

**HOUSE BILL NO. 446**

**INTRODUCED BY D. BROWN, FABREGA, IVERSON, QUILICI,  
ELLISON, 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.

April 15, 1983

Third reading, concurred in.  
Ayes, 42; Noes, 6.

#### IN THE HOUSE

April 16, 1983

Returned to House with  
amendments.

April 18, 1983

Second reading, amendments  
concurred in.

Third reading, amendments  
concurred in.

Sent to enrolling.

Reported correctly enrolled.

1 *House* BILL NO. *446*  
 2 INTRODUCED BY *Don Brown* *Steve Hays* *Debra J. Sullivan*  
 3 *Rouss* BY REQUEST OF THE HARD-ROCK MINING SUBCOMMITTEE *Carlovich*  
 4 *Hand Daily* *Alarke* *Ed* *Speth* *Hawley* *Hallgren*  
 5 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE  
 6 ALLOCATION OF METALLIFEROUS MINES LICENSE TAXES TO THE  
 7 GENERAL FUND AND TO AN IMPACT TRUST ACCOUNT; RESTRICTING THE  
 8 USES OF THE IMPACT TRUST ACCOUNT; PROVIDING FOR A SMALL  
 9 MINER'S EXEMPTION FROM THE METALLIFEROUS MINES LICENSE TAX;  
 10 AMENDING SECTIONS 15-1-501, 15-37-101, 15-37-103, AND  
 11 90-6-303 THROUGH 90-6-306, MCA."  
 12  
 13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 14 NEW SECTION. Section 1. Disposition of metalliferous  
 15 mines license taxes. Metalliferous mines license taxes  
 16 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 NEW SECTION. 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

1 mining operation has permanently ceased all mining-related  
 2 activity or has experienced at least a 50% reduction in its  
 3 full-time equivalent mining work force over the immediately  
 4 preceding 5-year period, the board may in its discretion  
 5 award grants and loans from the hard-rock mining impact  
 6 trust account to an affected local government unit in  
 7 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);  
 14 (b) decrease unusually high property tax mill levies  
 15 that are directly caused by the cessation or reduction of  
 16 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

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

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

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

20 Section 4. Section 15-1-501, MCA, is amended to read:

21 "15-1-501. Disposition of moneys from certain  
22 designated license and other taxes. (1) The state treasurer  
23 shall deposit to the credit of the state general fund all  
24 moneys received by him from the collection of:

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

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

2 (b) electric energy producer's license taxes under  
3 chapter 51;

4 ~~(c) --metalliferous--mines--license--taxes--under--chapter~~  
5 ~~37;~~

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

8 ~~(e)(d)~~ liquor license taxes under Title 16;

9 ~~(f)(e)~~ telephone license taxes under chapter 53; and

10 ~~(g)(f)~~ inheritance and estate taxes under Title 72,  
11 chapter 16.

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

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

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."

Section 5. Section 15-37-101, MCA, is amended to read:

"15-37-101. License tax on metal mines. (1) Every person who engages in or carries on the business of working or operating any mine or mining property in the state of Montana from which gold, silver, copper, lead, or any other metal or metals or precious or semiprecious gems or stones of any kind shall be mined, extracted, or produced, whether such person shall carry on such business or engage in such work or operations as owner, lessee, trustee, possessor, receiver, or in any other capacity, must for each year when engaged in or carrying on such business, work, or operations pay to the department of revenue for the exclusive use and benefit of the state of Montana and impacted local government units a license tax for engaging in and carrying 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 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."

Section 6. Section 15-37-103, MCA, is amended to read:

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

Gross Value of Product	Rate of Tax (percentage of gross value)
<del>first \$100,000</del>	<del>0.15%</del>
<del>more than \$100,000 and</del>	
<del>not more than first \$250,000</del>	<del>0.575% of the increment 0%</del>
<del>more than \$250,000 and</del>	
<del>not more than \$400,000</del> <u>\$500,000</u>	<del>0.86%</del> <u>1.5%</u> of the increment
<del>more than \$400,000</del> <u>\$500,000</u> and	
<del>not more than \$500,000</del> <u>\$1,000,000</u>	<del>1.15%</del> <u>1%</u> of the increment

1 more than \$500,000 ~~\$1,000,000~~ ~~1.438%~~ 1.5% of the increment"

2 Section 7. Section 90-6-303, MCA, is amended to read:

3 "90-6-303. Chairman -- meetings -- facilities --  
4 funding. (1) The board shall elect a chairman from among its  
5 members.

