

Senate Bill 13

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.
February 13, 1981	Committee recommend bill do pass as amended.
February 14, 1981	Bill printed and placed on members' desks.
February 16, 1981	Second reading do pass as amended.
February 17, 1981	Correctly engrossed.
February 18, 1981	Third reading not passed.

SENATE BILL NO. 13

INTRODUCED BY TOWE

BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT TO LIMIT COAL BOARD GRANTS TO CERTAIN APPLICANTS; LIMITING ELIGIBLE APPLICANTS; AMENDING SECTIONS 90-6-206 AND 90-6-208, MCA."

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

Section 1. Section 90-6-206, MCA, is amended to read:

"90-6-206. Basis for awarding grants. (1) Such grants shall be awarded on the basis of:

(a) need;

(b) degree of severity of impact from the coal development;

(c) availability of funds; and

(d) degree of local effort in meeting these needs.

(2) In determining the degree of local effort, the board shall review the millage rates levied for the present fiscal year in relation to the average millage rates levied during the 3 years immediately preceding coal development in that area or 1970, whichever is later, which impacts the local government unit applying for assistance.

(3) Millage rates for the present fiscal year which are lower than the average millage rate levied during the 3

years immediately preceding coal development in that area or 1970, whichever is later, shall be deemed by the board to indicate the lack of local effort. The application under such circumstances may shall be rejected.

~~(4) Further, in determining the degree of local effort, the board shall consider the possibility of requiring that local government unit to increase its bonded indebtedness to provide all or part of the governmental service or facility which is needed as a direct consequence of coal development.~~

In determining adequate local effort, the board shall apply the following standard. Mill levies of the applicant should be equal to a percentage of the average mill levy for comparable local government units which percentage is determined by calculating the percentage that the applicant's average mill levy during the three years prior to coal development in the area, or 1970, whichever is later, differed from the average mill levy for comparable local government units during the same period. Applicants shall not be eligible for grants from the board if their mill levies deviate from the above standard by more than 10%.

(5) Whenever all or part of a governmental service or facility that is needed as a direct consequence of coal development could be funded by a local government unit through its bonding capacity, the board must require that

1 the local government unit's bonded indebtedness be at least
2 90% of the average bonded indebtedness of comparable local
3 government units prior to awarding any grant to such an
4 applicant.

5 (6) Notwithstanding the standards imposed in
6 subsections (4) and (5), the board may, at its discretion,
7 award grants, not to exceed 1% of its total annual revenue
8 expectations, to that group of applicants who do not meet
9 the provisions of subsections (4) and (5).

10 (5)(7) To the extent funds are needed to evaluate and
11 plan for the impact needs caused by coal development,
12 consideration of bond issues and millage levies may be
13 waived.

14 (6)(8) To the extent the applicant has no history of
15 mill levies, subsections (2) and (3) do not apply. Mill
16 levies for comparable taxing jurisdictions shall apply."

17 Section 2. Section 90-6-208, MCA, is amended to read:

18 "90-6-208. Applications for grants. The governing body
19 of a city, town, county, or school district ~~or any other~~
20 ~~local~~ or state governmental unit or agency may apply for a
21 grant to enable it to provide governmental services which
22 are needed as a direct consequence of coal development. The
23 coal board shall prescribe the form for applications.
24 Applicants shall describe the nature of their proposed
25 expenditures and the time involved."

-End-

STATE OF MONTANA

REQUEST NO. 5-81

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 13 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

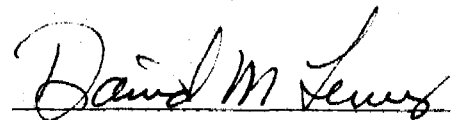
An act to limit Coal Board grants to certain applicants and limiting eligible applicants.

Fiscal Impact

Assuming that fewer eligible jurisdictions incur a reduction in the amount of Coal Board grants, a portion of the monies available for grants would revert to the Education Trust Fund.

Local Impact

Certain jurisdictions currently eligible for Coal Board grants would become ineligible for the grants (except for the 1% provision). Applicable jurisdictions include Rosebud County, Colstrip Elementary School District, and Colstrip High School District.



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: _____

Approved by Committee
on Taxation

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18 (2) In determining the degree of local effort, the
19 board shall review the millage rates levied for the present
20 fiscal year in relation to the average millage rates levied
21 during the 3 years immediately preceding coal development in
22 that area or 1970, whichever is later, which impacts the
23 local government unit applying for assistance.

24 (3) Millage rates for the present fiscal year which
25 are lower than the average millage rate levied during the 3

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19 ~~shall not be eligible for grants from the board if their~~
20 ~~mill levies deviate from the above standard by more than 10%~~
21 ~~BELOW THE STANDARD.~~

22 (5) Whenever all or part of a governmental service or
23 facility that is needed as a direct consequence of coal
24 development could be funded by a local government unit
25 through its bonding capacity, the board must require that

1 the local government unit's bonded indebtedness be at least
2 90% of the average bonded indebtedness of comparable local
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4 applicant.

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24 applications. Applicants shall describe the nature of their
25 proposed expenditures and the time involved."

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