

HOUSE BILL NO. 31

Introduced: 1/6/83

Referred to Select Committee on Economic Development: 01/06/83

Hearing: 2/9/83

Report: 03/11/83, Do Not Pass

Bill Killed: 03/14/83 •

HOUSE BILL NO. 31

INTRODUCED BY HARRINGTON

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE GRANTS TO LOCAL GOVERNMENT UNITS AND SCHOOL DISTRICTS FROM THE METAL MINES LICENSE TAX TO LESSEN ECONOMIC HARDSHIP CAUSED BY METAL MINING; CREATING A METAL MINES BOARD TO ADMINISTER THE GRANTS; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Purpose. The purpose of [sections 1 through 7] is to assist localities by returning a portion of the metal mines license tax locally generated to alleviate cyclical economic hardship created by the fluctuations in metal mining and their impact on local government units and the economy of a community.

Section 2. Account established. There is within the earmarked revenue fund a metal mines local assistance fund account. Money is payable into this account under [section 9]. The state treasurer shall draw warrants from this account upon order of the metal mines board.

Section 3. Definition of metal mines board. In [sections 1 through 7], "board" means the metal mines board provided for in [section 8].

Section 4. Chairman, meetings, compensation, and

facilities. (1) The board shall elect a chairman from among its members.

(2) The board shall meet quarterly and may meet at other times as called by the chairman or a majority of its members.

(3) Members are entitled to compensation as provided for in 2-15-124(7).

(4) The department of commerce shall provide suitable office facilities and the necessary staff for the board.

Section 5. Metal mines board -- general powers. The board may:

(1) retain professional consultants and advisers;

(2) adopt rules governing its proceedings;

(3) consider applications for grants from the metal mines local assistance fund account; and

(4) award grants, subject to [section 6], to local government units and school districts for purposes of making an appropriate response to the local impact of the metal mining industry by enabling them to adequately provide governmental services and facilities that are needed as a consequence of metal mining.

Section 6. Basis for awarding grants -- priorities. Board grants shall be awarded on the basis of:

(1) need;

(2) degree of adverse economic impact on the community

1 of local metal mining; and

2 (3) availability of funds.

3 Section 7. Applications for grants. The governing body  
4 of a local government, school district, or local agency or  
5 authority may apply for a grant to enable it to provide  
6 governmental services that are needed as a consequence of  
7 local metals mining operations. The board shall prescribe  
8 the form for applications.

9 Section 8. Metal mines board -- allocation --  
10 composition. (1) There is a metal mines board composed of  
11 seven members.

12 (2) The board is allocated to the department of  
13 commerce for administrative purposes only as prescribed in  
14 2-15-121.

15 (3) The governor shall appoint the members of the  
16 board as provided for in 2-15-124.

17 (4) (a) Four members of the board shall be selected as  
18 follows:

19 (i) three from geographical areas having working metal  
20 mines; and

21 (ii) one with expertise in education.

22 (b) The governor shall, in making all appointments to  
23 the board, consider persons from the following fields:

24 (i) business;

25 (ii) labor;

1 (iii) engineering;

2 (iv) public administration; and

3 (v) planning.

4 Section 9. Disposition of taxes. Taxes collected under  
5 the provisions of this part are allocated as follows:

6 (1) 25% to be credited to the metal mines local  
7 assistance fund account in the earmarked revenue fund  
8 established under [section 2]; and

9 (2) except as otherwise provided by law, the balance  
10 of the revenue is to be credited to the general fund of the  
11 state.

12 Section 10. Codification instruction. (1) Section 8 is  
13 intended to be codified as an integral part of Title 2,  
14 chapter 15, part 18, and the provisions of Title 2, chapter  
15 15, part 1, apply to section 8.

16 (2) Section 9 is intended to be codified as an  
17 integral part of Title 15, chapter 37, part 1.

18 Section 11. Effective date. This act is effective on  
19 July 1, 1983.

-End-

## STATE OF MONTANA

REQUEST NO. 034-83

## 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 31 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:

House Bill 31 provides grants to local government units and school districts from the metal mines license tax to lessen economic hardship caused by metal mining; creates a metal mines board to administer the grants; and provides an effective date.

ASSUMPTIONS:

- 1) Office of Budget and Program Planning metal mines license tax projections (prior to January Anaconda Minerals announcement of Butte shutdown): FY 84 - \$1,496,000, FY 85 - \$1,556,000. Note: 1981 M.M.L.T. tax revenue from Butte alone was \$1,187,533, by far the largest single source.
- 2) Separate board and program not integrated with existing Hard Rock Board or program. Two staff, an Administrative Officer and Administrative Assistant, with benefits at 20% of their salary, would be required. Contract work would be needed for secretarial and legal services. Department of Administration overhead is 18-20% of personal services.
- 3) Assume approximately 6-8 board meetings per year plus additional travel for individual board members and staff plus start-up costs.
- 4) Administrative and operating costs to come from general fund because not specified otherwise.

