local impact and~~ education trust fund account shall be

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

18 NEW SECTION. Section 5. Disposition and investment of
 19 unexpended funds in local impact account. (1) (a) Except as
 20 provided in subsection (2), unexpended funds shall remain in
 21 the local impact account providing that the funds do not
 22 exceed \$20 million at the end of a fiscal year.

23 (b) Funds in excess of \$20 million must be deposited
 24 to the credit of the education trust fund.

25 (2) Unexpended funds in the local impact account may

1 be invested to maximize the income to the account providing
 2 that the investments are of a nature that will not obligate
 3 the funds for more than 1 year. Interest from the
 4 investments accrues to the local impact fund.

-End-

Approved by Committee
on Taxation

HOUSE BILL NO. 121

INTRODUCED BY CONROY, ASAY, ROTH

A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY PROVISIONS RELATING TO THE LOCAL IMPACT AND EDUCATION TRUST FUND; PROVIDING FOR THE DISPOSITION AND INVESTMENT OF UNEXPENDED BALANCES IN THE LOCAL IMPACT FUND; AMENDING SECTIONS 15-35-108, 90-6-202, 90-6-205, 90-6-207, AND 90-6-211, MCA."

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

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

"15-35-108. Disposal of severance taxes. Severance taxes collected under the provisions of this chapter are allocated as follows:

(1) To the trust fund created by Article IX, section 5, of the Montana constitution, 25% of total collections a year. After December 31, 1979, 50% of coal severance tax collections are allocated to this trust fund. The trust fund moneys shall be deposited in the fund established under 17-6-203(5) and invested by the board of investments as provided by law.

(2) Coal severance tax collections remaining after allocation to the trust fund under subsection (1) are allocated in the following percentages of the remaining balance:

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

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

~~(c) 26-1/2% until July 1, 1979, and thereafter 37-1/2%~~
17 1/2% to the earmarked revenue fund to the credit of the local impact ~~and-education-trust-fund~~ account;

(d) 20% to the education trust fund as established by sections 3 and 10 of Article X of the Montana constitution;

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

~~(f)~~ (f) 10% to the earmarked revenue fund for state equalization aid to public schools of the state;

~~(g)~~ (g) 1% to the earmarked revenue fund to the credit of the county land planning account;

~~(h)~~ (h) 2 1/2% to the sinking fund to the credit of the renewable resource development bond account;

~~(i)~~ (i) 5% to the earmarked revenue fund to the credit of a trust fund for the purpose of parks acquisition or management, protection of works of art in the state capitol,

1 and other cultural and aesthetic projects. Income from this
2 trust fund shall be appropriated as follows:

3 (i) 1/3 for protection of works of art in the state
4 capitol and other cultural and aesthetic projects; and

5 (ii) 2/3 for the acquisition of sites and areas
6 described in 23-1-102 and the operation and maintenance of
7 sites so acquired;

8 ~~1/3~~ 1% to the earmarked revenue fund to the credit
9 of the state library commission for the purposes of
10 providing basic library services for the residents of all
11 counties through library federations and for payment of the
12 costs of participating in regional and national networking;

13 ~~1/3~~ all other revenues from severance taxes
14 collected under the provisions of this chapter to the credit
15 of the general fund of the state."

16 Section 2. Section 90-6-202, MCA, is amended to read:

17 "90-6-202. Accounts established. (1) There is within
18 the earmarked revenue fund a local impact ~~and-education~~
19 ~~trust-fund~~ account. Moneys are payable into this account
20 under 15-35-108(2)(c). The state treasurer shall draw
21 warrants from this account upon order of the coal board.

22 (2) There is within the earmarked revenue fund a coal
23 area highway improvement account."

24 SECTION 3. SECTION 90-6-205, MCA, IS AMENDED TO READ:

25 "90-6-205. Coal board -- general powers. The board

1 may:

2 (1) retain professional consultants and advisors;

3 (2) adopt rules governing its proceedings;

4 (3) consider applications for grants from the local
5 impact ~~and-education-trust-fund~~ account; and

6 (4) award grants, subject to 90-6-207, ~~not--to--exceed~~
7 ~~in--any--one--year--seven--elevenths--and--after--June--30--1979~~
8 ~~seven--fifteenths--of--the--revenue--paid--into--the--local--impact~~
9 ~~and--education--trust--fund--account,~~ to local governmental
10 units and state agencies to assist local governmental units
11 in meeting the local impact of coal development by enabling
12 them to adequately provide governmental services and
13 facilities which are needed as a direct consequence of coal
14 development. ~~As--used--in--the--preceding--sentence--"revenue~~
15 ~~paid"--does--not--include--interest--income--from--the--account~~
16 ~~reinvested--in--the--account--in--trust--for--the--public--schools~~
17 ~~and--the--university--systems."~~

