

HOUSE BILL NO. 11

Introduced: 01/03/83

Referred to Committee on Taxation: 01/03/83

Hearing: 1/7/83

Died in Committee

HOUSE BILL NO. 11

INTRODUCED BY PISTORIA, LYNCH, TVEIT, HARP, WALDRON, STIMATZ
BY REQUEST OF THE JOINT SUBCOMMITTEE ON HIGHWAYS

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOCATING \$10 MILLION
EACH YEAR FROM COAL SEVERANCE TAX COLLECTIONS TO HIGHWAYS;
AMENDING SECTION 15-35-108, MCA; AND PROVIDING AN EFFECTIVE
DATE."

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

Section 1. Section 15-35-108, MCA, is amended to read:

"15-35-108. Disposal of severance taxes. Severance
taxes collected under the provisions of this chapter are
allocated as follows:

(1) To the trust fund created by Article IX, section
5, of the Montana Constitution, 25% of total collections a
year. After December 31, 1979, 50% of coal severance tax
collections are allocated to this trust fund. The trust fund
moneys shall be deposited in the fund established under
17-6-203(5) and invested by the board of investments as
provided by law.

~~(2) To the earmarked special revenue fund to the
credit of the department of highways account for the
purposes set forth in 60-3-201, \$10 million each fiscal
year.~~

~~(2)(21) Coal severance tax collections remaining after
allocation-to-the-trust-fund allocations under subsection
subsections (1) and (21) are allocated in the following
percentages of the remaining balance:~~

(a) to the county in which coal is mined, 2% of the
severance tax paid on the coal mined in that county until
January 1, 1980, for such purposes as the governing body of
the county may determine;

(b) 2 1/2% until December 31, 1979, and thereafter
4 1/2% to the earmarked revenue fund to the credit of the
alternative energy research development and demonstration
account;

(c) 26 1/2% until July 1, 1979, and thereafter 37 1/2%
to the earmarked revenue fund to the credit of the local
impact and education trust fund account;

(d) for each of the 2 fiscal years following June 30,
1977, 13% to the earmarked revenue fund to the credit of the
coal area highway improvement account;

(e) 10% to the earmarked revenue fund for state
equalization aid to public schools of the state;

(f) 1% to the earmarked revenue fund to the credit of
the county land planning account;

(g) 1 1/4% to the sinking fund to the credit of the
renewable resource development bond account;

(h) 5% to the earmarked revenue fund to the credit of

INTRODUCED BILL

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1 a trust fund for the purpose of parks acquisition or
2 management, protection of works of art in the state capitol,
3 and other cultural and aesthetic projects. Income from this
4 trust fund shall be appropriated as follows:

5 (i) 1/3 for protection of works of art in the state
6 capitol and other cultural and aesthetic projects; and

7 (ii) 2/3 for the acquisition of sites and areas
8 described in 23-1-102 and the operation and maintenance of
9 sites so acquired;

10 (i) 1% to the earmarked revenue fund to the credit of
11 the state library commission for the purposes of providing
12 basic library services for the residents of all counties
13 through library federations and for payment of the costs of
14 participating in regional and national networkings;

15 (j) 1/2 of 1% to the earmarked revenue fund for
16 conservation districts;

17 (k) 1 1/4% to the sinking fund to the credit of the
18 water development sinking account;

19 (l) all other revenues from severance taxes collected
20 under the provisions of this chapter to the credit of the
21 general fund of the state."

22 NEW SECTION Section 2. Effective date. This act is
23 effective on July 1, 1983.

-End-

STATE OF MONTANA

REQUEST NO. 023-83

FISCAL NOTE

Form BD-15

In compliance with a written request received January 6, 19 83, there is hereby submitted a Fiscal Note for House Bill 11 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

A bill for an act allocating \$10 million each year from coal severance tax collections to Highways.

ASSUMPTIONS

1. Department of Revenue Coal Severance Tax Revenue Estimates:
FY84 - \$ 99,800,000
FY85 - \$117,800,000
2. Allocation - Proposed law allocates \$10,000,000 to Earmarked Special Revenue Fund for highways after 50% is allocated to Coal Tax Trust Fund. The remaining revenues are then allocated to the appropriate funds.

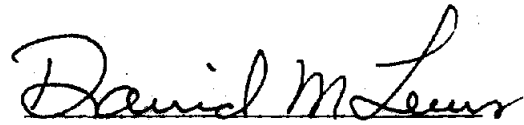
FISCAL IMPACT

FY1984

ESTIMATED COAL SEVERANCE TAX REVENUES-\$99,800,000

	Estimated Under Current Law	Estimated Under Proposed Law	Estimated Increase (Decrease)
Coal Tax Trust Fund	\$49,900,000	\$49,900,000	\$ -
Earmarked Special Revenue Fund - Highways	-	10,000,000	10,000,000
Alternative Energy Research	2,245,500	1,795,500	(450,000)
Local Impact and Education Trust	18,712,500	14,962,500	(3,750,000)
School Equalization	4,990,000	3,990,000	(1,000,000)
County Land Planning	499,000	399,000	(100,000)
Renewable Resource Development	623,750	498,750	(125,000)
Parks Acquisition and Maintenance	2,495,000	1,995,000	(500,000)
State Library Commission	499,000	399,000	(100,000)
Conservation Districts	249,500	199,500	(50,000)
Water Development	623,750	498,750	(125,000)
General Fund	18,962,000	15,162,000	(3,800,000)

(Continued)



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-6-83

FY1985
ESTIMATED COAL SEVERANCE TAX REVENUES-\$117,800,000

	<u>Estimated Under Current Law</u>	<u>Estimated Under Proposed Law</u>	<u>Estimated Increase (Decrease)</u>
Coal Tax Trust Fund	\$58,900,000	\$58,900,000	\$ -
Earmarked Special Revenue Fund -			
Highways	-	10,000,000	10,000,000
Alternative Energy Research	2,650,500	2,200,500	(450,000)
Local Impact and Education Trust	22,087,500	18,337,500	(3,750,000)
School Equalization	5,890,000	4,890,000	(1,000,000)
County Land Planning	589,000	489,000	(100,000)
Renewable Resource Development	736,250	611,250	(125,000)
Parks Acquisition and Maintenance	2,945,000	2,445,000	(500,000)
State Library Commission	589,000	489,000	(100,000)
Conservation Districts	294,500	244,500	(50,000)
Water Development	736,250	611,250	(125,000)
General Fund	22,382,000	18,582,000	(3,800,000)

PREPARED BY DEPARTMENT OF REVENUE