HOUSE BILL NO. 446

1

INTRODUCED BY D. BROWN, FABREGA, IVERSON, QUILICI, BLLISON, ROUSH, HAND, DAILY, DARKO, ECK, LYNCH, HARRINGTON, SAUNDERS, HALLIGAN, PAVLOVICH

BY REQUEST OF THE HARD-ROCK MINING SUBCOMMITTEE

IN THE HOUSE

January 22, 1983	Introduced and referred to Committee on Taxation.
March 11, 1983	Committee recommend bill do pass as amended. Report adopted.
	Statement of Intent attached.
March 12, 1983	Bill printed and placed on members' desks.
March 15, 1983	Second reading, do pass as amended.
March 16, 1983	Correctly engrossed.
March 18, 1983	Third reading, passed. Transmitted to Senate.
	in the senate
March 19, 1983	Introduced and referred to Committee on Taxation.
March 29, 1983	Committee recommend bill be concurred in. Report adopted.
March 30, 1983	Second reading, pass consideration.
	On motion, taken from second reading and referred to Committee on Finance and

Claims.

April 14, 1983 On motion, taken from Committee on Finance and Claims as amended and placed on second reading. Second reading, concurred in as amended.

> Third reading, concurred in. Ayes, 42; Noss, 6.

IN THE HOUSE

April 16, 1983

April 15, 1983

April 18, 1983

Returned to House with amendments.

Second reading, amendments concurred in.

Third reading, amendments concurred in.

Sent to enrolling.

Reported correctly enrolled.

1 INTRODUCED BY z KOUSH BY REQUEST OF THE HARD-ROCK MINING SUBCOMMITTEE Narko Eak t "AN ACT PROVIDING FOR THE A BILL FOR AN ACT ENTITLED: -5 ALLOCATION OF METALLIFEROUS MINES LICENSE TAXES TO THE ĸ GENERAL FUND AND TO AN IMPACT TRUST ACCOUNT; RESTRICTING THE 7 USES OF THE IMPACT TRUST ACCOUNT; PROVIDING FOR A SMALL 8 MINER'S EXEMPTION FROM THE NETALLIFEROUS MINES LICENSE TAX; 9 AMENDING SECTIONS 15-1-501, 15-37-101, 15-37-103, AND 10 11 90-6-303 THROUGH 90-6-306. MCA.*

12

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 <u>NEW SECTION</u> Section 1. Disposition of metalliferous
 mines license taxes. Metalliferous mines license taxes
 collected under the provisions of this part are allocated as

17 follows:

18 (1) to the credit of the general fund of the state;
19 67% of total collections each year;

20 (2) to the earmarked revenue fund to the credit of a
21 hard-rock mining impact trust account, 33% of total
22 collections each year.

23 <u>NEW SECTION</u>. Section 2. Basis for awarding grants and 24 loans from the hard-rock mining impact trust account --25 restrictions. (1) Whenever the board determines that a mining operation has permanently ceased all mining-related activity or has experienced at least a 50% reduction in its full-time equivalent mining work force over the immediately preceding 5-year period, the board may in its discretion award grants and loans from the hard-rock mining impact trust account to an affected local government unit in accordance with subsection {2}.

8 (2) The board may award grants and loans to assist a
9 local government unit in efforts to:

10 (a) pay for outstanding capital project bonds or other 11 expenses incurred at least 5 years prior to the end of 12 mining activity or the reduction in a work force as 13 specified in subsection (1);

(b) decrease unusually high property tax mill levies
that are directly caused by the cessation or reduction of
mining activity;

17 {c) promote diversification and development of the
18 economic base within a local government unit;

19 (d) attract new industry to the impact area; and

20 (e) provide cash incentives for expanding the
21 employment base of the impact area.

22 (3) Not more than 50% of the money available in the
23 hard-rock mining impact trust account may be granted or
24 loaned for the purpose of assisting local governments.

25 (4) The amount of money that is available to be

-2-

INTRODUCED BILL

141 Billion

LC 0261/01

granted or loaned to a local government unit within an 1 impact area may not exceed the balance in the hard-rock 2 mining impact trust account credited to that area under the 3 4 provisions of [section 3] and 90-6-304.

NEW SECTION. Section 3. Eligibility for grants and 5 loans from county accounts --- board rules. (1) The hard-rock 6 7 mining impact trust account must be maintained on a 8 county-by-county basis. Any local government unit in the state directly impacted by the cessation or reduction of 9 10 mining-related activity may apply to the board for impact 11 grants or loans from the account for the county in which such cessation or reduction occurred. 12

13 (2) The board shall determine to what degree a local government unit is directly impacted by a cessation or 14 reduction in mining-related activity, and such determination 15 16 is final. The board shall adopt rules that provide a procedure for designating local government units and areas 17 impacted by the cessation or reduction of mining-related 18 activity. 19

20 Section 4. Section 15-1-501, MCA, is amended to read: 21 #15-1-501. Disposition of woneys from certain 22 designated license and other taxes. (1) The state treasurer shall deposit to the credit of the state general fund all 23 moneys received by him from the collection of: 24

25

(b) electric energy producer's license taxes under

3 chapter 51;

1

z

(1) through (6) of 61-5-111;

te)--metalliferous--mines--license--toxes-under-chapter 4 37+ 5

tdt(c) oil and gas severance taxes allocated to the 6 7 general fund under chapter 36;

8 tet(d) liquor license taxes under Title 16;

(f)(e) telephone license taxes under chapter 53; and 9 (f) inheritance and estate taxes under Title 72, 10 11 chapter 16.

(2) Seventy-five percent of all moneys received from 12 13 the collection of income taxes under chapter 30 and 14 corporation license and income taxes under chapter 31, except as provided in 15-31-702, shall be deposited in the 15 general fund subject to the prior pledge and appropriation 16 of such income tax and corporation license tax collections 17 for the payment of long-range building program bonds. The 18 remaining 25% of the proceeds of the corporation license 19 20 tax, excluding that allocated to the counties under 21 15-31-702, corporation income tax, and income tax shall be deposited to the credit of the earmarked revenue fund for 22 state equalization aid to the public schools of Montana. 23

(3) The state treasurer shall also deposit to the 24 credit of the state general fund all moneys received by him 25

-3-

(a) automobile driver's license fees under subsections

-4-

from the collection of license taxes, fees, and all net
 revenues and receipts from all other sources under the
 operation of the Montana Alcoholic Beverage Code,^m

Section 5. Section 15-37-101, MCA, is amended to read: 4 #15-37-101. License tax on metal mines. (1) Every 5 person who engages in or carries on the business of working 6 or operating any mine or mining property in the state of 7 Montana from which gold, silver, copper, lead, or any other 8 metal or metals or precious or semiprecious gens or stones 9 of any kind shall be mined, extracted, or produced, whether 10 such person shall carry on such business or engage in such 11 work or operations as owner, lessee, trustee, possessor, 12 receiver, or in any other capacity, must for each year when 13 engaged in or carrying on such business, work, or operations 14 pay to the department of revenue for the exclusive use and 15 benefit of the state of Montana and impacted local 16 government units a license tax for engaging in and carrying 17 on such business, work, or operation in this state. 18

19 (2) Nothing contained in this part shall be construed 20 as requiring laborers or employees hired or employed by any 21 person to mine or to work in or about any mine or mining 22 business or property to pay such license taxes, nor shall 23 any discovery work required to be done in prospecting for or 24 locating any mining claims or any annual assessment work or 25 work required in the obtaining of title to mining property from the United States or required by the laws of the United
 States or of this state in order to hold possessory title to
 any mining claims be deemed the engaging in or carrying on
 of the business of working or operating any such mine or
 mining property."