FISCAL IMPACT:

	<u>FY 84</u>	<u>FY 85</u>
Metal Mines License Tax		
Under Current Law	\$ 1,496,000	\$ 1,556,000
Under Proposed Law	<u>1,496,000</u>	<u>\$ 1,556,000</u>
Estimated Increase	<u>\$ 0</u>	<u>\$ 0</u>
General Fund		
Under Current Law	\$ 1,496,000	\$ 1,556,000
Under Proposed Law	<u>993,070</u>	<u>1,037,215</u>
Estimated Decrease	<u>\$ 502,930</u>	<u>\$ 518,785</u>

Continued  
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-11-83

Metal Mines Local Assistance Fund

Under Current Law	\$ 0	\$ 0
Under Proposed Law	502,930	518,785
Estimated Increase	<u>\$ 502,930</u>	<u>\$ 518,785</u>

TECHNICAL NOTES:

Integration of proposed program with existing Hard Rock Mining Impact Board and Program would allow substantial savings in administrative and operating costs. Existing program addresses only impacts from future development, not shutdowns or closures as House Bill 31 does. (The interim EQC/ROC subcommittee, in response to House Joint Resolution 66, 1981 Legislature, intends to propose setting aside 33% of the Metal Mines License Tax. This would fund the administration and operation of the board and a trust account from which the board could make grants to local governments to offset adverse impacts (fiscal and economic) resulting from a 50% reduction in workforce or a closure).

LOCAL IMPACT:

The amount of Metal Mines local assistance account will be available for grants to local governments.

## STATE OF MONTANA

034-83

REQUEST NO. \_\_\_\_\_  
Revised Fiscal Note

## 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 31 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:

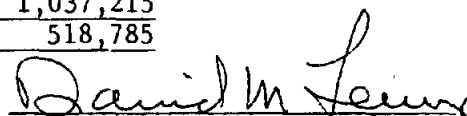
House Bill 31 provides grants to local government units and school districts from the metal mines license tax to lessen economic hardship caused by metal mining; creates a metal mines board to administer the grants; and provides an effective date.

ASSUMPTIONS:

- 1) Office of Budget and Program Planning metal mines license tax projections (prior to January Anaconda Minerals announcement of Butte shutdown): FY 84 - \$1,496,000, FY 85 - \$1,556,000. Note: 1981 M.M.L.T. tax revenue from Butte alone was \$1,187,533, by far the largest single source.
- 2) Separate board and program not integrated with existing Hard Rock Board or program. Two staff, an Administrative Officer and Administrative Assistant, with benefits at 20% of their salary would be required. Contract work would be needed for secretarial and legal services. Administrative overhead is 18-20% of personal services.
- 3) Assume approximately 6-8 board meetings per year plus additional travel for individual board members and staff plus start-up costs.
- 4) Administrative and operating costs to come from general fund because not specified otherwise.

FISCAL IMPACT:

	<u>FY 84</u>	<u>FY 85</u>
Metal Mines License Tax		
Under Current Law	\$ 1,496,000	\$ 1,556,000
Under Proposed Law	<u>1,496,000</u>	<u>\$ 1,556,000</u>
Estimated Increase	<u>\$ 0</u>	<u>\$ 0</u>
General Fund		
Under Current Law	\$ 1,496,000	\$ 1,556,000
Under Proposed Law	<u>993,070</u>	<u>1,037,215</u>
Estimated Decrease	<u>\$ 502,930</u>	<u>\$ 518,785</u>

Continued

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-14-83

Metal Mines Local Assistance Fund			
Under Current Law	\$	0	\$ 0
Under Proposed Law		502,930	518,785
Estimated Increase	\$	<u>502,930</u>	<u>\$ 518,785</u>

TECHNICAL NOTES:

Integration of proposed program with existing Hard Rock Mining Impact Board and Program would allow substantial savings in administrative and operating costs. Existing program addresses only impacts from future development, not shutdowns or closures as House Bill 31 does. (The interim EQC/ROC subcommittee, in response to House Joint Resolution 66, 1981 Legislature, intends to propose setting aside 33% of the Metal Mines License Tax. This would fund the administration and operation of the board and a trust account from which the board could make grants to local governments to offset adverse impacts (fiscal and economic) resulting from a 50% reduction in workforce or a closure).

LOCAL IMPACT:

The amount of Metal Mines local assistance account will be available for grants to local governments.

Replace original fiscal note for House Bill 31 with this revised fiscal note.