

Senate Bill 12

In The Senate

January 5, 1981	Introduced and referred to Committee on Taxation.
January 6, 1981	Fiscal note requested.
January 12, 1981	Fiscal note returned.
April 23, 1981	Died in Committee.

1 SENATE BILL NO. 12

2 INTRODUCED BY NORMAN

3 BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE

4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH PERIODIC

6 REVIEW OF REVENUE DEDICATIONS AND SUNSETTING SUCH

7 DEDICATIONS."

8

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

10 Section 1. Purpose. (1) The legislature finds that

11 provisions for dedicating (earmarking) state revenue have

12 increased in number and that over one-half of state revenue

13 collections are now affected by dedication provisions. The

14 legislature also finds that dedication provisions reduce

15 legislative control over state spending, complicate the

16 state funding structure, and increase the effort required to

17 budget, appropriate, and monitor public funds.

18 (2) It is the intent of the legislature, by

19 establishing a system for the evaluation and review of

20 revenue dedication provisions, to ensure that:

21 (a) current provisions for revenue dedication reflect

22 sound principles of revenue dedication;

23 (b) current provisions for revenue dedication reflect

24 present circumstances and legislative priorities for state

25 spending;

1 (c) dedication provisions are terminated when they are
2 no longer necessary or appropriate; and

3 (d) future dedication provisions are established
4 according to legislative priorities and sound principles of
5 revenue dedication.

6 Section 2. Definition. As used in [this act],
7 "dedicated revenue provision" means an administrative or
8 legislative action which allocates the revenue from a tax,
9 fee, or other source for a particular program or function.

10 Section 3. Dedicated revenue provisions to terminate.

11 (1) The following dedicated revenue provisions shall
12 terminate on July 1, 1983:

13 Corporation license tax (public school equalization)
14 15-1-501

15 Individual income tax (public school equalization)
16 15-1-501

17 Coal severance tax (acquisition of parksites, public
18 school equalization, county land planning, local coal
19 impacts, coal area highway improvement, alternative energy
20 research, renewable resources bond, miscellaneous cultural
21 and aesthetic projects, park acquisition, education trust
22 fund) 15-35-108

23 Temporary special fuel permit fee 15-70-312

24 Liquid petroleum gas license tax 15-71-104

25 Additional beer tax 16-1-403

1	Beer tax revenue allocation	16-1-410
2	Cigarette sales tax (long-range building program)	
3		16-11-119
4	Cigarette sales license tax	16-11-124
5	Cigarette sales tax (long-range building program)	
6		17-5-408
7	Corporation license tax (long-range building program)	
8		17-5-408
9	Individual income tax (long-range building program)	
10		17-5-408
11	State contribution to police retirement fund	19-9-702
12	Premium taxes to firefighters' retirement fund	19-11-513
13	Premium tax to volunteer firefighters' fund	19-12-301
14	Traffic education account	20-7-504, (61-5-111)
15	Certificate of ownership for snowmobile fee	23-2-611
16	Transfer of interest in snowmobile fee	23-2-612
17	Nonresident temporary use permit fee	23-2-615
18	Snowmobile registration and decal fee	23-2-616
19	Snowmobile dealer registration certificate fee	23-2-619
20	Gross receipts tax on boxing, sparring, and wrestling	
21	matches	23-3-206
22	Horseracing license fee	23-4-201
23	M.D. Medical license and examination fee	37-3-314
24	D.D.S. Dental license and examination fee	37-4-202
25	Osteopathic physicians license fee	37-5-202

1	Podiatrists license and examination fees	37-6-305
2	Pharmacists license and examination fees and deposit of	
3	finer	37-7-324
4	Nursing and licensed practical nursing license and	
5	examination fees	37-8-432
6	Nursing home license and administrator examination fees	
7		37-9-306
8	Optometrists license and examination fees	37-10-203
9	Optometrists -- deposit of fines	37-10-313
10	Physical therapists license fee	37-11-203
11	Physical therapists examination fee	37-11-304
12	Out-of-state physical therapists license fee	37-11-307
13	Chiropractors license fee	37-12-308
14	Radiologic technologists license and examination fee	
15		37-14-311
16	Speech pathologists and audiologists license fee	
17		37-15-310
18	Hearing aid dispensers license fee	37-16-408
19	Psychologists license fee	37-17-307
20	Veterinary medicine license and examination fee	
21		37-18-308
22	Morticians license fee	37-19-307
23	Barbers license, examination, and inspection fees	
24		37-30-201
25	Cosmetologists license, examination, and inspection fees	

