

HOUSE BILL NO. 105

INTRODUCED BY WINSLOW, SCHULTE, DAILY, SANDS, HEMSTAD,
DONALDSON, BENGTON, 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.
February 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

Second reading, concurred in.

March 25, 1983

Third reading, concurred in.
Ayes, 46; Noes, 2.

IN THE HOUSE

March 25, 1983

Returned to House.

March 26, 1983

Sent to enrolling.

Reported correctly enrolled.

House BILL NO. *105*

INTRODUCED BY *Stephen Schatz, Darcy Lunde, Donaldson, Benjamin Mark, Rubin, Rosta M. Ballman, Mencher, Curtis, Roy, Ramirez, Curtiss, Kellieff*
BY REQUEST OF THE COAL TAX OVERSIGHT SUBCOMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOCATE TO THE POSTSECONDARY VOCATIONAL-TECHNICAL CENTERS THAT PORTION OF INTEREST EARNINGS NOW BEING REINVESTED IN THE LOCAL IMPACT AND EDUCATION TRUST FUND; PROVIDING FOR TERMINATION OF THIS PROVISION AFTER APPROXIMATELY 5 YEARS; PROVIDING FOR THE DISPOSITION OF INTEREST EARNINGS AFTER 1988; AMENDING SECTION 90-6-211, MCA; AND PROVIDING EFFECTIVE AND TERMINATION DATES."

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 instruction for purposes of the postsecondary vocational-technical centers in the state, subject to the budgeting authority of the legislature. Of the remaining 90% of the income from such investments, three-fourths shall be annually paid into the earmarked 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 state, subject to the budgeting authority of the legislature. Except as provided in 90-6-205(4), the principal of the local impact and 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 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

1 such investments each year 10% shall be added to the
2 principal of the account to be segregated and held in trust
3 for the purposes of supporting the public schools and
4 university systems of the state. Of the remaining 90% of
5 the income from such investments, three-fourths shall be
6 annually paid into the earmarked revenue fund for state
7 equalization aid to public schools of the state and
8 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 NEW SECTION. Section 4. Effective dates —
17 termination. (1) Sections 1 and 2 are effective on July 1,
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

In compliance with a written request received January 10, , 19 83 , there is hereby submitted a Fiscal Note for 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 members 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: 1-13-83

App. by comm. on education
and cultural resources

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POSTSECONDARY VOCATIONAL-TECHNICAL CENTERS AND ADULT BASIC
EDUCATION PROGRAMS THAT PORTION OF INTEREST EARNINGS NOW
BEING REINVESTED IN THE LOCAL IMPACT AND EDUCATION TRUST
FUND; ~~PROVIDING FOR TERMINATION OF THIS PROVISION AFTER
APPROXIMATELY 5 YEARS; PROVIDING FOR THE DISPOSITION OF
INTEREST EARNINGS AFTER 1988;~~ AMENDING SECTION 90-6-211,
MCA; AND PROVIDING EFFECTIVE ~~AND TERMINATION DATES AN
EFFECTIVE DATE."~~

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

NEW SECTION. Section 1. Postsecondary
vocational-technical center AND ADULT BASIC EDUCATION
PROGRAMS account established. There is within the earmarked
revenue fund a postsecondary vocational-technical center AND
ADULT BASIC EDUCATION 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
instruction for purposes of the postsecondary
vocational-technical centers AND ADULT BASIC EDUCATION
PROGRAMS in the state, subject to the budgeting authority of
the legislature. WITHIN THE ACCOUNT UNDER [SECTION 1], THE
REVENUE IS SHARED EQUALLY BETWEEN THE POSTSECONDARY
VOCATIONAL-TECHNICAL CENTERS AND THE ADULT BASIC EDUCATION
PROGRAMS. Of the remaining 90% of the income from such
investments, three-fourths shall be annually paid into the
earmarked 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 state, subject to the
budgeting authority of the legislature. Except as provided
in 90-6-205(4), the principal of the local impact and

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

5 ~~Section 3. Section 90-6-211, MCA, is amended to read~~
6 ~~"90-6-211. Disposition of interest from unexpanded~~
7 ~~balances. The unexpanded balance in the local impact and~~
8 ~~education trust fund account shall be invested as provided~~
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10 ~~such investments each year 10% shall be added to the~~
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21 ~~principal of the local impact and educational trust fund~~
22 ~~shall be dedicated to education and forever remain inviolate~~
23 ~~and sacred to this purpose as provided in sections 3 and 10~~
24 ~~of Article X of the Montana constitution."~~

25 ~~NEW SECTION. Section 4. Effective dates.~~

1 ~~terminations. (1) Sections 1 and 2 are effective on July 1,~~
2 ~~1983 and terminate on October 1, 1988.~~
3 ~~(2) Section 3 is effective October 1, 1988.~~
4 ~~NEW SECTION. SECTION 3. EFFECTIVE DATE. THIS ACT IS~~
5 ~~EFFECTIVE JULY 1, 1983.~~

-End-

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

5 Section 3--Section--90-6-211v--MCA--is--amended--to--read
6 "90-6-211v--Disposition--of--interest--from--unexpended
7 balancev--The--unexpended--balance--in--the--local--impact--and
8 education--trust--fund--account--shall--be--invested--as--provided
9 by--statute--by--the--board--of--investments--8f--the--income--from
10 such--investments--each--year--10%--shall--be--added--to--the
11 principal--of--the--account--to--be--segregated--and--held--in--trust
12 for--the--purposes--of--supporting--the--public--schools--and
13 university--systems--of--the--state--8f--the--remaining--90%--of
14 the--income--from--such--investments--three--fourths--shall--be
15 annually--paid--into--the--earmarked--revenue--fund--for--state
16 equalization--aid--to--public--schools--of--the--state--and
17 one--fourth--each--year--shall--be--paid--to--the--board--of--regents
18 of--higher--education--for--use--by--the--institutions--of--higher
19 learning--in--the--state--subject--to--the--budgeting--authority--of
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22 shall--be--dedicated--to--education--and--forever--remain--inviolate
23 and--sacred--to--this--purpose--as--provided--in--sections--3--and--10
24 of--Article--X--of--the--Montana--constitution."

25 ~~NEW SECTION~~--Section--4--Effective--dates-----

1 terminationv--(1)--Sections--1--and--2--are--effective--on--July--1v
2 1983v--and--terminate--on--October--1v--1988v
3 (2)--Section--3--is--effective--October--1v--1988v
4 NEW SECTION. SECTION 3. EFFECTIVE DATE. THIS ACT IS
5 EFFECTIVE JULY 1, 1983.

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24 of--Article--X--of--the--Montana--constitution."

25 ~~NEW SECTION~~ Section 4, Effective ----- dates -----

1 terminations---(1) Sections 1 and 2 are effective on July 1,
2 1983, and terminate on October 1, 1988.
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4 NEW SECTION. SECTION 3. EFFECTIVE DATE. THIS ACT IS
5 EFFECTIVE JULY 1, 1983.

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