Section 6. Section 15-37-103, MCA, is amended to read: 6 *15-37-103. Rate of tax. The annual license tax to be 7 paid by such person engaged in or carrying on the business 8 9 of working or operating any mine or mining property in this 10 state from which gold, silver, copper, lead, or any other metal or metals or precious or semiprecious gens or stones 11 12 are produced shall be an amount computed on the gross value of product which may have been derived by such person from 13 such business, work, or operation within this state during 14 15 the calendar year immediately preceding, at the following 16 rates:

17	Gross Value	Rate of Tax
18	of Product	(percentage of gross value)
19	first-1209,000	
20	more-than-\$100y000-and	
21	not-more-than <u>first</u> \$250,000	8=575%-of-the-increment 0%
22	more than \$250,000 and	
23	not more than \$490y000 \$500y000	0,86% <u>.5%</u> of the increment
24	more than \$400,000 <u>\$500,000</u> and	
25	not more than \$500,000 <u>\$1,000,00</u>	0 1+15% <u>1%</u> of the increment

-6-

ı	more than \$500,000 <u>\$1.000.000</u> ±.438% <u>1.5%</u> of the increment^w	1	(2) There is within the earmarked revenue fund a
2	Section 7. Section 90-6-303, MCA, is amended to read:	2	hard-rock mining impact trust account. Money is payable
3	■90-6-303• Chairman meetings facilities	3	into this account under the provisions of [section 1].
4	funding. (1) The board shall elect a chairman from among its	4	After deducting the administrative and operating expenses of
5	member S .	5	the board as provided in 90-6-303, money must be segregated
6	(2) The board shall meet as necessary or as called by	6	within the account by county of origin. The state treasurer
7	the chairman or a majority of the members.	7	<u>shall draw warrants from this account upon order of the</u>
8	(3) The board is allocated to the department of	8	hard-rock_mining_impact_board."
9	commerce for administrative purposes only as provided in	9	Section 9. Section 90-6-305, MCA, is amended to read:
10	2-15-121.	10	*90-6-305. Hard-rock mining impact board general
11	(4) The administrative and operating expenses of the	11	powers. (1) The board may:
12	board shall be paid from the revenue generated <u>deposited to</u>	12	(a) retain professional staff, consultants, and
13	<u>the credit of the hard-rock mining impact trust account</u> from	13	advisors notwithstanding the provisions of 2-15-121;
14	the license tax on metal mines imposed under Title 15,	14	(b) adopt rules governing its proceedings and
15	chapter 37."	15	determinations;
16	Section 8. Section 90~6-304, MCA, is amended to read:	16	(c) award grants to local government units subject to
17	#90-6-304。 Account <u>Accounts</u> established. <u>[1]</u> There is	17	90-6-306;
18	within the earmarked revenue fund a hard-rock mining impact	18	(d) award grants or loans to local government units
19	account. Moneys are payable into this account from payments	19	from money paid_into_the_hard-rock_mining_impact_trust
20	made by a mining developer in compliance with the written	20	account subject to the provisions of [sections 2 and 3]:
21	guarantee from the developer to meet the increased costs of	21	(d)[e] make payments to local government units from
22	public services and facilities as specified in the impact	22	money paid to the hard-rock mining impact account as
23	plan provided for in 90-6-307. The state treasurer shall	23	provided in 90-6-307;
24	draw warrants from this account upon order of the hard-rock	24	(e)[f] make determinations as provided in 90-6-307 <u>.</u>
25	mining impact board.	25	[sections 2_and 3]; and

-7-

.

-8-

tff(g) accept grants and other funds to be used in
 carrying out this part.

3 (2) The provisions of the Montana Administrative
4 Procedure Act apply to the proceedings and determinations of
5 the board."

Section 10. Section 90-6-306, MCA, is amended to read:
"90-6-306, Basis for awarding grants. Grants:
including those, from the hard-rock mining impact trust
account: shall be awarded to local government units on the
basis of:

11 (1) need;

12 (2) severity of impact from mineral development;

13 (3) availability of funds; and

14 (4) extent of local effort in meeting its needs."

15 <u>NEW_SECTION_</u> Section 11. Codification instructions.
16 (1) Section 1 is intended to be codified as an integral part
17 of Title 15, chapter 37, part 1, and the provisions of Title

18 15, chapter 37, part 1, apply to section 1.

19 (2) Sections 2 and 3 are intended to be codified as an
20 integral part of Title 90, chapter 6, part 3, and the
21 provisions of Title 90, chapter 6, part 3, apply to sections
22 2 and 3.

~End-

STATE OF MONTANA

REQUEST NO. 225-83

FISCAL NOTE

Form BD-15

In	compliance	with a	written	request received	January 2	25, 19	<u> 83 </u>	there is h	ereby s	ubmitted	a Fiscal Note	
for	House	B111	446	pursu	ant to Chapter 53	, Laws of Monta	ana, 196	5 - Thirty-I	Vinth Le	egislative A	Assembly.	
Bac	ckground inf	ormatio	n used in	developing this f	Fiscal Note is avai	lable from the (Office of	Budget an	d Progra	ım Plannin	ig, to members	;
of	the Legislatu	ire upor	n request	t.								

DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 446 provides for the allocation of metalliferous mines license taxes to the general fund and to an impact trust account; restricts the uses of the impact trust account; and provides for a small miner's exemption from the metalliferous mines license tax.

ASSUMPTIONS:

- 1) The Office of Budget and Program Planning's forecast of the gross value of metal mine production and severance tax collections are correct.
- 2) Estimates of the change in tax burdens calculated for 1981 production will apply to fiscal year 1984 and 1985 receipts.
- 3) The proposal would not increase the administrative costs of collecting the tax.
- 4) These estimates assume that the Anaconda Company closes as of July 1, 1983.

