

House Bill 776

In The House

February 16, 1981	Introduced and referred to Committee on Natural Resources.
February 17, 1981	Fiscal note requested. Rereferred to Committee on Taxation.
February 23, 1981	Fiscal note returned.
March 9, 1981	Committee recommend bill do pass as amended.
March 10, 1981	Bill printed and placed on members' desks.
March 12, 1981	Second reading do pass.
March 13, 1981	Correctly engrossed.
March 14, 1981	Third reading passed.

In The Senate

March 16, 1981	Introduced and referred to Committee on Finance and Claims.
April 8, 1981	Committee recommend bill not concurred.

In The House

April 9, 1981	Returned from Senate not concurred.
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HOUSE BILL NO. 776

INTRODUCED BY

Harrington, Menahan, Daily, Parkin, Guilini, Randle, Duggan, McBride, Hargreaves, Conroy, Jackson

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE GRANTS TO LOCAL GOVERNMENT UNITS FROM THE METAL MINES LICENSE TAX TO LESSEN ECONOMIC HARSHIP CAUSED BY METAL MINING; PROVIDING THAT LOCAL GOVERNMENT UNITS HAVING METAL MINES WITHIN THEIR JURISDICTION ARE TO BE THE PRIMARY RECIPIENTS OF SUCH GRANTS; AND CREATING A METAL MINES BOARD TO ADMINISTER THE GRANTS."

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

Section 1. Purpose. The purpose of [sections 1 through 6] is to assist local government units by returning a portion of the metal mines tax generated in their jurisdictions to alleviate cyclical hard times created by the fluctuations in metal mining and their impact on local government units and the economy of a community.

Section 2. Account established. There is within the earmarked revenue fund a metal mines local assistance fund account. Money is payable into this account under [section 9]. The state treasurer shall draw warrants from this account upon order of the metal mines board.

Section 3. Definition of metal mines board. In [sections 1 through 7], "board" means the metal mines board

provided for in [section 8].

Section 4. Chairman, meetings, compensation, and facilities. (1) The board shall elect a chairman from among its members.

(2) The board shall meet quarterly and may meet at other times as called by the chairman or a majority of its members.

(3) Members are entitled to compensation as provided for in 2-15-124(7).

(4) The department of community affairs shall provide suitable office facilities and the necessary staff for the board.

Section 5. Metal mines board -- general powers. The board may:

(1) retain professional consultants and advisors;

(2) adopt rules governing its proceedings;

(3) consider applications for grants from the metal mines local assistance fund account; and

(4) award grants, subject to [section 6], to local government units for purposes of making an appropriate response to the local impact of the metal mining industry by enabling them to adequately provide governmental services and facilities that are needed as a consequence of metal mining.

Section 6. Basis for awarding grants -- priorities.

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HB 776

- 1 (1) Board grants shall be awarded on the basis of:
- 2 (a) need;
- 3 (b) degree of adverse economic impact on the community
- 4 of local metal mining; and
- 5 (c) availability of funds.

6 (2) The board shall, subject to appropriations, award
 7 at least 75% of all grants awarded to those local
 8 governmental units having an operating and taxpaying metals
 9 mine. It may award the balance of the grants to local
 10 governments that do not have such a metals mine but that are
 11 in some manner affected by metals mining.

12 Section 7. Applications for grants. The governing body
 13 of a local government, school district, or local agency or
 14 authority may apply for a grant to enable it to provide
 15 governmental services that are needed as a consequence of
 16 local metals mining operations. The board shall prescribe
 17 the form for applications.

18 Section 8. Metal mines board -- allocation --
 19 composition. (1) There is a metal mines board composed of
 20 seven members.

21 (2) The board is allocated to the department of
 22 community affairs for administrative purposes only as
 23 prescribed in 2-15-121.

24 (3) The governor shall appoint the members of the
 25 board as provided for in 2-15-124.

- 1 (4) (a) Four members of the board are selected as
- 2 follows:
- 3 (i) three from areas having working metal mines; and
- 4 (ii) one with expertise in education.

5 (b) The governor shall, in making all appointments to
 6 the board, consider persons from the following fields:

- 7 (i) business;
- 8 (ii) labor;
- 9 (iii) engineering;
- 10 (iv) public administration; and
- 11 (v) planning.

12 Section 9. Disposal of taxes. Taxes collected under
 13 the provisions of this part are allocated as follows:

14 (1) 25% to be credited to the earmarked revenue fund,
 15 metal mines local assistance fund account established under
 16 [section 2]; and

17 (2) except as otherwise provided by law, the balance
 18 of the revenue is to be credited to the general fund of the
 19 state.

20 Section 10. Codification instruction. Section 9 is
 21 intended to be codified as an integral part of Title 15,
 22 chapter 37, part 1.

23 Section 11. Coordination. If ___Bill No. ___ [LC 1350]
 24 is passed and approved, any reference in this act to
 25 "department of community affairs" is changed to "department

LC 1111/01

1 of commerce".

-End-

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HB 776

STATE OF MONTANA

REQUEST NO. 403-81

FISCAL NOTE

Form BD-15

In compliance with a written request received February 17, 19 81, there is hereby submitted a Fiscal Note for House Bill 776 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 of Proposed Legislation

An act to provide grants to local government units from the metal mines license tax to lessen economic hardship caused by metal mining; providing that local government units having metal mines within their jurisdiction are to be the primary recipients of such grants; and creating a metal mines board to administer the grants.

Assumption

The metal mine tax projections made by the Department of Revenue are correct.