6 (2) The board shall meet as necessary or as called by  
7 the chairman or a majority of the members.

8 (3) The board is allocated to the department of  
9 commerce for administrative purposes only as provided in  
10 2-15-121.

11 (4) The administrative and operating expenses of the  
12 board shall be paid from the revenue generated deposited to  
13 the credit of the hard-rock mining impact trust account from  
14 the license tax on metal mines imposed under Title 15,  
15 chapter 37."

16 Section 8. Section 90-6-304, MCA, is amended to read:

17 "90-6-304. ~~Account~~ Accounts established. (1) There is  
18 within the earmarked revenue fund a hard-rock mining impact  
19 account. Moneys are payable into this account from payments  
20 made by a mining developer in compliance with the written  
21 guarantee from the developer to meet the increased costs of  
22 public services and facilities as specified in the impact  
23 plan provided for in 90-6-307. The state treasurer shall  
24 draw warrants from this account upon order of the hard-rock  
25 mining impact board.

1 (2) There is within the earmarked revenue fund a  
2 hard-rock mining impact trust account. Money is payable  
3 into this account under the provisions of [section 1].  
4 After deducting the administrative and operating expenses of  
5 the board as provided in 90-6-303, money must be segregated  
6 within the account by county of origin. The state treasurer  
7 shall draw warrants from this account upon order of the  
8 hard-rock mining impact board."

9 Section 9. Section 90-6-305, MCA, is amended to read:

10 "90-6-305. Hard-rock mining impact board -- general  
11 powers. (1) The board may:

12 (a) retain professional staff, consultants, and  
13 advisors notwithstanding the provisions of 2-15-121;

14 (b) adopt rules governing its proceedings and  
15 determinations;

16 (c) award grants to local government units subject to  
17 90-6-306;

18 (d) award grants or loans to local government units  
19 from money paid into the hard-rock mining impact trust  
20 account subject to the provisions of [sections 2 and 3];

21 ~~(d)(e)~~ make payments to local government units from  
22 money paid to the hard-rock mining impact account as  
23 provided in 90-6-307;

24 ~~(e)(f)~~ make determinations as provided in 90-6-307,  
25 [sections 2 and 3]; and

1       ~~(f)(g)~~ accept grants and other funds to be used in  
2 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."

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

7       "90-6-306. Basis for awarding grants. Grants,  
8 ~~including those from the hard-rock mining impact trust~~  
9 ~~account,~~ shall be awarded to local government units on the  
10 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       ~~NEW SECTION.~~ 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 25, , 19 83 , there is hereby submitted a Fiscal Note for House Bill 446 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 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:

	<u>FY84</u>	<u>FY85</u>
Metalliferous Mines License Tax		
Under Current Law	\$968,000	\$482,000
Under Proposed Law	<u>972,400</u>	<u>471,400</u>
Estimated Increase (Decrease)	<u>\$ 4,400</u>	<u>(10,600)</u>
General Fund		
Under Current Law	968,000	482,000
Under Proposed Law	<u>651,508</u>	<u>315,838</u>
Estimated Decrease	<u>(316,492)</u>	<u>(166,162)</u>
Hard Rock Mining Impact Trust		
Under Current Law	-0-	-0-
Under Proposed Law	<u>320,892</u>	<u>155,562</u>
Estimated Increase	<u>320,892</u>	<u>155,562</u>

Continued  
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-31-83



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 STATEMENT OF INTENT

2 HOUSE BILL 446

3 House Taxation Committee

4

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.