FISCAL IMPACT:

Metalliferous Mines License Tax Under Current Law \$968,000 \$482,000 Under Proposed Law 972,400 471,400 Estimated Increase (Decrease) \$4,400 (10,600) General Fund 968,000 482,000 Under Current Law 968,000 482,000		<u>FY84</u>	FY85	· · · · · · · · · · · · · · · · · · ·
Under Proposed Law 972,400 471,400 Estimated Increase (Decrease) \$ 4,400 (10,600) General Fund 968,000 482,000	Metalliferous Mines License Tax			
Estimated Increase (Decrease) \$ 4,400 (10,600) General Fund Under Current Law 968,000 482,000	Under Current Law	\$968,000	\$482,000	
Estimated Increase (Decrease) \$ 4,400 (10,600) General Fund Under Current Law 968,000 482,000	Under Proposed Law	972,400	471,400	
Under Current Law 968,000 482,000	•			
	General Fund			
	Under Current Law	968,000	482,000	
Under Proposed Law 651,508 315,838	Under Proposed Law	651,508	315,838	,
Estimated Decrease (316,492) (166,162)	Estimated Decrease			
Hard Rock Mining Impact Trust	Hard Rock Mining Impact Trust			
Under Current Law -00-	Under Current Law	-0-	- 0 -	An in the second s
Under Proposed Law 320,892 155,562	Under Proposed Law	320,892	155,562	
Estimated Increase 320,892 155,562		320,892	155,562	
				D ·
Continued () () () () () () () () () () () () ()		Continued	(1, 0, 1)	Mr. Ja
Value Mally			Vand	Hamp
BUDGET DIRECTOR			BUDGET DIRECTOR	.1 .

Office of Budget and Program Planning 1 Date:

i

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

The bill could increase metalliferous mines license tax collections relative to current law when and if the Anaconda Company resumes production or other large mines begin producing.

1

1.1

 \mathbb{R}^{1}

ð

FISCAL NOTE 8:U/2

-2-

4

HB 446

1	STATEMENT OF INTENT
2	HOUSE BILL 446
3	House Taxation Committee

5 A statement of intent is required for this bill because 6 it delegates rulemaking authority to the Nard-Rock Mining 7 Impact Board. Section 3 of the bill provides that the Board 8 must adopt rules that provide a procedure for designating 9 local government units and areas impacted by the cessation 10 or reduction of mining activity.

11 The Legislature contemplates that the rules would:

12 (1) define the local government units "directly 13 impacted" by the cessation or reduction of mining activity 14 in a manner that considers the actual impact on local 15 government units, regardless of their location, from such a 16 cessation or reduction.

17 (2) consider, in providing such definition, factors
18 such as the impact of a cessation or reduction upon an
19 area*s economy, labor force, and the continued provision of
20 local government services.

(3) define a method for establishing the pro rata
 share of impact to designated local government units.

SECOND READING HB446

48th Legislature

HB 0446/02

.

HB 0446/02

Approved by committee on Taxation

1	HOUSE BILL NO. 446
Z	INTRODUCED BY D. BROWN, FABREGA, IVERSON, QUILICI,
3	ELLISON, ROUSH, HAND, DAILY, DARKO, ECK, LYNCH,
4	HARRINGTON, SAUNDERS, HALLIGAN, PAVLOVICH
5	BY REQUEST OF THE HARD-ROCK MINING SUBCOMMITTEE
6	
7	A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE
8	ALLOCATION OF METALLIFEROUS MINES LICENSE TAXES TO THE
9	GENERAL FUND AND TO AN IMPACT TRUST ACCOUNT; RESTRICTING THE
10	USES OF THE IMPACT TRUST ACCOUNT; PROVIDING FOR A SMALL
11	MINER'S EXEMPTION FROM THE METALLIFEROUS MINES LICENSE TAX;
12	AMENDING SECTIONS 15-1-501, 15-37-101, 15-37-103, AND
13	90-6-303 THRDUGH 90-6-306, MCA.*
14	
15	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
16	<u>YEH_SECTION.</u> Section 1. Disposition of metalliferous
17	mines license taxes. Metalliferous mines license taxes
18	collected under the provisions of this part are allocated as
19	follows:
20	(1) to the credit of the general fund of the state,
21	67% of total collections each year;
22	(2) to the earmarked revenue fund to the credit of a
23	hard-rock mining impact trust account, 33% of total
24	collections each year.
25	NEW SECTION. Section 2. Basis for awarding grants and

1 loans from the hard-rock mining impact trust account ---2 restrictions. (1) Whenever the board determines that a 3 mining operation has permanently ceased all mining-related 4 activity or has experienced at least a 50% reduction in its 5 full+time equivalent mining work force over the immediately preceding 5-year period, the board may in its discretion 6 7 award grants and loans from the hard-rock mining impact trust account to an affected local government unit in 8 9 accordance with subsection (2).

(2) The board may award grants and loans to assist a
local government unit in efforts to:

12 (a) pay for outstanding capital project bonds or other 13 expenses incurred at least 5 years prior to the end of 14 mining activity or the reduction in a work force as 15 specified in subsection (1);

16 (b) decrease unusually high property tax mill levies
17 that are directly caused by the cessation or reduction of
18 mining activity;

(c) promote diversification and development of the
 economic base within a local government unit;

21 (d) attract new industry to the impact area; and

(e) provide cash incentives for expanding theemployment base of the impact area.

24 (3) Not more than 50% of the money available in the
25 hard-rock mining impact trust account may be granted or

1 loaned for the purpose of assisting local governments.

2 (4) The amount of money that is available to be 3 granted or loaned to a local government unit within an 4 impact area may not exceed the balance in the hard-rock 5 mining impact trust account credited to that area under the 6 provisions of [section 3] and 90-6-304.

7 NEW_SECTION. Section 3. Eligibility for grants and loans from county accounts -- board rules. (1) The hard-rock 8 mining impact trust account must be maintained on a 9 10 county-by-county basis. Any local government unit in the state directly impacted by the cessation or reduction of 11 12 mining-related activity may apply to the board for impact 13 grants or loans from the account for the county in which 14 such cessation or reduction occurred.

15 (2) The board shall determine to what degree a local 16 government unit is directly impacted by a cessation or 17 reduction in mining-related activity, and such determination 18 is final. The board shall adopt rules that provide a 19 procedure for designating local government units and areas 20 impacted by the cessation or reduction of mining-related 21 activity.

