

Senate Bill 208

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 as amended.
February 25, 1981	On motion rules suspended. Bill placed on calendar for third reading this day. Third reading passed.

In The House

March 2, 1981	Introduced and referred to Committee on Taxation.
April 9, 1981	Committee recommend bill concurred.
April 10, 1981	Second reading pass consideration.
April 13, 1981	Second reading pass consideration.
April 15, 1981	Second reading pass consideration.
April 16, 1981	Second reading concurred as amended. Third reading not concurred. Return to Senate with amendments.

In The Senate

April 17, 1981	Returned from House not concurred.
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1 *Sen. Therman* BILL NO. *208*
 2 INTRODUCED BY *Mr. Therman* *Sen. Hurwitz*
 3 *Bob Brown* BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE
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5 A BILL FOR AN ACT ENTITLED: "AN ACT TO AUTHORIZE THE COAL
 6 BOARD TO CONSIDER APPLICATIONS FOR LOANS FROM THE LOCAL
 7 IMPACT AND EDUCATION TRUST FUND ACCOUNT; AMENDING SECTIONS
 8 90-6-205, 90-6-206, AND 90-6-208, MCA."

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

11 Section 1. Section 90-6-205, MCA, is amended to read:

12 "90-6-205. Coal board -- general powers. The board
 13 may:

- 14 (1) retain professional consultants and advisors;
 15 (2) adopt rules governing its proceedings;
 16 (3) consider applications for grants from the local

17 impact and education trust fund account; and

18 ~~(4) consider applications for loans from the local~~
 19 ~~impact and education trust fund account for periods and~~
 20 ~~interest rates to be determined by the board; and~~

21 ~~(1)~~ award grants and loans, subject to 90-6-207,
 22 not to exceed in any one year seven-elevenths and after June
 23 30, 1979, seven-fifteenths of the revenue paid into the
 24 local impact and education trust fund account, to local
 25 governmental units and state agencies to assist local

1 governmental units in meeting the local impact of coal
 2 development by enabling them to adequately provide
 3 governmental services and facilities which are needed as a
 4 direct consequence of coal development. As used in the
 5 preceding sentence, "revenue paid" does not include interest
 6 income from the account reinvested in the account in trust
 7 for the public schools and the university system."

8 Section 2. Section 90-6-206, MCA, is amended to read:

9 "90-6-206. Basis for awarding grants or loans. (1)

10 ~~Such--grants~~ grants and loans shall be awarded on the basis
 11 of:

12 (a) need;

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

15 (c) availability of funds; and

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

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

23 (3) Millage rates for the present fiscal year which
 24 are lower than the average millage rate levied during the 3
 25 years immediately preceding coal development in that area or

1 1970, whichever is later, shall be deemed by the board to
 2 indicate the lack of local effort. The application under
 3 such circumstances may be rejected.

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

10 (5) 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) To the extent the applicant has no history of mill
 15 levies, subsections (2) and (3) do not apply."

16 Section 3. Section 90-6-208, MCA, is amended to read:
 17 "90-6-208. Applications for grants or loans. The
 18 governing body of a city, town, county, or school district
 19 or any other local or state governmental unit or agency may
 20 apply for a grant or a loan to enable it to provide
 21 governmental services which are needed as a direct
 22 consequence of coal development. The coal board shall
 23 prescribe the form for applications. Applicants shall
 24 describe the nature of their proposed expenditures and the
 25 time involved."

1 NEW SECTION. Section 4. Limitations on loans. (1)
 2 Loans approved by the board must not be repayable over a
 3 time period that exceeds 40 years.

4 (2) The board must hold all loan contracts within its
 5 administrative offices. The board must not sell, reassign,
 6 or pledge a loan contract to any other entity.

7 (3) A local government unit receiving a loan from the
 8 board must use or commit for use the loan money within 1
 9 year of the date of the board's final approval of the loan.
 10 Failure to use or commit for use the loan money within the
 11 time period shall result in a demand by the board for
 12 repayment of the entire loan within 30 days.

13 NEW SECTION. Section 5. Pledge of mill levy as
 14 security. The board may require, at its discretion, that an
 15 applicant pledge mill levy revenues sufficient to guarantee
 16 repayment of the loan as a condition of the board's making
 17 the loan.

