

HOUSE BILL NO. 533
INTRODUCED BY HUENNEKENS
BY REQUEST OF THE DEPARTMENT OF STATE LANDS

IN THE HOUSE

January 28, 1981	Introduced and referred to Committee on Natural Resources.
January 31, 1981	Fiscal note requested.
February 5, 1981	Fiscal note returned.
February 20, 1981	Committee recommend bill do pass as amended. Report adopted.
February 21, 1981	Bill printed and placed on members' desks.
	Second reading, do pass.
February 23, 1981	Correctly engrossed.
February 24, 1981	Third reading, passed. Ayes, 96; Noes, 3. Transmitted to Senate.

IN THE SENATE

March 2, 1981	Introduced and referred to Committee on Taxation.
March 19, 1981	Committee recommend bill be concurred in as amended. Report adopted.
March 23, 1981	Motion pass consideration.
March 24, 1981	Second reading, concurred in.
March 26, 1981	Third reading, concurred in as amended. Ayes, 46; Noes, 0.

IN THE HOUSE

March 27, 1981	Returned from Senate with amendments.
April 8, 1981	Second reading, amendments concurred in.
April 9, 1981	Third reading, amendments concurred in. Ayes, 96; Noes, 0. Sent to enrolling. Reported correctly enrolled.

1 HOUSE BILL NO. 533
2 INTRODUCED BY Freemel

3 BY REQUEST OF THE DEPARTMENT OF STATE LANDS

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO REMOVE THE
6 REQUIREMENT THAT THE VALUE OF STATE-OWNED COAL BE DEFINED AS
7 THE VALUE BEFORE TAXES FOR ROYALTY PURPOSES; AMENDING
8 SECTION 15-35-109, MCA."

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

11 Section 1. Section 15-35-109, MCA, is amended to read:

12 "15-35-109. Royalties as percentage of value. ~~If~~--If

13 ~~the--board--of--land--commissioners--leases--any--state--lands--for~~

14 ~~coal--mining--after--duty--is--1975--with--the--royalty--to--the~~

15 ~~state--of--Montana--stated--as--a--percentage--of--the--value--of--the~~

16 ~~coal--the--contract--shall--define--"value"--as--the--contract~~

17 ~~sales--price--as--defined--in--15-35-102.~~

18 ~~72~~ In any civil action involving a royalty to any
19 person owning coal in this state in which the royalty is
20 stated as a percentage of the value of the coal, such value
21 shall be construed by the court to be the contract sales
22 price as defined in 15-35-102 unless the terms of the
23 contract plainly indicate a different definition of value."

-End-

INTRODUCED BILL
HB 533

STATE OF MONTANA

REQUEST NO. 264-81

FISCAL NOTE

Form BD-15

In compliance with a written request received February 3, 19 81, there is hereby submitted a Fiscal Note for HOUSE BILL 533 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

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.

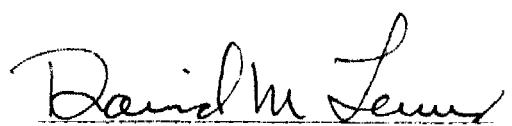
DESCRIPTION

An act to remove the requirement that the value of state-owned coal be defined as the value before taxes for royalty purposes.

FISCAL IMPACT

The proposal will have no fiscal impact. The intent of the legislation is to provide a common definition of value with those used by other states and the Federal government. The purpose does not alter the fair market value of state owned coal and therefore royalty payments to the state.

PREPARED BY THE DEPARTMENT OF REVENUE



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-5-81

Approved by Committee
on Natural Resources

1 HOUSE BILL NO. 533

2 INTRODUCED BY HUENNEKENS

3 BY REQUEST OF THE DEPARTMENT OF STATE LANDS

4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO REMOVE THE
6 REQUIREMENT THAT THE VALUE OF STATE-OWNED COAL BE DEFINED AS
7 THE VALUE BEFORE AFTER TAXES FOR ROYALTY PURPOSES; AMENDING
8 REPEALING SECTION 15-35-109, MCA."