22 Section 4. Section 15-1-501, MCA, is amended to read: 23 m15-1-501. Disposition of moneys from certain 24 designated license and other taxes. (1) The state treasurer 25 shall deposit to the credit of the state general fund all

-3-

HB 446

moneys received by him from the collection of:

2 (a) automobile driver's license fees under subsections

3 (1) through (6) of 61-5-111;

1

4 (b) electric energy producer's license taxes under
5 chapter 51;

6 {c}-metofliferous-~mines--license--taxes-under-chapter
7 37t

8 (d)(c) oil and gas severance taxes allocated to the 9 general fund under chapter 36;

10 fet(d) liquor license taxes under Title 16;

11 tff(a) telephone license taxes under chapter 53; and 12 tgf(f) inheritance and estate taxes under Title 72, 13 chapter 16.

14 (2) Seventy-five percent of all moneys received from 15 the collection of income taxes under chapter 30 and 16 corporation license and income taxes under chapter 31, except as provided in 15-31-702, shall be deposited in the 17 16 general fund subject to the prior pledge and appropriation 19 of such income tax and corporation license tax collections 20 for the payment of long-range building program bonds. The remaining 25% of the proceeds of the corporation license 21 22 tax, excluding that allocated to the counties under 23 15-31-702, corporation income tax, and income tax shall be deposited to the credit of the earmarked revenue fund for 24 state equalization aid to the public schools of Montana. 25

-4-

HB 0446/02

1 (3) The state treasurer shall also deposit to the 2 credit of the state general fund all moneys received by him 3 from the collection of license taxes, fees, and all net 4 revenues and receipts from all other sources under the 5 operation of the Montana Alcoholic Beverage Code."

Section 5. Section 15-37-101, MCA, is amended to read: 6 7 #15-37-101. License tax on metal mines. (1) Every person who engages in or carries on the business of working 8 9 or operating any mine or mining property in the state of Montana from which gold, silver, copper, lead, or any other 10 metal or metals or precious or semiprecious gens or stones 11 of any kind shall be mined, extracted, or produced, whether 12 such person shall carry on such business or engage in such 13 work or operations as owner, lessee, trustee, possessor, 14 receiver, or in any other capacity, must for each year when 15 engaged in or carrying on such business, work, or operations 16 17 pay to the department of revenue for the exclusive use and penefit of the state of Montana and immacted local 18 19 government_units a license tax for engaging in and carrying 20 on such business, work, or operation in this state.

(2) Nothing contained in this part shall be construed
 as requiring laborers or employees hired or employed by any
 person to mine or to work in or about any mine or mining
 business or property to pay such license taxes, nor shall
 any discovery work required to be done in prospecting for or

HB 0446/02

1 locating any mining claims or any annual assessment work or work required in the obtaining of title to mining property from the United States or required by the laws of the United States or of this state in order to hold possessory title to any mining claims be deemed the engaging in or carrying on of the business of working or operating any such mine or mining property."

8 Section 6. Section 15-37-103, MCA, is amended to read: 9 "15-37-103. Rate of tax. The annual license tax to be paid by such person engaged in or carrying on the business 10 11 of working or operating any mine or mining property in this 12 state from which gold, silver, copper, lead, or any other 13 metal or metals or precious or semiprecious gems or stones are produced shall be an amount computed on the gross value 14 15 of product which may have been derived by such person from 16 such business, work, or operation within this state during 17 the calendar year immediately preceding, at the following 18 rates:

19	Gross Value	Rate of Tax
20	of Product	(percentage of gross value)
21	f *rst -\$108y888	0v15%
22	more-than-\$100y000-and	
23	not-more-than <u>first</u> \$250,000	0v575%-of-the-increment <u>O%</u>
24	more than \$250+000 and	
25	not more than \$400y000 <u>\$500±000</u>	0v06% .5% of the increment

-5-

-6-

z	not more than \$500y000 <u>\$1=000=000</u>
3	more than \$500y000 <u>\$1±000±000</u> ±±430% ±±5% 1±438% of the
4	increment*
5	Section 7. Section 90-6-303, MCA, is amended to read:
ð	₩90~6-303• Chairman meetings facilities
7	funding. (1) The board shall elect a chairman from among its
8	members.
9	(2) The board shall meet as necessary or as called by
10	the chairman or a majority of the members.
11	(3) The board is allocated to the department of
12	commerce for administrative purposes only as provided in
13	2-15-121.
14	(4) The administrative and operating expenses of the
15	board shall be paid from the revenue generated deposited to
16	the credit of the bard-rock mining impact trust account from
17	the license tax on metal mines imposed under Title 15,
18	chapter 37.m
19	Section 8. Section 90-6-304, MCA, is amended to read:
20	■90-6-304。 Account <u>Accounts</u> established. <u>(1)</u> There is
21	within the earmarked revenue fund a hard-rock mining impact
22	account. Moneys are payable into this account from payments
23	made by a mining developer in compliance with the written
24	guarantee from the developer to meet the increased costs of
25	public services and facilities as specified in the impact

more than \$400v000 \$500-000 and

1

-7-

HB 446

1 plan provided for in 90-6-307. The state treasurer shall 2 draw warrants from this account upon order of the hard-rock 3 mining impact board. 12) Ibere is within the earwarked revenue fund a 4 5 hard-rock_#ining_impact_trust__account___Money_is_payable into this account under the provisions of [section 1]. 6 7 After_deducting_the_administrative_and_operating_exnesses_of the board as provided in 20-6-303, money must be seared 8 9 within the account by county of origine. The state treasurer shall_draw_warrants_from_this_account_upon_prder_of_the 10 11 hard=rock_mining_impact_board+" 12 Section 9. Section 90-6-305, MCA, is amended to read: 13 *90-6-305. Hard-rock mining impact board -- general 14 powers. (1) The board may: 15 (a) retain professional staff, consultants, and 16 advisors notwithstanding the provisions of 2-15-121; 17 (b) adopt rules governing its proceedings and 18 determinations; (c) award grants to local government units subject to 19 20 90-6-306; 21 [d] _award_grants_or_loans_to_local_government_units 22 from money paid_ into_ the _hard-rock_ mining__impact__trust 23 account subject to the provisions of [sections 2 and 3]: 24 (d)(e) make payments to local government units from 25 money paid to the hard-rock mining impact account as

-8-

HB 0446/02

1 provided in 90-6-307; Z tetifi make determinations as provided in 90-6-307s 3 [sections_2_and_3]; and 4 (F)[g] accept grants and other funds to be used in 5 carrying out this part. 6 (2) The provisions of the Montana Administrative 7 Procedure Act apply to the proceedings and determinations of 8 the beard.* 9 Section 10. Section 90-6-306, MCA, is amended to read: 10 #90-6-306. Basis for awarding grants. Grants 11 including__those__from__the__bard-rock__mining__impact_trust 12 accounts shall be awarded to local government units on the basis of: 13 14 (1) need; 15 (2) severity of impact from mineral development; (3) availability of funds; and 16 17 (4) extent of local effort in meeting its needs." NEW SECTION. Section 11. Codification instructions. 18 19 (1) Section 1 is intended to be codified as an integral part of Title 15, chapter 37, part 1, and the provisions of Title 20 21 15, chapter 37, part 1, apply to section 1. 22 (2) Sections 2 and 3 are intended to be codified as an 23 integral part of Title 90, chapter 6, part 3, and the 24 provisions of Title 90, chapter 6, part 3, apply to sections

25 2 and 3.