1		37-31-324
2	Electrologists license fee	37-32-305
3	Massage therapy license fee	37-33-307
4	Sanitarian license and examination fees	37-40-305
5	Water treatment plant operator certificate fee and	
6	investment of income	37-42-309
7	Water well contractors license fee	37-43-303
8	Public accountants license and examination fees	
9		37-50-315
10	Board of realty regulation -- receipt of funds	37-51-208
11	Real estate license fee	37-51-311
12	Title abstractors license and examination fees	37-52-305
13	Private investigators license, examination, and	
14	application fees	37-60-313
15	Architects examination fee	37-65-304
16	Architects license fee	37-65-307
17	Landscape architects license and examination fees	
18		37-66-307
19	Engineers and surveyors license and reexamination fees	
20		37-67-317
21	Electricians license and safety inspection and	
22	examination fees	37-68-313
23	Plumbers license and examination fees	37-69-308
24	Heating, ventilation, and air conditioning installers	
25	license fee	37-70-305

1	Employment agency license fee	39-5-205
2	Boiler engineers license fees	50-75-106
3	Gasoline dealers license tax (snowmobiles, state parks)	
4		60-3-201
5	Motor vehicle security interest filing fee	61-3-103
6	Issuance of certificate of ownership of motor vehicle	
7	fee	61-3-203
8	Lost certificate replacement fee	61-3-204
9	Registration of vehicles fee	61-3-321
10	Personalized license plates fee	61-3-406
11	Sales tax on new motor vehicles	61-3-502
12	Motor vehicle dealers license fee	61-4-102
13	License fees to earmarked revenue account	61-4-211
14	Permit and transit plates fee	61-4-301
15	Disposition of funds collected for trip fees	61-4-303
16	Aviation gasoline license tax	67-1-301
17	Environmental quality variance application filing fee	
18		75-2-212
19	Junk vehicle facility license and disposal fee	75-10-532
20	Subdivision notice of intention and regulation fees	
21		76-4-1108
22	Floodway obstruction removal fund	76-5-207
23	Fire protection tax	76-13-209
24	Portable sawmill license fee	76-13-503
25	Commercial feed inspection fees and investment income	

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1		80-9-207
2	Fertilizer tax	80-10-103
3	Commercial fertilizer inspection and testing fees and	
4	investment income	80-10-207
5	Commercial fertilizer sampling deficiency penalties	
6		80-10-208
7	Wheat and barley sales tax and research and marketing	
8	income	80-11-210
9	Brand recordation fee	81-3-107
10	Predator control license fee	81-7-119
11	Livestock market certificate fee	81-8-256
12	Livestock brokers and dealers license fee	81-8-276
13	Livestock security interest filing fee	81-8-304
14	Hide dealers or buyers license fee	81-9-411
15	Milk distributor and producer fees	81-23-202
16	Strip- and underground-mining reclamation fund	82-4-113
17	Coal and uranium mine reclamation fund	82-4-241
18	Hard-rock mining account	82-4-311
19	Oil and gas well drilling permit fees, privilege and	
20	license tax, and investment of income by board	82-11-135
21	Weather modification license and permit fee	85-3-213
22	(2) The following dedicated revenue provisions shall	
23	terminate on July 1, 1985:	
24	Supreme court fees	3-2-404
25	Wine tax	16-1-411

1	Tobacco tax	16-11-206
2	Investment income (long-range building sinking fund)	
3		17-5-304
4	Investment income (long-range building fund)	17-5-403
5	Surplus property handling fee	19-5-203
6	Department of fish, wildlife, and parks -- admission	
7	fees	23-1-105
8	Improper motorboat certification fines	23-2-507
9	Snowmobile regulation fines	23-2-644
10	Racemeets -- fines for violations	23-4-202, 23-4-305
11	Parimutual betting gross receipts tax	23-4-304
12	Racemeets -- fines for violations	23-4-305
13	Real estate broker-salesman examination fee	37-51-310
14	Workers' compensation plan fees and uninsured employer	
15	fines	39-71-201
16	Construction regulation inspection fees	50-60-104
17	Plumbing installation permit fees	50-60-509
18	Electrical installation inspection fees	50-60-604
19	City motor vehicle fines (crime victims compensation	
20	account)	53-9-109
21	Water analysis inspection fee	75-6-104
22	Filing fees under Major Facility Siting Act	75-20-112
23	Grass conservation districts grazing fees	76-16-106
24	Official grain inspection fee and investment of income	
25		80-4-119