18 Section 4. Section 90-6-207, MCA, is amended to read:

19 "90-6-207. Priorities for impact grants. (1) The
20 department of community affairs shall designate counties,
21 towns, school districts, and other governmental units which
22 have had or expect to have an increase in estimated
23 population of at least 10% during any 3 years since 1972 as
24 a result of the impact of coal development. The coal board
25 shall, subject to the appropriations of the legislature,

1 award at least 50% of all grants awarded to governmental
 2 units and state agencies for meeting the needs caused by
 3 coal development each year to these designated governmental
 4 units.

5 (2) Attention should be given by the coal board to the
 6 need for community planning before the full impact is
 7 realized. Applicants should be able to show how their
 8 request reasonably fits into an overall plan for the orderly
 9 management of the existing or contemplated growth problems.

10 ~~(3) All funds placed in the local impact and
 11 educational trust fund account established under this party
 12 subject to the limitations imposed by 90-6-211 shall be
 13 subject to appropriations by the legislature for use related
 14 to local impact or for transfer to a permanent trust for
 15 education."~~

16 Section 5. Section 90-6-211, MCA, is amended to read:

17 "90-6-211. Disposition of interest from unexpended
 18 balance the education trust fund. ~~The unexpended balance in~~
 19 ~~the local impact and~~ education trust fund account shall be
 20 invested as provided by statute by the board of investments.
 21 Of the income from such investments each year 10% shall be
 22 added to the principal of the account to be segregated and
 23 held in trust for the purposes of supporting the public
 24 schools and university systems of the state. Of the
 25 remaining 90% of the income from such investments,

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

12 NEW SECTION. Section 6. Disposition and investment of
 13 unexpended funds in local impact account. (1) (a) Except as
 14 provided in subsection (2), unexpended funds shall remain in
 15 the local impact account providing that the funds do not
 16 exceed \$20 \$10 million at the end of a fiscal year.

17 (b) Funds in excess of \$20 \$10 million must be
 18 deposited to the credit of the education trust fund.

19 (2) Unexpended funds in the local impact account may
 20 be invested to maximize the income to the account providing
 21 that the investments are of a nature that will not obligate
 22 the funds for more than 1 year. Interest from the
 23 investments accrues to the local impact fund.

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(1) To the trust fund created by Article IX, section 5, of the Montana constitution, 25% of total collections a year. After December 31, 1979, 50% of coal severance tax collections are allocated to this trust fund. The trust fund moneys shall be deposited in the fund established under 17-6-203(5) and invested by the board of investments as provided by law.

(2) Coal severance tax collections remaining after allocation to the trust fund under subsection (1) are allocated in the following percentages of the remaining balance:

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

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

(c) ~~26-1/2% until July 1, 1979, and thereafter 37-1/2%~~ 17-1/2% to the earmarked revenue fund to the credit of the local impact ~~and education trust fund~~ account;

~~(d) 20% to the education trust fund as established by sections 3 and 10 of Article X of the Montana constitution~~ ACCOUNT IN THE EARMARKED REVENUE FUND;

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

~~(f)~~ (f) 10% to the earmarked revenue fund for state equalization aid to public schools of the state;

~~(g)~~ (g) 1% to the earmarked revenue fund to the credit of the county land planning account;

~~(h)~~ (h) 2 1/2% to the sinking fund to the credit of the renewable resource development bond account;

~~(i)~~ (i) 5% to the earmarked revenue fund to the credit of a trust fund ACCOUNT for the purpose of parks acquisition

1 or management, protection of works of art in the state
2 capitol, and other cultural and aesthetic projects. Income
3 from this trust fund ACCOUNT shall be appropriated as
4 follows:

5 (i) 1/3 for protection of works of art in the state
6 capitol and other cultural and aesthetic projects; and

7 (ii) 2/3 for the acquisition of sites and areas
8 described in 23-1-102 and the operation and maintenance of
9 sites so acquired;

10 ~~f)(j)~~ 1% to the earmarked revenue fund to the credit
11 of the state library commission for the purposes of
12 providing basic library services for the residents of all
13 counties through library federations and for payment of the
14 costs of participating in regional and national networking;

15 ~~f)(k)~~ all other revenues from severance taxes
16 collected under the provisions of this chapter to the credit
17 of the general fund of the state."