-End--9-HB 446

1

2

3

STATEMENT OF INTENT House Bill 446 House Taxation Committee

5 A statement of intent is required for this bill because 6 it delegates rulemaking authority to the Hard-Rock Mining 7 Impact Board. Section 3 of the bill provides that the Board 8 must adopt rules that provide a procedure for designating 9 local government units and areas impacted by the cessation 10 or reduction of mining activity.

11 The Legislature contemplates that the rules would: 12 (1) define the local government units "directly 13 impacted" by the cessation or reduction of mining activity 14 in a manner that considers the actual impact on local 15 government units, regardless of their location, from such a 16 cessation or reduction.

17 (2) consider, in providing such definition, factors
18 such as the impact of a cessation or reduction upon an
19 area's economy, labor force, and the continued provision of
20 local government services.

21 (3) define a method for establishing the pro rata
22 share of impact to designated local government units.

THIRD READING HB:446

READING

THIRD

L	HOUSE BILL NO. 446	1	AND_335_EOR_EACH_YEAR_THEBEAETER.
2	INTRODUCED BY D. BROWN, FABREGA, IVERSON, QUILICI,	2	NEW_SECTION. Section 2. Basis for awarding grants and
З	ELLISON, ROUSH, HAND, DAILY, DARKO, ECK, LYNCH,	3	loans from the hard-rock mining impact trust account
4	HARRINGTON, SAUNDERS, HALLIGAN, PAVLOVICH	4	restrictions. (1) Whenever the board determines that a
5	BY REQUEST OF THE HARD-ROCK MINING SUBCOMMITTEE	5	mining operation has permanently ceased all mining~related
6		6	activity or has experienced at least a 50% reduction in its
7	A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE	7	full-time equivalent mining work force over the immediately
8	ALLOCATION OF METALLIFEROUS MINES LICENSE TAXES TO THE	8	preceding 5-year period, the board may in its discretion
9	GENERAL FUND AND TO AN IMPACT TRUST ACCOUNT; RESTRICTING THE	9	award grants and loans from the hard-rock mining impact
10	USES OF THE IMPACT TRUST ACCOUNT; PROVIDING FOR A SMALL	10	trust account to an affected local government unit in
11	MINER'S EXEMPTION FROM THE METALLIFEROUS MINES LICENSE TAX;	11	accordance with subsection (2).
12	AMENDING SECTIONS 15-1-501, 15-37-101, 15-37-103, AND	12	(2) The board may award grants and loans to assist a
13	90-6-303 THRBUGH 90-6-306, MCA."	13	local government unit in efforts to:
14		14	(a) pay for outstanding capital project bonds or other
15	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	15	expenses incurred at least 5 years prior to the end of
16	NEW_SECTION. Section 1. Disposition of metalliferous	16	mining activity or the reduction in a work force as
17	mines license taxes. Metalliferous mines license taxes	17	specified in subsection (1);
18	collected under the provisions of this part are allocated as	18	(b) decrease unusually high property tax will levies
19	follows:	19	that are directly caused by the cessation or reduction of
20	(1) to the credit of the general fund of the state.	20	mining activity;
21	67% 89% of total collections each year <u>FOR INE BIENNIUM</u>	21	(c) promote diversification and development of the
22	ENDING_JUNE_19854_AND_673' FOR_FACH_YEAR_THEREAFTER;	22	economic base within a local government unit;
23	(2) to the earmarked revenue fund to the credit of a	23	(d) attract new industry to the impact area; and
24	hard-rock mining impact trust account, 33% <u>11%</u> of total	24	{e} provide cash incentives for expanding the
25	collections each year <u>FOR THE BIENNIUM ENDING JUNE 1985</u>	25	employment base of the impact area.
			-2- HB 446

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

1 (3) Not more than 50% of the money available in the 2 hard-rock mining impact trust account may be granted or 3 loaned for the purpose of assisting local governments <u>UNDER</u> 4 <u>IAL AND IBLOF SUBSECTION (21)</u>

5 (4) The amount of money that is available to be 6 granted or loaned to a local government with within an 7 impact area may not exceed the balance in the hard-rock 8 mining impact trust account credited to that area under the 9 provisions of [section 3] and 90-6-304=

10 NEW SECTION, Section 3. Eligibility for grants and 11 loans from county accounts -- board rules. (1) The hard-rock 12 mining impact trust account wast be waintained on a 13 county-by-county basis. Any facal opverment unit in the 14 state directly impacted by the cessation or reduction of 15 mining-related activity may apply to the board for impact 16 grants or loans from the account for the county in which 17 such cessation or reduction occurred.

18 (2) The board shall determine to what degree a local government unit is directly impacted by a cessation or reduction in mining-related activity, and such determination 21 is final. The board shall indept rules that provide a procedure for designating local government units and areas impacted by the cessation or 'reduction of mining-related 24. activity.

25 Section 4. Section 15-1-301, ACA, is amended to read:

-3-

H8 446

*15-1-501. Disposition of moneys from certain designated license and other taxes. (1) The state treasurer shall deposit to the credit of the state general fund all moneys received by him from the collection of: (a) automobile driver's license fees under subsections (1) through (6) of 61-5-111; (b) electric energy producer's license taxes under chapter 51; te)--metalliferous-wines-license--taxes--under--chapter 37+ tdtfc) oil and cas severance taxes allocated to the general fund under chapter 36; tel(d) liquor license taxes under Title 16; (ffic) telephone license taxes under chapter 53; and tatifi inheritance and estate taxes under Title 72. chapter 16. (2) Seventy-five parcent of all moneys received from the collection of income taxes under chapter 30 and

19 corporation license and income taxes under chapter 31, 20 except as provided in 15-31-702, shall be deposited in the 21 general fund subject to the prior pledge and appropriation 22 of such income tax and corporation license tax collections 23 for the payment of long-range building program bonds. The 24 remaining 25% of the proceeds of the corporation license 25 tax, excluding that allocated to the countles under

15-31-702, corporation income tax, and income tax shall be 2 deposited to the credit of the earmarked revenue fund for 3 state equalization aid to the public schools of Montana. 4 (3) The state treasurer shall also deposit to the credit of the state general fund all moneys received by him 5 6 from the collection of license taxes, fees, and all net revenues and receipts from all other sources under the 7 8 operation of the Montana Alcoholic Beverage Code.* 9 Section 5. Section 15-37-101, MCA, is amended to read: 10 *15-37-101. License tax on metal mines. (1) Every 11 person who engages in or carries on the business of working 12 or operating any mine or mining property in the state of 13 Montana from which gold, silver, copper, lead, or any other 14 metal or metals or precious or semiprecious gens or stones 15 of any kind shall be mined, extracted, or produced, whether 16 such person shall carry on such business or engage in such 17 work or operations as owner, lessee, trustee, possessor, receiver. or in any other capacity, must for each year when 13 19 engaged in or carrying on such business, work, or operations pay to the department of revenue for the exclusive use and 20 21 benefit of the state of Montana and impacted local 22 government units a license tax for engaging in and carrying 23 on such business, work, or operation in this state.