Fiscal Impact to the Department of Revenue

	<u>FY 1982</u>	<u>FY 1983</u>
Metal Mines Tax:		
under current law	\$2,000,000	\$2,000,000
under proposed law	<u>2,000,000</u>	<u>2,000,000</u>
Fund Information:		
General Fund:		
under current law	\$2,000,000	\$2,000,000
under proposed law	<u>1,500,000</u>	<u>1,500,000</u>
Estimated Decrease	(\$ 500,000)	(\$ 500,000)
Metal Mines Local Assistance Fund:		
under current law	\$ 0	\$ 0
under proposed law	<u>500,000</u>	<u>500,000</u>
Estimated Increase	\$ 500,000	\$ 500,000

Fiscal Impact to the Department of Community Affairs

Assumptions:

1. Administrative staff will consist of 1.5 FTE's.
2. Board will hold meetings and attend interim hearings or informational meetings for a total of a 60 man-days a year at \$25 per day.

Fiscal Impact:	<u>FY 1982</u>	<u>FY 1983</u>
Revenue: 25% of Metal Mines Tax	\$500,000	\$500,000
Expenditures: Operating Expenses	\$ 52,040	\$ 56,119
Grants	447,960	443,881
Total	<u>\$500,000</u>	<u>\$500,000</u>

David M. Lewis
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/23/81

Approved by Committee
on Taxation

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2 INTRODUCED BY HARRINGTON, MENAHAN, DAILY, PAVLOVICH,
3 STIMATZ, QUILICI, KANDUCH, D. BROWN, McBRIDE,
4 HUENNEKENS, CONROY, FABREGA, J. JACOBSON,
5 HEALY, TOME, HAFEEY
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8 LOCAL GOVERNMENT UNITS FROM THE METAL MINES LICENSE TAX TO
9 LESSEN ECONOMIC HARDSHIP CAUSED BY METAL MINING; PROVIDING
10 THAT LOCAL GOVERNMENT UNITS HAVING METAL MINES WITHIN THEIR
11 JURISDICTION ARE TO BE THE PRIMARY RECIPIENTS OF SUCH
12 GRANTS; AND CREATING A METAL MINES BOARD TO ADMINISTER THE
13 GRANTS."
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15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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17 6] is to assist local government units by returning a
18 portion of the metal mines LICENSE tax generated in their
19 jurisdictions to alleviate cyclical ~~hard--times~~ ECONOMIC
20 HARDSHIP created by the fluctuations in metal mining and
21 their impact on local government units and the economy of a
22 community.

23 Section 2. Account established. There is within the
24 earmarked revenue fund a metal mines local assistance fund
25 account. Money is payable into this account under [section

1 9]. The state treasurer shall draw warrants from this
2 account upon order of the metal mines board.

3 Section 3. Definition of metal mines board. In
4 [sections 1 through 7], "board" means the metal mines board
5 provided for in [section 8].

6 Section 4. Chairman, meetings, compensation, and
7 facilities. (1) The board shall elect a chairman from among
8 its members.

9 (2) The board shall meet quarterly and may meet at
10 other times as called by the chairman or a majority of its
11 members.

12 (3) Members are entitled to compensation as provided
13 for in 2-15-124(7).

14 (4) The department of community affairs shall provide
15 suitable office facilities and the necessary staff for the
16 board.

17 Section 5. Metal mines board -- general powers. The
18 board may:

- 19 (1) retain professional consultants and advisors;
- 20 (2) adopt rules governing its proceedings;
- 21 (3) consider applications for grants from the metal
22 mines local assistance fund account; and
- 23 (4) award grants, subject to [section 6], to local
24 government units for purposes of making an appropriate
25 response to the local impact of the metal mining industry by

1 enabling them to adequately provide governmental services
2 and facilities that are needed as a consequence of metal
3 mining.

4 Section 6. Basis for awarding grants -- priorities.
5 ~~(1)~~ Board grants shall be awarded on the basis of:

- 6 ~~(a)~~ (1) need;
- 7 ~~(b)~~ (2) degree of adverse economic impact on the
8 community of local metal mining; and
- 9 ~~(c)~~ (3) availability of funds.

10 ~~(2) -- The board shall, subject to appropriations, award~~
11 ~~at least 75% of all grants awarded to those local~~
12 ~~governmental units having an operating and taxpaying metals~~
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17 of a local government, school district, or local agency or
18 authority may apply for a grant to enable it to provide
19 governmental services that are needed as a consequence of
20 local metals mining operations. The board shall prescribe
21 the form for applications.

22 Section 8. Metal mines board -- allocation --
23 composition. (1) There is a metal mines board composed of
24 seven members.

25 (2) The board is allocated to the department of

1 community affairs for administrative purposes only as
2 prescribed in 2-15-121.

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4 board as provided for in 2-15-124.

5 (4) (a) Four members of the board are SHALL BE
6 selected as follows:

- 7 (i) three from areas having working metal mines; and
- 8 (ii) one with expertise in education.

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10 the board, consider persons from the following fields:

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22 of the revenue is to be credited to the general fund of the
23 state.

24 Section 10. Codification instruction. Section 9 is
25 intended to be codified as an integral part of Title 15,

1 chapter 37, part 1.

2 Section 11. Coordination. If ~~---Bill No.---~~{~~EC--1350~~}

3 SENATE BILL NO. 432 is passed and approved, any reference in

4 this act to "department of community affairs" is changed to

5 "department of commerce".

-End-

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