## HOUSE BILL NO. 105

INTRODUCED BY WINSLOW, SCHULTZ, DAILY, SANDS, HEMSTAD, DONALDSON, BENGTSON, MARKS, QUILICI, ROUSH, MCCALLUM, MENAHAN, EUDAILY, LORY, FABREGA, HANNAH, FAGG, RAMIREZ, CURTISS, ELLIOTT

## BY REQUEST OF THE COAL TAX OVERSIGHT SUBCOMMITTEE

## IN THE HOUSE

January 6, 1983	Introduced and referred to Committee on Education and Cultural Resources.
January 20, 1983	Committee recommend bill do pass as amended. Report adopted.
	Bill printed and placed on members desks.
January 22, 1983	On motion taken from second reading and referred to Committee on Appropriations.
Pebruary 21, 1983	On motion taken from Committee on Appropriations and referred to second reading.
February 22, 1983	Second reading, do pass as amended.
February 23, 1983	Correctly engrossed.
	Third reading, passed. Transmitted to Senate.

## IN THE SENATE

March 1, 1983	Introduced and referred to Committee on Education and Cultural Resources.
March 21, 1983	Committee recommend bill be concurred in. Report adopted.

March 23, 1983

March 25, 1983

Second reading, concurred in.

Third reading, concurred in.

Ayes, 46; Noes, 2.

IN THE HOUSE

March 25, 1983

March 26, 1983

Returned to House.

Sent to enrolling.

Reported correctly enrolled.

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HOURS BILL NO. 105 1 2 ALLOCATE TO THE POSTSECONDARY VOCATIONAL-TECHNICAL CENTERS THAT PORTION OF 6 7 INTEREST EARNINGS NOW BEING REINVESTED IN THE LOCAL IMPACT 8 AND EDUCATION TRUST FUND: PROVIDING FOR TERMINATION OF THIS 9 PROVISION AFTER APPROXIMATELY 5 YEARS; PROVIDING FOR THE 10 DISPOSITION OF INTEREST EARNINGS AFTER 1988: AMENDING 11 SECTION 90-6-211. MCA: AND PROVIDING EFFECTIVE TERMINATION DATES." 12 13

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

NEW SECTION. Section 1. Postsecondary

vocational-technical center account established. There is
within the earmarked revenue fund a postsecondary

vocational-technical center account. Money is paid into the
account under 90-6-211. The state treasurer shall draw

warrants payable from this account upon order of the
superintendent of public instruction.

Section 2. Section 90-6-211, MCA, is amended to read:

"90-6-211. Disposition of interest from unexpended
balance. The unexpended balance in the local impact and
education trust fund account shall be invested as provided

by statute by the board of investments. Of the income from such investments each year 10% shall be added to the principal of the account to be segregated and held in trust for--the--purposes--of--supporting--the--public--schools-and university-systems of the -- state paid into the earmarked revenue fund for use by the superintendent of public 7 instruction for purposes of the postsecondary vocational-technical centers in the state, subject to the budgeting authority of the legislature. Of the remaining 10 90% of the income from such investments, three-fourths shall 11 be annually paid into the earmarked revenue fund for state 12 equalization aid to public schools of the state and 13 one-fourth each year shall be paid to the board of regents 14 of higher education for use by the institutions of higher 15 learning in the state, subject to the budgeting authority of 16 the legislature. Except as provided in 90-6-205(4), the 17 principal of the local impact and educational trust fund 18 shall be dedicated to education and forever remain inviolate 19 and sacred to this purpose as provided in sections 3 and 10 20 of Article X of the Montana constitution." 21 Section 3. Section 90-6-211, MCA, is amended to read:

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2- INTRODUCED BILL A 12-105

#90-6-211. Disposition of interest from unexpended

balance. The unexpended balance in the local impact and

education trust fund account shall be invested as provided

by statute by the board of investments. Of the income from

1 such investments each year 19%-shall be added to the principal-of-the-account-to-be-segregated-and-hald-in-trust 3 for-the-purposes-of-supporting-the-public-schools-and wniversity-systems-of-the-states---Bf-the--remaining--98%---of 5 the -income -from -such -investments, three-fourths shall be annually paid into the earmarked revenue fund for state 7 equalization aid to public schools of the state and one-fourth each year shall be paid to the board of regents 9 of higher education for use by the institutions of higher 10 learning in the state, subject to the budgeting authority of 11 the legislature. Except as provided in 90-6-205(4), the 12 principal of the local impact and educational trust fund 13 shall be dedicated to education and forever remain inviolate 14 and sacred to this purpose as provided in sections 3 and 10 15 of Article X of the Montana constitution." 16 MEM\_SECTION. Section 4. Effective dates termination. (1) Sections 1 and 2 are effective on July 1, 17 18 1983, and terminate on October 1, 1988. 19 (2) Section 3 is effective October 1, 1988.

-End-

### STATE OF MONTANA

REQUEST NO. 065-83

#### FISCAL NOTE

Form BD-15

n compliance with a written request received <u>January 10</u> , 19 $83$ , there is hereby submitted a Fiscal N	lote
or House Bill 105 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 mem	bers
of the Legislature upon request.	

## DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 105 allocates the postsecondary vocational/technical centers that portion of interest earnings now being reinvested in the local impact and education trust fund; provides for termination of this provision after approximately 5 years; provides for the disposition of interest earnings after 1988; and provides effective and termination dates.

## ASSUMPTIONS:

- 1) Current law 10% of interest earnings added to principal of local impact and education trust fund account.
- 2) Proposed law 10% of interest earnings allocated to earmarked revenue fund for postsecondary vocational-technical centers.
- 3) Effective July 1, 1983.
- 4) Section 3 effective October 1, 1988.
- 5) Interest earnings from local impact and education trust fund FY 84 \$7,622,000; and FY 85 \$8,907,000 (OBPP estimates).

## FISCAL IMPACT:

Reallocation of 10% of interest earnings from local impact and education trust fund to earmarked revenue fund for postsecondary vocational-technical centers equals \$762,000 in FY 84 and \$890,700 in FY 85.

# LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Approximately \$1 million per year would be allocated to vo-tech centers through FY 88. Due to the \$1 million per year going to the vo-tech centers, there will not be any interest earnings being reinvested into the local impact and education trust fund.

FISCAL NOTE3:P/1

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-13-85

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25

HB 0105/02

App. by comm. on education and cultural resources

MENAHAN, EUDAILY, LORY, FABREGA, HANNAH, FAGG, 5 RAMIREZ, CURTISS, ELLIOTT BY REQUEST OF THE COAL TAX OVERSIGHT SUBCOMMITTEE 7 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOCATE TO THE 8 POSTSECONDARY VOCATIONAL-TECHNICAL CENTERS AND ADULT BASIC 9 10 EDUCATION PROGRAMS THAT PORTION OF INTEREST EARNINGS NOW 11 BEING REINVESTED IN THE LOCAL IMPACT AND EDUCATION TRUST 12 FUND: PROVIDING-FOR--TERMINATION--OF--THIS--PROVISION--AFTER 13 APPROXEMATELY--5--YEARST--PROVEDENG--FOR--THE-DECPOSETEON-OF 4 INTEREST-EARNINGS-AFTER--1988+ AMENDING SECTION 90-6-211. 5 ـ MCA: AND PROVIDING EFFECTIVE--AND--TERMINATION--DATES AN EFFECTIVE\_DATE." 16 17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 18 19 NEW SECTION. Section 1. Postsecondary vocational-technical center AND ADULT BASIC EDUCATION 20 PROGRAMS account established. There is within the earmarked 21 22 revenue fund a postsecondary vocational-technical center AND ADULT BASIC FOUCATION account. Money is paid into the 23 account under 90-6-211. The state treasurer shall draw 24

warrants payable from this account upon order of the

HOUSE BILL NO. 105

INTRODUCED BY WINSLOW, SCHULTZ, DAILY, SANDS, HEMSTAD.

DONALDSON, BENGTSON, MARKS, QUILICI, ROUSH, MCCALLUM,

superintendent of public instruction.

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Section 2. Section 90-6-211. MCA. is amended to read: 3 #90-6-211. Disposition of interest from unexpended balance. The unexpended balance in the local impact and education trust fund account shall be invested as provided by statute by the board of investments. Of the income from 7 such investments each year 10% shall be added--to--the principal--of-the-account-to-be-segrequied-and-held-in-trust 9 for-the-purposes--of--supporting--the--public--schools--and 10 university--systems--of--the--atate paid into the earmarked 11 revenue fund for use by the superintendent of public 12 instruction for purposes of the postsecondary 13 xocational-technical centers AND ADULT BASIC FOUCATION 14 PROGRAMS in the states subject to the budgeting authority of 15 the legislature. WITHIN THE ACCOUNT UNDER (SECTION 1). THE REVENUE IS SMARED EQUALLY BETWEEN THE POSISECONDARY VOCATIONAL-TECHNICAL CENTERS AND THE ADULT BASIC EDUCATION 17 18 PROGRAMS. Of the remaining 90% of the income from such investments, three-fourths shall be annually paid into the 19 earmarked revenue fund for state equalization aid to public 20 21 schools of the state and one-fourth each year shall be paid 22 to the board of regents of higher education for use by the 23 institutions of higher learning in the state, subject to the budgeting authority of the legislature. Except as provided 25 in 90-6-205(4), the principal of the local impact and

-2-

**HB 105** 

HB 0105/02

EFFECTIVE JULY 1. 1983.

educational trust fund shall be dedicated to education and forever remain inviolate and sacred to this purpose as provided in sections 3 and 10 of Article X of the Montana constitution."