1

24 (2) Nothing contained in this part shall be construed 25 as requiring laborers or employees hired or employed by any

1 person to mine or to work in or about any mine or mining 2 business or property to pay such license taxes, nor shall any discovery work required to be done in prospecting for or 3 locating any mining claims or any annual assessment work or 4 work required in the obtaining of title to mining property 5 from the United States or required by the laws of the United 6 7 States or of this state in order to hold possessory title to 8 any mining claims be deemed the engaging in or carrying on of the business of working or operating any such mine or 9 10 mining property."

11 Section 6. Section 15-37-103, MCA, is amended to read: 12 #15-37-103. Rate of tax. The annual license tax to be 13 paid by such person engaged in or carrying on the business 14 of working or operating any mine or mining property in this 15 state from which gold, silver, copper, lead, or any other 16 metal or metals or precious or semiprecious gems or stones 17 are produced shall be an amount computed on the gross value of product which may have been derived by such person from 16 such business, work, or operation within this state during 19 20 the calendar year immediately preceding, at the following **Z**1 rates:

22	Gross Value	Rate of Tax
23	of Product	(percentage of gross value)
24	first-\$188,800	
25	more-than-sideree-and	

-5-

-6-

HB 446

HB 0446/03

.

1	not-more-than <u>first</u> \$250,000 - 0.5758-of-the-increment <u>02</u>	1	made by a mining developer in compliance with the written
Ż	more than \$250,000 and	2	guarantee from the developer to meet the increased costs of
3	not more than \$400,000 \$500,000 0.068 .5% of the increment	3	public services and facilities as specified in the impact
4	more than \$400,000 \$300,000 and	4	plan provided for in 90-6-307. The state treasurer shall
5	not nore than 6986,000 \$11002,000 fet54 1% of the increment	5	draw warrants from this account upon order of the hard-rock
6	more than \$500,000 11:000,000 1:000 1:00 1:00 1:00 1	6	mining impact board.
Ť	of the increment"	7	(2) There is within the cormarked revenue fund a
8	Section 7. Section 90-6-303, NCA, is akended to read:	8	bard-rock_miningimpact_trust_accountMoney_is_payable
9	M90-6-303. Chairman meetings facilities	9	into this account under the provisions of [section 1].
10	funding. (1) The board shall elect a chairman from among its	10	After deducting the addinistrative and operating expanses of
11	nembers.	11	the board as provided in 90-6-203, money must be secredated
12	(2) The board shall meet as necessary or as called by	12	within the scount by county of origin. The state treasurer
13	the chairman or a majority of the members.	13	shall draw warrants from this account upon order of the
14	(3) The board is allocated to the department of	14	bardsrock_mining_fement_boards"
15	commerce for administrative purposes only as provided in	15	Section 9. Section 90-6-305, MCA, is amended to read:
16	2-15-121-	16	#90-6-305. Hard-rock mining impact board general
17	(4) The administrative and operating expenses of the	±7	powers. (1) The board may:
18	board shall be paid from the revenue generated deposited to	18	(a) retain professional staff, consultants, and
19	the credit of the bard-rock mining lapact trust account from	19	advisors notwithstanding the provisions of 2-15-121;
žo	the license tax on metal mines imposed under Title 15,	20	(b) adopt rules governing its proceedings and
21	chapter 37."	21	determinations;
22	Section 8. Section 90-6-304, NCA, is amended to read:	22	(c) award grants to local government units subject to
23	90-6-304. Account <u>Accounts</u> established. <u>(1)</u> There is	23	90-6-306;
Z4	within the earmarked revenue fund a hard-rock mining impact	24	[d]award_grants_or_loans_to_localgovernmentwoits
25	account. Moneys are payable into this account from payments	25	from_goney_paid_into_the_hard=rock_mining_impact.trust
	-7- H8 446		-8- 118 446

.

account subject to the provisions of [sections 2 and 3]:
 to the payments to local government units from
 money paid to the hard-rock mining impact account as
 provided in 90~6~307;

5 tetf1 make determinations as provided in 90-6-307.
6 (sections 2 and 3); and

7 tfflgl accept grants and other funds to be used in
8 carrying out this part.

9 (2) The provisions of the Montana Administrative
 10 Procedure Act apply to the proceedings and determinations of
 11 the board.**

 12
 Section 10. Section 90-6-306, MCA, is amended to read:

 13
 "90-6-306. Basis for awarding grants. Grants.

 14
 including those from the bard-rock mining impact trust

 15
 accounts shall be awarded to local government units on the

 16
 basis of:

17 (1) need;

16 (2) severity of impact from mineral development;

19 (3) availability of funds; and

(4) extent of local effort in meeting its needs."
<u>NEW_SECTION</u> Section 11. Codification instructions.
(1) Section 1 is intended to be codified as an integral part
of Title 15, chapter 37, part 1, and the provisions of Title
15, chapter 37, part 1, apply to section 1.

25 (2) Sections 2 and 3 are intended to be codified as an

-9-

1 integral part of Title 90, chapter 6, part 3, and the

-End-

2 provisions of Title 90, chapter 6, part 3, apply to sections

3 2 and 3.

-10-

SENATE COMMITTEE OF THE WHOLE AMENDMENT

That House Bill No. 446 be amended as follows:

1. Amendment No. 4.
Following: "Strike: line"
Strike: "1"
Insert: "25"

SENATE STANDING COMMITTEE REPORT (Finance & Claims)

That House Bill No. 446 be amended as follows: 1. Title, line 13. Following: "MCA" Insert: "; AND PROVILING A DELAYED EFFECTIVE DATE AND AN APPLIC-ABILITY DATE" 2. Page 1, line 21 Following: "67%" Strike: "89%" Insert: "67%" Following: "year" Strike: remainder of line 21 through "THEREAFTER" on line 22 3. Page 1, line 24. Following: "ƏƏ%" Strike: "11%" Insert: "33%" a subsection and the second 4. Page 1, line 25. Following: "year" Strike: remainder of line 25 through "THEREAFTER" on page 2, line 1. 5. Page 10, line 4. Following: line 3 Insert: "NEW SECTION 12. Effective date - applicability. This act is effective July 1, 1985, and applies to taxable years

beginning after December 31, 1984.