18 Section 2. Section 90-6-202, MCA, is amended to read:

19 "90-6-202. Accounts established. (1) There is within
20 the earmarked revenue fund a local impact and--education
21 ~~trust--fund~~ account. Moneys are payable into this account
22 under 15-35-108(2)(c). The state treasurer shall draw
23 warrants from this account upon order of the coal board.

24 (2) There is within the earmarked revenue fund a coal
25 area highway improvement account.

1 ~~(3) THERE IS WITHIN THE EARMARKED REVENUE FUND AN~~
2 ~~EDUCATION TRUST ACCOUNT."~~

3 SECTION 3. SECTION 90-6-205, MCA, IS AMENDED TO READ:

4 "90-6-205. Coal board -- general powers. The board
5 may:

6 (1) retain professional consultants and advisors;

7 (2) adopt rules governing its proceedings;

8 (3) consider applications for grants from the local
9 impact and-education-trust-fund account; and

10 (4) award grants, subject to 90-6-207, ~~not--to--exceed~~
11 ~~in--any--one--year--seven--elevenths--and--after--June--30--1979~~
12 ~~seven--fifteenths--of--the--revenue--paid--into--the--local--impact~~
13 ~~and--education--trust--fund--account,~~ to local governmental
14 units and state agencies to assist local governmental units
15 in meeting the local impact of coal development by enabling
16 them to adequately provide governmental services and
17 facilities which are needed as a direct consequence of coal
18 development. ~~As--used--in--the--preceding--sentence--"revenue~~
19 ~~paid"--does--not--include--interest--income--from--the--account~~
20 ~~reinvested--in--the--account--in--trust--for--the--public--schools~~
21 ~~and--the--university--system."~~

22 Section 4. Section 90-6-207, MCA, is amended to read:

23 "90-6-207. Priorities for impact grants. (1) The
24 department of community affairs shall designate counties,
25 towns, school districts, and other governmental units which

1 have had or expect to have an increase in estimated
 2 population of at least 10% during any 3 years since 1972 as
 3 a result of the impact of coal development. The coal board
 4 shall, subject to the appropriations of the legislature,
 5 award at least 50% of all grants awarded to governmental
 6 units and state agencies for meeting the needs caused by
 7 coal development each year to these designated governmental
 8 units.

9 (2) Attention should be given by the coal board to the
 10 need for community planning before the full impact is
 11 realized. Applicants should be able to show how their
 12 request reasonably fits into an overall plan for the orderly
 13 management of the existing or contemplated growth problems.

14 ~~(3) All funds placed in the local impact and~~
 15 ~~educational trust fund account established under this part~~
 16 ~~subject to the limitations imposed by 90-6-211 shall be~~
 17 ~~subject to appropriations by the legislature for use related~~
 18 ~~to local impact or for transfer to a permanent trust for~~
 19 ~~education.~~

20 (3) ALL FUNDS PLACED IN THE LOCAL IMPACT ACCOUNT
 21 ESTABLISHED UNDER THIS PART, SUBJECT TO THE LIMITATIONS
 22 IMPOSED BY 90-6-211 AND [SECTION 6], ARE SUBJECT TO
 23 APPROPRIATION BY THE LEGISLATURE FOR USE RELATED TO LOCAL
 24 IMPACT OR FOR TRANSFER OR REVERSION TO A TRUST ACCOUNT FOR
 25 EDUCATION."

1 Section 5. Section 90-6-211, MCA, is amended to read:
 2 "90-6-211. Disposition of interest from unexpended
 3 ~~balance the education trust fund ACCOUNT.~~ The unexpended
 4 ~~balance in the local impact and~~ education trust fund account
 5 shall be invested as provided by statute by the board of
 6 investments. Of the income from such investments each year
 7 10% shall be added to the principal of the account to be
 8 segregated and held in trust for the purposes of supporting
 9 the public schools and university systems of the state. Of
 10 the remaining 90% of the income from such investments,
 11 three-fourths shall be annually paid into the earmarked
 12 revenue fund for state equalization aid to public schools of
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 23 unexpended funds in local impact account. (1) (a) Except as
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 25 the local impact account providing that the funds do not

1 exceed \$20 \$10 million at the end of a fiscal year.

2 (b) Funds in excess of \$20 \$10 million must be
3 deposited OR REVERTED to the credit of the education trust
4 fund ACCOUNT.

