

HOUSE BILL NO. 237

Introduced: 01/14/83

Referred to Committee on Local Government: 01/14/83

Hearing: 1/22/83

Report: 01/26/83, Do Pass

Rereferred to committee on Appropriations: 01/27/83

Hearing: 2/11/83

Died in Committee

1 ~~House~~ BILL NO. 237
 2 INTRODUCED BY Deborah Ochsner, M. Hanson
 3 Switzer, Compton Ryan ~~and~~
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE
 5 DISTRIBUTION OF MONEY RECEIVED BY THE STATE FROM THE FEDERAL
 6 MINERAL LANDS LEASING ACT BY INCLUDING DISTRIBUTION TO
 7 COUNTIES, CITIES, AND TOWNS; ESTABLISHING HOW A COUNTY,
 8 CITY, OR TOWN MAY USE SUCH MONEY; AMENDING SECTIONS 17-3-201
 9 AND 20-9-343, MCA; AND PROVIDING AN EFFECTIVE DATE."
 10
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 12 Section 1. Section 17-3-201, MCA, is amended to read:
 13 "17-3-201. Deposit Distribution of gas and oil
 14 royalties from federal government ~~in highway account~~. It
 15 ~~shall be~~ is the duty of the state treasurer to ~~pay 37 1/2%~~
 16 ~~of distribute, within 30 days of its receipt, the moneys~~
 17 ~~money~~ received from the treasurer of the United States as
 18 the state's share of gas, oil, and other mineral royalties
 19 under the federal Mineral Lands Leasing Act, as amended, in
 20 the following manner:
 21 (1) 15% to the state highway account in the earmarked
 22 revenue fund;
 23 (2) 20% to the counties in which royalties were
 24 generated;
 25 (3) 40% to all counties, cities, and towns within the

1 ~~state on a per capita basis using the most recent federal~~
 2 ~~decennial census; and~~
 3 ~~(4) 25% to school equalization aid as provided in~~
 4 ~~20-9-343."~~
 5 NEW SECTION. Section 2. Use of Mineral Lands Leasing
 6 Act money. A local government may use federal Mineral Lands
 7 Leasing Act money distributed under 17-3-201, in compliance
 8 with applicable federal law, for:
 9 (1) providing public services;
 10 (2) construction and maintenance of public facilities;
 11 or
 12 (3) planning.
 13 Section 3. Section 20-9-343, MCA, is amended to read:
 14 "20-9-343. Definition of and revenue for state
 15 equalization aid. (1) As used in this title, the term "state
 16 equalization aid" means those moneys deposited in the
 17 earmarked revenue fund as required in this section plus any
 18 legislative appropriation of moneys from other sources for
 19 distribution to the public schools for the purpose of
 20 equalization of the foundation program.
 21 (2) The legislative appropriation for state
 22 equalization aid shall be made in a single sum for the
 23 biennium. The superintendent of public instruction has
 24 authority to spend such appropriation, together with the
 25 earmarked revenues provided in subsection (3), as required

for foundation program purposes throughout the biennium.

{3} The following shall be paid into the earmarked revenue fund for state equalization aid to public schools of the state:

(a) 25% of all moneys received from the collection of income taxes under chapter 30 of Title 15;

(b) 25% of all moneys, except as provided in 15-31-702, received from the collection of corporation license taxes under chapter 31 of Title 15, as provided by 15-1-501;

(c) 10% of the moneys received from the collection of the severance tax on coal under chapter 35 of Title 15;

(d) ~~62-172%~~ 25% of the moneys received from the treasurer of the United States as the state's shares of oil, gas, and other mineral royalties under the federal Mineral Lands Leasing Act, as amended;

(e) interest and income moneys described in 20-9-341 and 20-9-342;

(f) income from the local impact and education trust fund account; and

(g) in addition to these revenues, the surplus revenues collected by the counties for foundation program support according to 20-9-331 and 20-9-333 shall be paid into the same earmarked revenue fund.

(4) Any surplus revenue in the state equalization aid

account in the second year of a biennium may be used to reduce the appropriation required for the next succeeding biennium [or may be transferred to the state permissive account if revenues in that fund are insufficient to meet the state's permissive amount obligation]."

NEW SECTION. Section 4. Effective date. This act is effective March 1, 1983.

-End-

STATE OF MONTANA

128-83

REQUEST NO. _____

FISCAL NOTE

Form BD-15

In compliance with a written request received January 17, , 19 83 , there is hereby submitted a Fiscal Note for House Bill 237 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 237 is an act to change the distribution of money received by the state from the Federal Minerals Lands Leasing Act.

ASSUMPTIONS:

- 1) Total receipts from the federal mineral leasing act will be \$17,655,709 in FY 84 and \$20,113,565 in FY 85.
- 2) Second payment in FY 1983 will be received after March 1, 1983 and will total \$8,241,947.
- 3) Public school financing schedules will remain at the FY 1983 level.

FISCAL IMPACT:

	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>
State Highway Account			
Under Current Law	\$3,090,730	\$6,620,891	\$7,542,587
Under Proposed Law	<u>1,236,292</u>	<u>2,648,356</u>	<u>3,017,035</u>
Decrease in Revenue	<u>\$(1,854,438)</u>	<u>\$(3,972,535)</u>	<u>\$(4,525,552)</u>
Public School Equalization			
Under Current Law	\$5,151,217	\$11,034,818	\$12,570,978
Under Proposed Law	<u>2,060,487</u>	<u>4,413,927</u>	<u>5,028,391</u>
Decrease in Revenue	<u>\$(3,090,730)</u>	<u>\$(6,620,891)</u>	<u>\$(7,542,587)</u>
Total State Revenue			
Under Current Law	\$ 8,241,947	\$17,655,709	\$20,113,565
Under Proposed Law	<u>3,296,779</u>	<u>7,062,283</u>	<u>8,045,426</u>
Decrease in Revenue	<u>\$(4,945,168)</u>	<u>\$(10,593,426)</u>	<u>\$(12,068,139)</u>

In order to maintain public school financing at the FY 1983 level, an additional \$17,254,208 of general fund money would have to be added.

LOCAL IMPACT:

The proposed law would provide local governments additional revenue. Counties in which royalties are collected would receive \$9,202,244 over the next 3 years. Approximately \$18,404,488 would be distributed to all counties; cities and towns on a per capita basis.

FISCAL NOTE 5:S/1


BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-20-83

Approved by Comm.
on Local Government

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