4

HB 446

1	STATEMENT OF INTENT
2	HOUSE BILL 446
3	House Taxation Committee

5 A statement of intent is required for this bill because 6 it delegates rulemaking authority to the Hard-Rock Hining 7 Impact Board. Section 3 of the bill provides that the Board 8 must adopt rules that provide a procedure for designating 9 local government units and areas impacted by the cessation 10 or reduction of mining activity.

11 The Legislature contemplates that the rules would:

12 (1) define the local government units "directly 13 impacted" by the cessation or reduction of mining activity 14 in a manner that considers the actual impact on local 15 government units, regardless of their location, from such a 16 cessation or reduction.

17 (2) consider, in providing such definition, factors
18 such as the impact of a cessation or reduction upon an
19 area's economy, labor force, and the continued provision of
20 local government services.

(3) define a method for establishing the pro rata
 share of impact to designated local government units.

REFERENCE BILL 46:446

1 HOUSE BILL NO. 446 2 INTRODUCED BY D. BROWN, FABREGA, IVERSON, QUILICI, 3 ELLISON, ROUSH, HAND, DAILY, DARKO, ECK, LYNCH, HARRINGTON, SAUNDERS, HALLIGAN, PAVLOVICH 4 BY REQUEST OF THE HARD-ROCK MINING SUBCOMMITTEE 5 6 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE 7 ALLOCATION OF METALLIFEROUS MINES LICENSE TAXES TO THE 8 9 GENERAL FUND AND TO AN IMPACT TRUST ACCOUNT; RESTRICTING THE 10 USES OF THE IMPACT TRUST ACCOUNT; PROVIDING FOR A SMALL 11 MINER'S EXEMPTION FROM THE HETALLIFEROUS NINES LICENSE TAX; AMENDING SECTIONS 15-1-501, 15-37-101, 15-37-103, AND 15 13 90-6-303 THROUGH 90-6-306, MCA:__AND__PROVIDING_A_DELAYED 14 EEEELIYE_DATE_AND_AN_APPLICABILITY_DATE." 15 16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 17 <u>NEW SECTION.</u> Section 1. Disposition of metalliferous 18 mines license taxes. Metalliferous mines license taxes 19 collected under the provisions of this part are allocated as 20 follows: 21 (1) to the credit of the general fund of the state, 22 67% <u>89% 67%</u> of total collections each year <u>FOR_THE-AIEANIIU</u> 23 ENDING-JUNE-1985-AND-673-FBR-EACH-YEAR-THEREAFIER; 24 (2) to the earmarked revenue fund to the credit of a 25 hard-rock mining impact trust account, 33% <u>11% 33%</u> of total

1 collections each year EBR_INFE__BIENNIUM__ENBING__JUNE__1985* 2 AND-33%-EDB-EACH-YEAR-IHEREAFIER-

3 <u>NEW_SECTION</u> Section 2. Basis for awarding grants and 4 loans from the hard-rock mining impact trust account --5 restrictions. (1) Whenever the board determines that a 6 mining operation has permanently ceased all mining-related 7 activity or has experienced at least a 50% reduction in its 8 full-time equivalent mining work force over the immediately 9 preceding 5-year period, the board may in its discretion 10 award grants and loans from the hard-rock mining impact 11 trust account to an affected local government unit in 12 accordance with subsection [2].

13 (2) The board may award grants and loans to assist a 14 local government unit in efforts to:

15 (a) pay for outstanding capital project bonds or other 16 expenses incurred at least 5 years prior to the end of 17 mining activity or the reduction in a work force as 18 specified in subsection (1);

19 (b) decrease unusually high property tax mill levies 20 that are directly caused by the cessation or reduction of **Z1** mining activity;

(c) promote diversification and development of the 22 23 economic base within a local government unit;

24 (d) attract new industry to the impact area; and

25 (e) provide cash incentives for expanding the

-2-

HB 446

REFERENCE BILL

HB 0446/04

H8 0446/04

1 employment base of the impact area.

2 (3) Not more than 50% of the money available in the
3 hard-rock mining impact trust account may be granted or
4 loaned for the purpose of assisting local governments <u>UMDER</u>
5 (A) AND_(B)_OF_SUBSECTION (2).

6 (4) The amount of money that is available to be 7 granted or loaned to a local government unit within an 8 impact area may not exceed the balance in the hard-rock 9 mining impact trust account credited to that area under the 10 provisions of [section 3] and 90-6-304.

11 NEW_SECIION. Section 3. Eligibility for grants and 12 loans from county accounts -- board rules. (1) The hard-rock 13 mining impact trust account must be maintained on a 14 county-by-county basis. Any local government unit in the 15 state directly impacted by the cessation or reduction of 16 mining-related activity may apply to the board for impact grants or loans from the account for the county in which 17 18 such cessation or reduction occurred.

19 (2) The board shall determine to what degree a local 20 government unit is directly impacted by a cessation or 21 reduction in mining-related activity, and such determination 22 is final. The board shall adopt rules that provide a 23 procedure for designating local government units and areas 24 impacted by the cessation or reduction of mining-related 25 activity.

1 Section 4. Section 15-1-501, MCA, is amended to read: "15-1-501" Disposition 2 of moneys from certain designated license and other taxes. (1) The state treasurer 3 4 shall deposit to the credit of the state general fund all moneys received by him from the collection of: 5 (a) automobile driver's license fees under subsections 6 7 (1) through (6) of 61-5-111; 8 (b) electric energy producer's license taxes under 9 chapter 51: 10 fet--metattferous--mines--tteense--texes-under-chapter 37+ 11 totic) oil and gas severance taxes allocated to the 12 13 general fund under chapter 36; fet(d) liquor license taxes under Title 16; 14 ffiel telephone license taxes under chapter 53; and 15 fgfifi inheritance and estate taxes under Title 72, 16 17 chapter 16. (2) Seventy-five percent of all moneys received from 18 the collection of income taxes under chapter 30 and 19 corporation license and income taxes under chapter 31, 20 except as provided in 15-31-702, shall be deposited in the 21 general fund subject to the prior pledge and appropriation 22 of such income tax and corporation license tax collections 23

25 remaining 25% of the proceeds of the corporation license

for the payment of long-range building program bonds. The

-4-

-3-

24

. . .