-End-

STATE OF MONTANA

REQUEST NO. _____

FISCAL NOTE

Form BD-15

In compliance with a written request received January 21, 19 81, there is hereby submitted a Fiscal Note for SB 208 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:

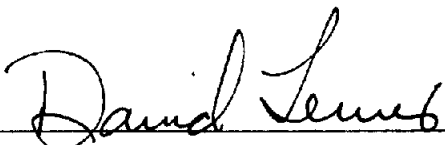
An act to authorize the Coal Board to consider applications for loans from the Local Impact and Education Trust Fund Account.

ASSUMPTION:

The Coal Board could administer the bill with its presently authorized FTE level.

FISCAL IMPACT:

None.



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-26-81

Approved by Committee
on Taxation

1 *Smith* BILL NO. *208*
2 INTRODUCED BY *Tom Hunsaker* *Hershey*
3 *B. Brown* BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE
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6 BOARD TO CONSIDER APPLICATIONS FOR LOANS FROM THE LOCAL
7 IMPACT AND EDUCATION TRUST FUND ACCOUNT; AMENDING SECTIONS
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13 may:

- 14 (1) retain professional consultants and advisors;
15 (2) adopt rules governing its proceedings;
16 (3) consider applications for grants from the local
17 impact and education trust fund account; and
18 (4) consider applications for loans from the local
19 impact and education trust fund account for periods and
20 interest rates to be determined by the board; and

21 ~~(4)(5)~~ award grants and loans, subject to 90-6-207,
22 not to exceed in any one year seven-elevenths and after June
23 30, 1979, seven-fifteenths of the revenue paid into the
24 local impact and education trust fund account, to local
25 governmental units and state agencies to assist local

1 governmental units in meeting the local impact of coal
2 development by enabling them to adequately provide
3 governmental services and facilities which are needed as a
4 direct consequence of coal development. As used in the
5 preceding sentence, "revenue paid" does not include interest
6 income from the account reinvested in the account in trust
7 for the public schools and the university system."

8 Section 2. Section 90-6-206, MCA, is amended to read:

9 "90-6-206. Basis for awarding grants or loans. (1)
10 ~~Such--grants~~ grants and loans shall be awarded on the basis
11 of:

- 12 (a) need;
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14 development;
15 (c) availability of funds; and
16 (d) degree of local effort in meeting these needs.

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

23 (3) Millage rates for the present fiscal year which
24 are lower than the average millage rate levied during the 3
25 years immediately preceding coal development in that area or

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 3 such circumstances may be rejected.

4 (4) Further, in determining the degree of local
 5 effort, the board shall consider the possibility of
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 7 indebtedness to provide all or part of the governmental
 8 service or facility which is needed as a direct consequence
 9 of coal development.

10 (5) 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) To the extent the applicant has no history of mill
 15 levies, subsections (2) and (3) do not apply."

16 Section 3. Section 90-6-208, MCA, is amended to read:

17 "90-6-208. Applications for grants or loans. The
 18 governing body of a city, town, county, or school district
 19 or any other local or state governmental unit or agency may
 20 apply for a grant or a loan to enable it to provide
 21 governmental services which are needed as a direct
 22 consequence of coal development. The coal board shall
 23 prescribe the form for applications. Applicants shall
 24 describe the nature of their proposed expenditures and the
 25 time involved."

1 NEW SECTION. Section 4. Limitations on loans. (1)
 2 Loans approved by the board must not be repayable over a
 3 time period that exceeds 40 years.

4 (2) The board must hold all loan contracts within its
 5 administrative offices. The board must not sell, reassign,
 6 or pledge a loan contract to any other entity.

7 (3) A local government unit receiving a loan from the
 8 board must use or commit for use the loan money within 1
 9 year of the date of the board's final approval of the loan.
 10 Failure to use or commit for use the loan money within the
 11 time period shall result in a demand by the board for
 12 repayment of the entire loan within 30 days.

13 NEW SECTION. Section 5. Pledge of mill levy as
 14 security. The board may require, at its discretion, that an
 15 applicant pledge mill levy revenues sufficient to guarantee
 16 repayment of the loan as a condition of the board's making
 17 the loan.

-End-

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2 INTRODUCED BY TOWE, HUENNEKENS, HURNITZ,

3 B. BROWN, TURNAGE, THOMAS

4 BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

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7 income from the account reinvested in the account in trust
8 for the public schools and the university system. GRANTS AND
9 LOANS MAY BE FROM CURRENT ALLOCATIONS ONLY AND NO PART OF
10 THE PRINCIPLE OR INCOME OF THE TRUST REFERRED TO IN 90-6-211
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