9

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

11 Section 1. REPEALER. Section 15-35-109, MCA, is
12 amended to read: REPEALED.

13 "15-35-109--Royalties--as--percentage--of--value--{(1)}--if
14 the--board--of--land--commissioners--leases--any--state--lands--for
15 coal--mining--after--duty--is--1975--with--the--royalty--to--the
16 state--of--Montana--stated--as--a--percentage--of--the--value--of--the
17 coal--the--contract--shall--define--"value"--as--the--contract
18 sales--price--as--defined--in--15-35-102--

19 {(2)}--in--any--civil--action--involving--a--royalty--to--any
20 person--owning--coal--in--this--state--in--which--the--royalty--is
21 stated--as--a--percentage--of--the--value--of--the--coal--such--value
22 shall--be--construed--by--the--court--to--be--the--contract--sales
23 price--as--defined--in--15-35-102--unless--the--terms--of--the
24 contract--plaintiff--indicate--a--different--definition--of--value."

-End-

SECOND READING

HB 533

HOUSE BILL NO. 533
INTRODUCED BY HUENNEKENS
BY REQUEST OF THE DEPARTMENT OF STATE LANDS

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO REMOVE THE
6 REQUIREMENT THAT THE VALUE OF STATE-OWNED COAL BE DEFINED AS
7 THE VALUE BEFORE AFTER TAXES FOR ROYALTY PURPOSES; AMENDING
8 REPEALING SECTION 15-35-109, MCA."

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

11 Section 1. REPEALER. Section 15-35-109, MCA, is
12 amended to read: REPEALED.

13 =15-35-109.--Royalties--as-percentage-of-value--(f)--if
14 the-board-of-land-commissioners-leases-any-state--lands--for
15 coal--mining--after--duty--1975--with-the-royalty-to-the
16 state-of-Montana-stated-as-a-percentage-of-the-value-of--the
17 coal--the--contract--shall--define--"value"--as-the-contract
18 sales-price-as-defined-in-15-35-102.

19 if 27--in--any--civil--action--involving--a--royalty--to--any
20 person--owning--a--coast--in--this--state--in--which--the--royalty--is
21 stated--as--a--percentage--of--the--value--of--the--coast--such--value
22 shall--be--construed--by--the--court--to--be--the--contract--sales
23 price--as--defined--in--§ 35-202--unless--the--terms--of--the
24 contract--itself--indicate--a--different--definition--of--value--"

-End-

THIRD READING

HOUSE BILL NO. 533

INTRODUCED BY HUENNEKENS

BY REQUEST OF THE DEPARTMENT OF STATE LANDS

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT TO REMOVE THE
6 REQUIREMENT THAT THE VALUE OF STATE-OWNED COAL BE DEFINED AS
7 THE VALUE BEFORE AFTER BEFORE TAXES FOR ROYALTY PURPOSES;
8 AMENDING REPEALING SECTION 15-35-109, MCA."

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

11 Section 1. REPEALER. Section 15-35-109, MCA, is
12 amended to read: REPEALED.

13 *25-35-109--Royalties--as-percentage-of-value--{1}-if
14 the-board-of-land-commissioners-teases-any-state--lands--for
15 coal--mining--after--duty--is--1975--with-the-royalty-to-the
16 state-of-Montana-stated-as-a-percentage-of-the-value-of--the
17 coal--the--contract--shall--define--"value"--as-the-contract
18 antea-price-as-defined-in-25-35-102*

-End-

REFERENCE BILL
HB 533

March 19, 1981

SENATE STANDING COMMITTEE REPORT
(Taxation)

That House Bill No. 533 be amended as follows:

1. Title, line 7.

Following: "BEFORE"

Strike: "AFTER"

Insert: "BEFORE"