

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 *House* -----

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 TAXES FOR ROYALTY PURPOSES; AMENDING  
8    SECTION 15-35-109, MCA."

9  
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. ~~{1}--if~~  
13    ~~the--board--of--land-commissioners--leases--any--state--lands--for~~  
14    ~~coal--mining--after--July--17--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            {2} 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 July 1, 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 plainly indicate a different definition of value."~~

-End-

SECOND READING

HB 533

1 HOUSE BILL NO. 533

2 INTRODUCED BY MUENNEKENS

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 July 1, 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 plainly indicate a different definition of value."~~

-End-

THIRD READING  
HB 533

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~~ BEFORE TAXES FOR ROYALTY PURPOSES;  
8 ~~AMENDING~~ 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 July 1, 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 plainly indicate a different definition of value."~~

-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"