Senate Bill 207

In The Senate

January 20, 1981	Introduced and referred to Committee on Taxation.
	Fiscal note requested.
January 26, 1981	Fiscal note returned.
February 20, 1981	Committee recommend bill do pass.
February 21, 1981	Bill printed and placed on members' desks.
February 24, 1981	Second reading do pass.
February 25, 1981	On motion rules suspended. Bill placed on calendar for third reading this day.

In The House

March 2, 1981	Introduced and referred to Committee on Taxation.
April 9, 1981	Committee recommend bill concurred as amended.
April 13, 1981	Second reading as amended not concurred.
	Return to Senate with amendments.

In The Senate

Paril 14, 1981	Returned from House not concurred.

BILL NO. 207

INTRODUCED BY

BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH A METHOD TO DETERMINE COAL DEVELOPMENT IMPACT COSTS TO LOCAL GOVERNMENT UNITS AND TO FIX THE MAXIMUM APPROPRIATION AVAILABLE FOR SUCH COSTS FROM THE CONSTITUTIONAL TRUST INCOME EARNINGS."

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

Section 1. Direct coal employment -- certification. The department of community affairs shall certify each fiscal year the increase or decrease in the number of people directly employed in:

(1) coal mine construction and mining;

(2) coal-fired electrical generation plant construction and operation;

(3) synthetic fuel plant construction and operation; and

(4) coal transportation.

Section 2. Coal development impact costs -- formula. (1) The department of community affairs shall develop a formula for calculating the costs that government incurs due to coal development activities in the state. The formula

shall include:

(a) the employment increase or decrease certified in accordance with [section 1];

(b) a reasonable multiplier for use in establishing the ratio of total increase in population due to the increase in employment to the total number of new coal related employees; and

(c) the average per capita cost for all services normally provided by government.

(2) The product of subsection (1)(a) times subsection (1)(b) times subsection (1)(c) equals the easily quantifiable economic coal development impact costs in Montana.

Section 3. Coal development impact costs -- available appropriation. If the money available to the coal board pursuant to 90-6-205 is not sufficient to fully fund the coal development impact costs established in [section 2], the necessary remaining funds may be available from the principal of the trust fund account created by Article IX, section 5, of the Montana constitution.

Section 4. Legislative appropriation. For budgeting purposes, the legislature shall determine the amount of money necessary to carry out the provisions of [sections 1 through 3] and place in the general appropriations bill the necessary funding for coal development impact costs.

-End-
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INTRODUCED BILL

SB 207

In compliance with a written request received _____ , 19 _____ , there is hereby submitted a Fiscal Note for __Senate Bill 207_____ 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 establish a method to determine coal development impact costs to local government units and to fix the maximum appropriation available for such costs from the constitutional trust income earnings.

ASSUMPTIONS:

1. Impact only for _local_ governments.
2. Impact estimates only for the past year. No impact projections for future years required.
3. Coal impact program important enough to require reasonably accurate estimates.
4. State salary schedule increased 5% over FY 81 for FY 82, and an additional 5% for FY 83.
5. Analytical work in developing details of the "formula", and testing its reasonablness done in FY 82.

FISCAL IMPACT:

	FY 82	FY 83
Expenditures under proposed law		
Personal Services	$22,416	$ 5,885
Operating Expenses	22,227	6,023
Total Expenditures under proposed law	$44,643	$11,908
Less: Expenditures under current law	-0-	-0-
Increased expenditures under proposed law	44,643	11,908
Coal Board Funds	44,643	11,908

LOCAL IMPACT:

Dollar estimate of local impact is not possible since this legislation intends to put an upper limit on coal impact grants to local governments using a "formula" yet to be precisely designed and implemented. Local expenditures may be affected.

LONG-RANGE IMPACT:

¼ of a Grade 15 position and associated costs required to maintain the system each year.

TECHNICAL NOTE:

No provision for estimating likely impact for future years. Needed in legislation because of lead-time required for planning, funding, and constructing capital facilities.

BUDGET DIRECTOR
Office of Budget and Program Planning
Date: 1-26-81

Approved by Committee
on Taxation

BILL NO. 207

INTRODUCED BY _____

BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH A METHOD TO DETERMINE COAL DEVELOPMENT IMPACT COSTS TO LOCAL GOVERNMENT UNITS AND TO FIX THE MAXIMUM APPROPRIATION AVAILABLE FOR SUCH COSTS FROM THE CONSTITUTIONAL TRUST INCOME EARNINGS."