1 Department of livestock investment income 81-1-104
 2 Animal disease lab test fee 81-2-102
 3 Livestock disease control fees 81-2-102
 4 Livestock inspection and transportation permit fees
 5 81-3-205
 6 Improper movement of livestock fines 81-3-231
 7 Livestock bounty levy fee 81-7-104
 8 Pork tax 81-8-610

9 Section 4. Termination of future dedicated revenue
 10 provisions. Any dedicated revenue provision that is
 11 established by administrative or legislative action after
 12 January 1, 1981, shall terminate on July 1 of the fourth
 13 year after its establishment. Any such provision to dedicate
 14 revenue shall be reviewed as required in [section 5].

15 Section 5. Legislative review and report. (1) A
 16 committee appointed by the legislative council shall conduct
 17 a review of each dedicated revenue provision that is
 18 scheduled for termination by [sections 3 and 4]. The review
 19 shall be completed at least 6 months prior to the date set
 20 for termination.

21 (2) The review conducted by the committee shall include
 22 an evaluation of the dedicated revenue provision based on
 23 the following criteria:

24 (a) whether the revenue dedication provides direct
 25 benefits for those who pay the dedicated tax or fee;

1 (b) whether the revenue dedication establishes a
 2 complex allocation of revenue from a particular revenue
 3 source;

4 (c) whether the revenue dedication involves the use of
 5 collection and allocation formulas that reflect the present
 6 circumstances in state government;

7 (d) whether the revenue dedication provides special
 8 advantages such as better demand information or rationing;

9 (e) whether the revenue dedication provides program
 10 funding at a level which is equal to the amount of
 11 expenditures established by the legislature; and

12 (f) whether the revenue dedication reduces the ability
 13 of the legislature to scrutinize budgets, control
 14 expenditures, and establish priorities for state spending.

15 (3) The committee shall establish administrative
 16 procedures to facilitate the review and evaluation required
 17 in [this act].

18 (4) Upon completion of the review, the committee shall
 19 report its findings to the legislature. The report shall
 20 include recommendations for the reestablishment with or
 21 without modification or termination of the dedicated revenue
 22 provision. If reestablishment is recommended, the committee
 23 shall propose a bill to reestablish the provision and to
 24 otherwise revise the law relating to the revenue dedication
 25 as the committee considers necessary or appropriate. If

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1 reestablishment is not recommended, the committee shall
2 propose a bill to make necessary revisions of the law to
3 reflect the termination.

4 Section 6. Effect of termination. Upon termination,
5 each revenue source shall be deposited in the general fund.
6 If the legislature has appropriated this dedicated revenue,
7 the appropriation shall be considered to have been made from
8 the general fund. All assets, liabilities, and fund balances
9 of accounts terminated under these provisions shall accrue
10 to the general fund.

11 Section 7. Reestablishment. Any dedicated revenue
12 provision that is scheduled for termination under [this act]
13 may be reestablished by the legislature for any period of
14 time, not to exceed 4 years. At the end of the period, the
15 legislature shall again review the provisions pursuant to
16 [section 5] and may again reestablish, modify, or allow the
17 termination of the provision pursuant to [this act].

18 Section 8. Consistency with LC 180. If ___ Bill ___ (LC
19 180) passes, references to sections 15-35-108(2)(f),
20 16-1-408, 16-1-410, and 75-10-532, relating to county land
21 planning, and 16-1-404, and 16-1-411, MCA, are deleted from
22 [section 3], and the code commissioner shall codify [section
23 3] accordingly.

-End-

STATE OF MONTANA

REQUEST NO. 4-81

FISCAL NOTE

Form BD-15

In compliance with a written request received January 6, 19 81, there is hereby submitted a Fiscal Note for Senate Bill 12 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

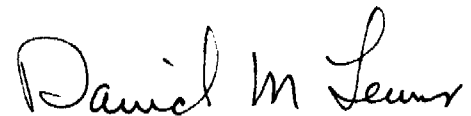
Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

Description of Proposed Legislation

An act to establish periodic review of revenue dedications and sunseting such dedications.

Fiscal Impact

No additional cost. It is the basic function of the Legislative Council and other permanent legislative agencies to conduct assigned studies. If this legislation is enacted in its current form, the Legislative Council would either designate an interim committee to conduct the study or request a permanent legislative committee to do so. Study funds would be derived from appropriations made generally for the purpose of conducting studies.



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-10-81