5 (2) Unexpended funds in the local impact account may
6 be invested to maximize the income to the account providing
7 that the investments are of a nature that will not obligate
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-End-

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2 INTRODUCED BY CONROY, ASAY, ROTH

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4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY PROVISIONS
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15 ~~(e)~~ for each of the 2 fiscal years following June
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19 equalization aid to public schools of the state;

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11 ~~in--any--one--year--seven--elevenths--and--after--June--30--1979,~~
 12 ~~seven--fifteenths--of--the--revenue--paid--into--the--local--impact~~

13 ~~and--education--trust--fund--account~~ to local governmental
 14 units and state agencies to assist local governmental units

15 in meeting the local impact of coal development by enabling
 16 them to adequately provide governmental services and

17 facilities which are needed as a direct consequence of coal
 18 development. ~~As--used--in--the--preceding--sentence--"revenue~~

19 ~~paid"--does--not--include--interest--income--from--the--account~~
 20 ~~reinvested--in--the--account--in--trust--for--the--public--schools~~

21 ~~and--the--university--system."~~

22 Section 4. Section 90-6-207, MCA, is amended to read:

23 "90-6-207. Priorities for impact grants. (1) The
 24 department of community affairs shall designate counties,
 25 towns, school districts, and other governmental units which

1 have had or expect to have an increase in estimated
 2 population of at least 10% during any 3 years since 1972 as
 3 a result of the impact of coal development. The coal board
 4 shall, subject to the appropriations of the legislature,
 5 award at least 50% of all grants awarded to governmental
 6 units and state agencies for meeting the needs caused by
 7 coal development each year to these designated governmental
 8 units.

9 (2) Attention should be given by the coal board to the
 10 need for community planning before the full impact is
 11 realized. Applicants should be able to show how their
 12 request reasonably fits into an overall plan for the orderly
 13 management of the existing or contemplated growth problems.

14 ~~(3) All funds placed in the local impact and~~
 15 ~~educational trust fund account established under this part~~
 16 ~~subject to the limitations imposed by 90-6-211 shall be~~
 17 ~~subject to appropriations by the legislature for use related~~
 18 ~~to local impact or for transfer to a permanent trust for~~
 19 ~~education.~~

20 (3) ALL FUNDS PLACED IN THE LOCAL IMPACT ACCOUNT
 21 ESTABLISHED UNDER THIS PART, SUBJECT TO THE LIMITATIONS
 22 IMPOSED BY 90-6-211 AND [SECTION 6], ARE SUBJECT TO
 23 APPROPRIATION BY THE LEGISLATURE FOR USE RELATED TO LOCAL
 24 IMPACT OR FOR TRANSFER OR REVERSION TO A TRUST ACCOUNT FOR
 25 EDUCATION."

1 Section 5. Section 90-6-211, MCA, is amended to read:
 2 "90-6-211. Disposition of interest from unexpended
 3 ~~balance in the local impact and~~ the education trust fund ACCOUNT. The unexpended
 4 ~~balance in the local impact and~~ education trust fund account
 5 shall be invested as provided by statute by the board of
 6 investments. Of the income from such investments each year
 7 10% shall be added to the principal of the account to be
 8 segregated and held in trust for the purposes of supporting
 9 the public schools and university systems of the state. Of
 10 the remaining 90% of the income from such investments,
 11 three-fourths shall be annually paid into the earmarked
 12 revenue fund for state equalization aid to public schools of
 13 the state and one-fourth each year shall be paid to the
 14 board of regents of higher education for use by the
 15 institutions of higher learning in the state, subject to the
 16 budgeting authority of the legislature. ~~Except as provided~~
 17 ~~in 90-6-205(4), the principal of the local impact and~~ The
 18 educational trust fund ACCOUNT shall be dedicated to
 19 education and forever remain inviolate and sacred to this
 20 purpose as provided in sections 3 and 10 of Article X of the
 21 Montana constitution."

22 NEW SECTION. Section 6. Disposition and investment of
 23 unexpended funds in local impact account. (1) (a) Except as
 24 provided in subsection (2), unexpended funds shall remain in
 25 the local impact account providing that the funds do not

1 exceed \$20 \$10 million at the end of a fiscal year.

2 (b) Funds in excess of \$20 \$10 million must be
3 deposited OR REVERTED to the credit of the education trust
4 fund ACCOUNT.

5 (2) Unexpended funds in the local impact account may
6 be invested to maximize the income to the account providing
7 that the investments are of a nature that will not obligate
8 the funds for more than 1 year. Interest from the
9 investments accrues to the local impact fund ACCOUNT.

-End-