

HOUSE BILL NO. 443

Introduced: 01/22/83

Referred to Committee on Highways & Transportation: 01/22/83

Hearing: 2/10/83

Report: 02/17/83, do pass

2nd Reading: 02/21/83, Do Not Pass

Bill Killed

1 House BILL NO. 443 Curless
2 INTRODUCED BY Seifert Madala Decker Stallone Swift
3 Ellis Johnson Harris Woodworth Agan Chiswick
4 Harbo Canfield Smith Waldron Ellison Maynard
5 Miller Jensen Hayes Hemsted M. Hansen Perse
6 Patril
7 REDUCE THE AMOUNT OF COAL SEVERANCE TAX REVENUE TO BE Welling
8 ALLOCATED TO THE COAL SEVERANCE TAX TRUST FUND FROM 50 Emst
9 PERCENT TO 30 PERCENT AND REQUIRING THAT NOT LESS THAN 20 Madala
10 PERCENT OF THE COAL SEVERANCE TAX REVENUE, AND THE INTEREST Parmig
11 THEREFROM, BE USED SOLELY FOR THE CONSTRUCTION AND
12 RECONSTRUCTION OF THE STATE'S HIGHWAYS; PROVIDING THAT THE
13 ACT BE SUBMITTED TO THE ELECTORS OF THE STATE OF MONTANA;
14 AND PROVIDING AN EFFECTIVE DATE AND TERMINATION DATE."
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
16 Section 1. Article IX, section 5, of the Constitution
17 of the State of Montana is amended to read:
18 "Section 5. Severance tax on coal -- trust fund ==
19 highway fund. (1) The legislature shall dedicate not less
20 than one-fourth (1/4) 30% of the coal severance tax to a
21 trust fund, the interest and income from which may be
22 appropriated. The principal of the trust shall forever
23 remain inviolate unless appropriated by vote of
24 three-fourths (3/4) of the members of each house of the
25 legislature. After December 31, 1979, at least fifty percent

1 ~~(50%) of the severance tax shall be dedicated to the trust~~
2 ~~fund.~~
3 (2) (a) Not less than 20% of the coal severance tax
4 shall be deposited to a coal severance tax highway fund to
5 be used solely for the construction and reconstruction of
6 the state's highways.
7 (b) The interest and income from the coal severance
8 tax highway fund shall be redeposited in the fund.
9 (c) The legislature may provide for the allocation of
10 the coal severance tax highway fund, including allocation of
11 a portion of the fund to local governments."
12 NEW SECTION. Section 2. Effective date --
13 termination -- legislative extension. If approved by the
14 electorate, this amendment is effective July 1, 1985, and
15 terminates July 1, 1995, unless extended for an additional
16 10-year period by an affirmative vote of two-thirds of the
17 members of each house of the legislature.
18 NEW SECTION. Section 3. Submission to electorate.
19 This amendment shall be submitted to the electors of the
20 state of Montana at the general election to be held November
21 6, 1984, by printing on the ballot the full title of this
22 act and the following:
23 ☐ FOR reducing the amount of coal severance tax
24 revenue going to the coal severance tax trust fund
25 and allocating not less than 20% of the coal

1 severance tax revenue to highway construction and
2 reconstruction.
3 ☐ AGAINST reducing the amount of coal severance tax
4 revenue going to the coal severance tax trust fund
5 and allocating not less than 20% of the coal
6 severance tax revenue to highway construction and
7 reconstruction.

-End-

STATE OF MONTANA

REQUEST NO. 221-83

FISCAL NOTE

Form BD-15

In compliance with a written request received January 24, 19 83, there is hereby submitted a Fiscal Note for House Bill 443 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

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:

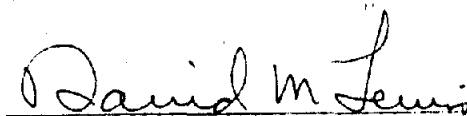
House Bill 443 amends Article IX, Section 5, of the Constitution of the State of Montana to reduce the amount of coal severance tax revenue to be allocated to the coal severance tax trust fund from 50 percent to 30 percent and requires that no less than 20 percent of the coal severance tax revenue, and the interest therefrom, be used solely for the construction and reconstruction of the state's highways'; provides that the act be submitted to the electors of the State of Montana; and provides an effective date and termination date.

FISCAL IMPACT:

The proposed constitutional amendment would have no fiscal impact during the biennium because the effective date of the amendment is July 1, 1985. If the amendment was in effect for the biennium, coal severance tax revenues allocated to the constitutional trust fund would decrease from \$49.3 million to \$29.6 million in FY 84 and from \$61.5 million to \$36.9 million in FY 85. The coal severance tax highway fund would receive \$19.7 million in FY 84 and \$24.6 million in FY 85.

In addition to the fiscal impact on the constitutional trust fund, general fund interest earnings would also be lost. Currently, the Office of Budget and Program Planning and the Legislative Fiscal Analyst have included all earnings from the constitutional trust fund in their general fund revenue estimates.

FISCAL NOTE 6:BB/1



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-28-83

1 ~~(50%) of the severance tax shall be dedicated to the trust~~
2 ~~funds.~~

3 (2Y) (a) Not less than 20% of the coal severance tax
4 shall be deposited to a coal severance tax highway fund to
5 be used solely for the construction and reconstruction of
6 the state's highways.

7 (b) The interest and income from the coal severance
8 tax highway fund shall be redeposited in the fund.

9 (c) The legislature may provide for the allocation of
10 the coal severance tax highway funds, including allocation of
11 a portion of the fund to local governments."

12 NEW SECTION. Section 2. Effective date —
13 termination — legislative extension. If approved by the
14 electorate, this amendment is effective July 1, 1985, and
15 terminates July 1, 1995, unless extended for an additional
16 10-year period by an affirmative vote of two-thirds of the
17 members of each house of the legislature.

18 NEW SECTION. Section 3. Submission to electorate.
19 This amendment shall be submitted to the electors of the
20 state of Montana at the general election to be held November
21 6, 1984, by printing on the ballot the full title of this
22 act and the following:

23 ☐ FOR reducing the amount of coal severance tax
24 revenue going to the coal severance tax trust fund
25 and allocating not less than 20% of the coal

1 severance tax revenue to highway construction and
2 reconstruction.
3 ☐ AGAINST reducing the amount of coal severance tax
4 revenue going to the coal severance tax trust fund
5 and allocating not less than 20% of the coal
6 severance tax revenue to highway construction and
7 reconstruction.

-End-