HB 0446/04

tax, excluding that allocated to the counties under
 15-31-702, corporation income tax, and income tax shall be
 deposited to the credit of the earmarked revenue fund for
 state equalization aid to the public schools of Montana.

5 (3) The state treasurer shall also deposit to the 6 credit of the state general fund all moneys received by him 7 from the collection of license taxes, fees, and all net 8 revenues and receipts from all other sources under the 9 operation of the Montana Alcoholic Beverage Code."

10 Section 5. Section 15-37-101, MCA, is amended to read: 11 *15-37-101. License tax on metal mines. (1) Every 12 person who engages in or carries on the business of working 13 or operating any mine or mining property in the state of Montana from which gold, silver, copper, lead, or any other 14 15 metal or metals or precious or semiprecious gems or stones 16 of any kind shall be mined, extracted, or produced, whether 17 such herson shall carry on such business or engage in such 18 work or operations as owner, lessee, trustee, possessor, 19 receiver, or in any other capacity, must for each year when engaged in or carrying on such business, work, or operations 20 pay to the department of revenue for the exclusive use and 21 22 benefit of the state of Montana and __impacted __local 23 <u>opvernment_units</u> a license tax for engaging in and carrying on such business, work, or operation in this state. 24

25 (2) Nothing contained in this part shall be construed

as requiring laborers or employees hired or employed by any 1 person to mine or to work in or about any mine or mining 2 business or property to pay such license taxes, nor shall 3 any discovery work required to be done in prospecting for or 4 5 locating any mining claims or any annual assessment work or work required in the obtaining of title to mining property 6 from the United States or required by the laws of the United 7 8 States or of this state in order to hold possessory title to 9 any mining claims be deemed the engaging in or carrying on 10 of the business of working or operating any such mine or 11 mining property." Section 6. Section 15-37-103, MCA, is amended to read: 12 "15-37-103. Rate of tax. The annual license tax to be 13 baid by such person engaged in or carrying on the business 14 of working or operating any mine or mining property in this 15 state from which gold, silver, copper, lead, or any other 16 17 metal or metals or precious or semiprecious gems or stones are produced shall be an amount computed on the gross value 18 of product which may have been derived by such person from 19 such business, work, or operation within this state during 20 the calendar year immediately preceding, at the following 21

23	Gross Value	Rate of Tax
24	of Product	(percentage of gross value)
25	first-\$100,000	

-5-

22

rates:

-6-

HB 446

HB 0446/04

HP 0446/04

HB 446

-7-

HB 446

1	more-than-\$100,900-ond	1	account. Moneys are payable into this account from payments
2	not-more-then first \$250,000 - 0e575%-of-the-increment G%	2	made by a mining developer in compliance with the written
3	more than \$250,000 and	3	guarantee from the developer to meet the increased costs of
4	not more than \$400+000 \$500+000 0+06% #5% of the increment	4	public services and facilities as specified in the impact
5	more than \$400+000 \$500+000 and	5	plan provided for in 90-6-307. The state treasurer shall
6	not more than \$500,900 <u>\$1,000,000</u> ±v15%]% of the increment	6	draw warrants from this account upon order of the hard-rock
7	more than \$500,000 <u>\$1+000</u>	7	mining impact board.
8	of the increment"	8	[2] <u>Thereiswithintheearmarkedrevenuefund_a</u>
9	Section 7. Section 90-6-303, MCA, is amended to read:	9	<u>bard=rock_mining_impact_trustaccountdoneyispayable</u>
10	₩90-6-303. Chairman meetings facilities	10	into_this_account_under_the_provisions_of_[section_1].
11	funding. (1) The board shall elect a chairman from among its	- 11	After_deducting_the_administrative_and_operating_expenses_of
12	members.	12	the_board_as_provided_in_90-6-303,_money_must_besegregated
13	(2) The board shall meet as necessary or as called by	13	xitbin_the_account_by_county_of_originsThe_state_treasurer
14	the chairman or a majority of the members.	14	<pre>sball_draw_warrants_from_this_account_upon_order_of_the</pre>
15	(3) The board is allocated to the department of	15	bard=rock_mining_impact_board_*
16	commerce for administrative purposes only as provided in	16	Section 9. Section 90-6-305, NCA, is amended to read:
17	2-15-121+	17	"90-6-305. Hard-rock mining impact board general
18	(4) The administrative and operating expenses of the	18	powers. (1) The board may:
19	board shall be paid from the revenue generated deposited to	19	(a) retain professional staff, consultants, and
20	tbe_credit_of_tbe_bard=rock_mining_impact_trust_account from	20	advisors notwithstanding the provisions of 2-15-121;
21	the license tax on metal mines imposed under Title 15,	21	(b) adopt rules governing its proceedings and
22	chapter 37.	22	determinations;
23	Section 8. Section 98-6-304, MCA, is amended to read:	23	(c) award grants to local government units subject to
24	#90-6-304. Account Accounts established. (11 There is	24	90-6-306;
25	within the earmarked revenue fund a hard-rock mining impact	25	[d]awardgrants_orloans_to_local_government_units

HE 0666/04

1	from money_baldintothebard-rockminingimpacttrust
z	account_subject_to_the_provisions_of_[sections_2_and_3]:
3	totel make payments to local government units from
14	money paid to the hard-rock mining impact account as
5	provided in 90-6-307;
6	te)(f) make determinations as provided in 90-6-307.
7	[sections_2_and_3]; and
8	<pre>fflg) accept grants and other funds to be used in</pre>
9	carrying out this part.
10	(2) The provisions of the Montana Administrative
11	Procedure Act apply to the proceedings and determinations of
12	the board."
13	Section 10. Section 90-6-306, MCA, is amended to read:
14	#90-6-306. Basis for awarding grants. Grants <u>.</u>
15	includingthosefromthebard=rockminingimpact_trust
16	account: shall be awarded to local government units on the
17	basis of:
18	(1) need;
19	(2) severity of impact from mineral development;
20	(3) availability of funds; and
21	(4) extent of local effort in meeting its needs."
22	NEW_SECTION: Section 11. Codification instructions.
23	(1) Section 1 is intended to be codified as an integral part
24	of Title 15, chapter 37, part 1, and the provisions of Title
25	15, chapter 37, part 1, apply to section 1.

1 (2) Sections 2 and 3 are intended to be codified as an 2 integral part of Title 90, chapter 6, part 3, and the provisions of Title 90, chapter 6, part 3, apply to sections З 4 2 and 3.

5 SECTION_12. _EFFECTIVE_DATE -- APPLICABILITY. _THIS ACT

6 IS_EFECTIVE_JULY_1. 1985. AND APPLIES TO TAXABLE YEARS

BEGINNING_AFTER_DECEMBER_31, 1984. 7

-End-

HB 446

-10-

HB 0446/04