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

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(1) coal mine construction and mining;

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(3) synthetic fuel plant construction and operation; and

(4) coal transportation.

Section 2. Coal development impact costs -- formula. (1) The department of community affairs shall develop a formula for calculating the costs that government incurs due to coal development activities in the state. The formula shall include:

(a) the employment increase or decrease certified in accordance with [section 1];

(b) a reasonable multiplier for use in establishing the ratio of total increase in population due to the increase in employment to the total number of new coal related employees; and

(c) the average per capita cost for all services normally provided by government.

(2) The product of subsection (1)(a) times subsection (1)(b) times subsection (1)(c) equals the easily quantifiable economic coal development impact costs in Montana.

Section 3. Coal development impact costs -- available appropriation. If the money available to the coal board pursuant to 90-6-205 is not sufficient to fully fund the coal development impact costs established in [section 2], the necessary remaining funds may be available from the principal of the trust fund account created by Article IX, section 5, of the Montana constitution.

Section 4. Legislative appropriation. For budgeting purposes, the legislature shall determine the amount of money necessary to carry out the provisions of [sections 1 through 3] and place in the general appropriations bill the necessary funding for coal development impact costs.

-End-
-2-

SECOND READING

SB 207

1   SENATE BILL NO. 207

2   INTRODUCED BY TOWE, MANNING, TURNAGE, THOMAS, B. BROWN

3   BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

4

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

6   TO DETERMINE COAL DEVELOPMENT IMPACT COSTS TO LOCAL

7   GOVERNMENT UNITS AND TO FIX THE MAXIMUM APPROPRIATION

8   AVAILABLE FOR SUCH COSTS FROM THE CONSTITUTIONAL TRUST

9   INCOME EARNINGS."

10

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

12   Section 1. Direct coal employment -- certification.

13   The department of community affairs shall certify each

14   fiscal year the increase or decrease in the number of people

15   directly employed in:

16   (1) coal mine construction and mining;

17   (2) coal-fired   electrical   generation   plant

18   construction and operation;

19   (3) synthetic fuel plant construction and operation;

20   and

21   (4) coal transportation.

22   Section 2. Coal development impact costs -- formula.

23   (1) The department of community affairs shall develop a

24   formula for calculating the costs that government incurs due

25   to coal development activities in the state. The formula

1   shall include:

2   (a) the employment increase or decrease certified in

3   accordance with [section 1];

4   (b) a reasonable multiplier for use in establishing

5   the ratio of total increase in population due to the

6   increase in employment to the total number of new coal

7   related employees; and

8   (c) the average per capita cost for all services

9   normally provided by government.

10   (2) The product of subsection (1)(a) times subsection

11   (1)(b)   times   subsection   (1)(c)   equals   the easily

12   quantifiable economic coal development impact costs in

13   Montana.

14   Section 3. Coal development impact costs -- available

15   appropriation. If the money available to the coal board

16   pursuant to 90-6-205 is not sufficient to fully fund the

17   coal development impact costs established in [section 2],

18   the necessary remaining funds may be available from the

19   principal INCOME of the trust fund account created by

20   Article IX, section 5, of the Montana constitution.

21   Section 4. Legislative appropriation. For budgeting

22   purposes, the legislature shall determine the amount of

23   money necessary to carry out the provisions of [sections 1

24   through 3] and place in the--general--appropriations AN

25   APPROPRIATION   bill   the   necessary   funding   for coal

THIRD READING

1   development impact costs.

-End-

HOUSE TAXATION COMMITTEE AMENDMENTS TO SENATE BILL 207:

1. Page 1, line 13.
Following: "of"
Strike: "community affairs"
Insert: "commerce"

2. Page 1, line 23.
Following: "of"
Strike: "community affairs"
Insert: "commerce"

3. Page 1, line 24.
Following: "that"
Insert: "local and state"

4. Page 2, line 9.
Following: "by"
Insert: "local and state"

5. Page 2, line 19.
Following: "principal"
Strike: "INCOME"
Insert: "principal"