

House Bill 807

In The House

| | |
|-------------------|---------------------------------------------------|
| February 18, 1981 | Introduced and referred to Committee on Taxation. |
| March 12, 1981 | Fiscal note requested. |
| March 14, 1981 | Rereferred to Committee on Appropriations. |
| March 16, 1981 | Fiscal note returned. |
| April 23, 1981 | Died in Committee. |

1 HOUSE BILL NO. 807
2 INTRODUCED BY Frederic Anderson Meyer

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOCATE A
5 PERCENTAGE OF THE PROCEEDS OF THE CIGARETTE SALES TAX TO
6 MUNICIPAL FIRE DEPARTMENTS; AMENDING SECTION 16-11-119,
7 MCA."

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

10 Section 1. Section 16-11-119, MCA, is amended to read:

11 "16-11-119. Disposition of taxes -- war veterans'
12 compensation fund abolished -- retirement of bonds. (1) All
13 moneys collected under the provisions of 16-11-111(1), less
14 the expense of collecting all the taxes levied, imposed, and
15 assessed by said section, shall be paid to the state
16 treasurer and deposited as follows: 50% ~~44%~~ in the general
17 fund, 15% in the long-range building program account in the
18 sinking fund, and 35% in the long-range building program
19 account in the bond proceeds and insurance clearance fund.
20 ~~The remaining 6% shall be paid by the state treasurer~~
21 ~~directly to cities and towns according to the provisions of~~
22 ~~subsection (6).~~

23 (2) All taxes levied, imposed, and assessed under the
24 provisions of 16-11-111(2) shall, when collected, be paid to
25 the state treasurer and credited to a subfund in the sinking

1 fund and shall, while any of the bonds issued and sold for
2 the purpose of paying an honorarium or adjusted compensation
3 to the residents of Montana who were in military service in
4 the military forces of the United States in World War I or
5 World War II or any of the interest thereon remain unpaid,
6 be available for the payment thereof.

7 (3) All taxes levied, imposed, and assessed under the
8 provisions of 16-11-111(3) shall, when collected, be paid to
9 the state treasurer and credited to a subfund in the sinking
10 fund, which shall, while any of the bonds hereafter issued
11 and sold in addition to the bonds authorized by Initiative
12 Measure No. 54 as originally enacted or any of the interest
13 upon such additional bonds remain unpaid, be used only for
14 the payment thereof and of the expenses of administration of
15 this part.

16 (4) The war veterans' compensation fund established by
17 Initiative No. 54, as amended by Chapter 44, Laws of 1957,
18 is abolished, and all moneys in the fund are transferred to
19 a subfund in the bond proceeds and insurance clearance fund.
20 When all veterans' honoraria authorized by law have been
21 paid, such moneys shall be transferred to the two accounts
22 in the sinking fund established by this section.

23 (5) After all of the outstanding war veterans'
24 compensation bonds and World War I compensation bonds have
25 been paid or redeemed or after the necessary funds have been

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1 set aside for their payment or redemption, the balance of
2 the proceeds theretofore collected under the provisions of
3 subsections (2) and (3) of 16-11-111 shall be transferred to
4 the sinking fund account provided for in 17-5-405.

5 ~~(6) Six percent of the cigarette sales tax proceeds~~
6 ~~referred to in subsection (1) shall be distributed by the~~
7 ~~treasurer directly to cities and towns with municipal fire~~
8 ~~departments as provided for in 7-33-4101 to offset operating~~
9 ~~expenses of the fire department in the same proportion to~~
10 ~~the account as the proportion of the municipal fire~~
11 ~~department budget to the total fire department budgets of~~
12 ~~all municipalities."~~

-End-

STATE OF MONTANA

REQUEST NO. 422-81

FISCAL NOTE

Form BD-15

In compliance with a written request received March 14, 19 81, there is hereby submitted a Fiscal Note for HOUSE BILL 807 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 allocate a percentage of the proceeds of the cigarette sales tax to municipal fire departments.

ASSUMPTIONS

1. Cigarette sales will be as follows:

| <u>Fiscal Year</u> | <u>Packages Sold</u> |
|--------------------|----------------------|
| 1982 | 91,583,333 |
| 1983 | 91,216,667 |

2. The proposal does not change the discount to wholesalers.
3. All funds deposited in the Sinking Fund will flow to the General Fund as Long Range Building Plan Bond Excess.

FISCAL IMPACT

| | FY 82 | FY 83 |
|--------------------------------------------|-------------------|-------------------|
| Cigarette Excise Tax (Net of Discounts) | | |
| Under current law | \$10,660,300 | \$10,617,620 |
| Under proposed law | <u>10,660,300</u> | <u>10,617,620</u> |
| Estimated Increase | 0 | 0 |
| FUND INFORMATION | | |
| General Fund | | |
| Under current law | \$ 7,775,425 | \$ 7,744,295 |
| Under proposed law | <u>7,280,875</u> | <u>7,251,725</u> |
| Estimated Decrease | (\$ 494,550) | (\$ 492,570) |
| Earmarked Fund for Municipal Fire Dept. | | |
| Under current law | \$ 0 | \$ 0 |
| Under proposed law | <u>494,550</u> | <u>492,570</u> |
| Estimated Increase | \$ 494,550 | \$ 492,570 |


BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 3-16-81

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FISCAL IMPACT

| | FY 82 | FY 83 |
|---------------------------|------------------|------------------|
| Bond Proceeds & Insurance | | |
| Under current law | \$2,884,875 | \$2,873,325 |
| Under proposed law | <u>2,884,875</u> | <u>2,873,325</u> |
| Estimated Decrease | 0 | 0 |

EFFECT ON LOCAL GOVERNMENT

The proposal would provide \$494,550 and \$492,570 to cities and towns with municipal fire departments in FY 82 and FY 83, respectively.

PREPARED BY THE DEPARTMENT OF REVENUE

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: _____