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Section-3a--Section--98-6-211y-MEAy-is-aMended-to-Feadt #98-6-211:--Bisposition--of--interest--from--unexpended education-trust-fund-account-shall-be-invested--as--provided by--statute--by-the-board-of-investments--8f-the-income-from such-investments--each--year--lux--shall--be--added--to--the principal--of-the-occount-to-be-segregated-and-held-in-trust for-the--purposes--of--supporting--the--public--schools--and university--systems--of--the-states--Of-the-remaining-90%-of the-income-from-such--investmentsy--three-fourths--mhall--be annually--paid--into--the--carmarked--revenue-fund-for-state equalization--aid--to--public--schools--of--the--state---and one-fourth---each-year-shall-be-paid-to-the-board-of-regents of-higher-education-for-use-by-the--institutions--of--higher learning-in-the-statey-subject-to-the-budgeting-authority-of the--legislatures--Except--as--provided--in-98-6-205†4)v-the principal-of-the-local-impact--and--educational--trust--fund shall-be-dedicated-to-edgcation-and-forever-remain-inviolate and--sacred-to-this-purpose-as-provided-in-sections-3-and-10 of-Article-X-of-the-Montana-constitution."

termination=---(1)-Sections-1-and-2-are-effective-on-duly-1v

1983v-and-terminate-on-Setober-1v-1988v

121--Section-3-is-effective-Sectober-1v-1988v

NEW\_SECTION\_A\_\_EFFECTIVE\_DATEs\_\_THIS\_ACT\_IS

-End-

-4-

HB 105

<u>NEW-SECTIONs</u>--Section-4v--Effective-----dates-----

48th Legislature HB 0105/03 HB 0105/03

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1	HOUSE BILL NO. 105
2	INTRODUCED BY WINSLOW, SCHULTZ, DATLY, SANDS, HEMSTAD,
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-2- HB 105

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provided in sect	ions 3 and	10 of Artic	le X of	the P	lontan
constitution."					
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<del>"98</del> -6-211*-	-Bispositio	nofinter	estfr	omunex	pende

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NEW-SECTIONs--Section-4---Effective-----dates-----

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1	terminationstij-Sections-i-and-z-are-errective-on-pery-iv
2	1963y-and-terminate-on-Sctober-ly-1988*
3	t2;Section-3-is-effective-October-iy-1988*
4	NEW SECTION. SECTION 3. EFFECTIVE DATE. THIS ACT. IS
5	EEEECIIVE_JULY_1= 1983=
	-€nd-

HB 0105/03

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48th Legislature

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1 superintendent of public instruction. 2 Section 2. Section 90-6-211, HCA, is amended to read: \*90-6-211. Disposition of interest from unexpended balance. The unexpended balance in the local impact and education trust fund account shall be invested as provided by statute by the board of investments. Of the income from 7 such investments each year 10% shall be added--to--the principal--of-the-account-to-be-segregated-and-held-in-trust for-the--purposes--of--supporting--the--public--schools--and university--systems--of--the--state paid into the earmarked 10 11 revenue fund for use by the superintendent of public instruction for ourposes of the postsecondary 12 vocational-technical centers AND ADULT BASIC FOUCATION 13 PROGRAMS in the state subject to the budgeting authority of 14 the legislature. WITHIN THE ACCOUNT UNDER (SECTION 11. THE 15 REVENUE IS SHARED EGHALLY BETWEEN THE POSTSECONDARY 16 17 VOCATIONAL-TECHNICAL CENIERS AND THE ADULT BASIC EDUCATION 18 PROGRAMS. Of the remaining 90% of the income from such investments, three-fourths shall be annually paid into the 19 20 earmarked revenue fund for state equalization aid to public 21 schools of the state and one-fourth each year shall be paid 22 to the board of regents of higher education for use by the 23 institutions of higher learning in the state, subject to the budgeting authority of the legislature. Except as provided 24 in 90-6-205(4), the principal of the local impact and 25

educational trust fund shall be dedicated to education and forever remain inviolate and sacred to this purpose as provided in sections 3 and 10 of Article X of the Montana constitution.\*\*

Section-3\*--Section--99-6-211\*-MGA\*-is-amended-to-read:

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#98-6-211---Disposition--of--interest--from--unexpended education-trust-fund-account-shall-be-invested--es--provided by--statute--by-the-board-of-investments--8f-the-income-from such-investments--each--year--10%--shall--be--added--to--the principal--of-the-account-to-be-segregated-end-held-in-trust for-the--purposes--of--supporting--the--public--schools--and university--systems--of--the-statev--8f-the-remaining-98%-of the-income-from-such--investmentsy--three-fourths--chall--be annually-paid--into-the--earmorked--revenue-fund-fer-state equalization--eid--to--public--schools--of--the--state---and one-fourth---each-year-shall-be-paid-to-the-board-of-regents of-higher-education-for-use-by-the--institutions--of--higher tearning-in-the-statey-subject-to-the-budgeting-authority-of the--legislatures--Except--as--provided--in-98-6-205(4);-the principal-of-the-local-impact--and--educational--trust--fund shall-be-dedicated-to-aducation-end-forever-remain-inviolate and--sacred-to-this-purpose-as-provided-in-sections-3-and-10 of-Article-X-of-the-Montona-constitution."

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terminations---(1)-Sections-1-and-2-are-effective-on-duly-ly

1983y-and-terminate-on-8ctober-ly-1988y

(2)--Section-3-is-effective-8ctober-ly-1988y

NEW SECTION SECTION 3 FFECTIVE DATE: THIS ACT IS

EFFECTIVE JULY 1: 1983:

-End-