SECOND READING

HB 446

Approved by committee  
on Taxation

## HOUSE BILL NO. 446

INTRODUCED BY D. BROWN, FABREGA, IVERSON, QUILICI,  
ELLISON, ROUSH, HAND, DAILY, DARKO, ECK, LYNCH,  
HARRINGTON, SAUNDERS, HALLIGAN, PAVLOVICH  
BY REQUEST OF THE HARD-ROCK MINING SUBCOMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE  
ALLOCATION OF METALLIFEROUS MINES LICENSE TAXES TO THE  
GENERAL FUND AND TO AN IMPACT TRUST ACCOUNT; RESTRICTING THE  
USES OF THE IMPACT TRUST ACCOUNT; PROVIDING FOR A SMALL  
MINER'S EXEMPTION FROM THE METALLIFEROUS MINES LICENSE TAX;  
AMENDING SECTIONS 15-1-501, 15-37-101, 15-37-103, AND  
90-6-303 THROUGH 90-6-306, MCA."

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

NEW SECTION. Section 1. Disposition of metalliferous  
mines license taxes. Metalliferous mines license taxes  
collected under the provisions of this part are allocated as  
follows:

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

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

NEW SECTION. Section 2. Basis for awarding grants and

loans from the hard-rock mining impact trust account --  
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).

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

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

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

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

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

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

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

loaned for the purpose of assisting local governments.

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

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

(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 is final. The board shall adopt rules that provide a procedure for designating local government units and areas impacted by the cessation or reduction of mining-related activity.

Section 4. Section 15-1-501, MCA, is amended to read:

"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;

~~(c) --metalliferous--mines--license--taxes--under--chapter 37;~~

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

~~(e) (d)~~ liquor license taxes under Title 16;

~~(f) (e)~~ telephone license taxes under chapter 53; and

~~(g) (f)~~ inheritance and estate taxes under Title 72, chapter 16.

(2) Seventy-five percent of all moneys received from the collection of income taxes under chapter 30 and corporation license and income taxes under chapter 31, except as provided in 15-31-702, shall be deposited in the general fund subject to the prior pledge and appropriation of such income tax and corporation license tax collections for the payment of long-range building program bonds. The remaining 25% of the proceeds of the corporation license 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.

{3} The state treasurer shall also deposit to the credit of the state general fund all moneys received by him 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."

Section 5. Section 15-37-101, MCA, is amended to read:

"15-37-101. License tax on metal mines. (1) Every person who engages in or carries on the business of working or operating any mine or mining property in the state of Montana from which gold, silver, copper, lead, or any other metal or metals or precious or semiprecious gems or stones of any kind shall be mined, extracted, or produced, whether such person shall carry on such business or engage in such work or operations as owner, lessee, trustee, possessor, receiver, or in any other capacity, must for each year when engaged in or carrying on such business, work, or operations pay to the department of revenue for the exclusive use and benefit of the state of Montana and impacted local government units a license tax for engaging in and carrying 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

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."

Section 6. Section 15-37-103, MCA, is amended to read:

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

Gross Value of Product	Rate of Tax (percentage of gross value)
<del>first \$100,000-----</del>	<del>0+15%</del>
<del>more than \$100,000 and</del>	
<del>not more than first \$250,000</del>	<del>0+575% of the increment 0%</del>
<del>more than \$250,000 and</del>	
<del>not more than \$400,000</del> <del>\$500,000</del>	<del>0+86%</del> <del>15%</del> of the increment

1 more than \$400,000 \$500,000 and  
 2 not more than \$500,000 \$1,000,000 ~~1+15%~~ 1% of the increment  
 3 more than \$500,000 \$1,000,000 ~~1+43%~~ ~~1+5%~~ 1.43% of the  
 4 increment"

5 Section 7. Section 90-6-303, MCA, is amended to read:

6 "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 hard-rock mining impact trust account~~ from  
 17 the license tax on metal mines imposed under Title 15,  
 18 chapter 37."

19 Section 8. Section 90-6-304, MCA, is amended to read:

20 "90-6-304. Account Accounts established. (1) 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

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.

4 ~~(2) There is within the earmarked revenue fund a~~  
 5 ~~hard-rock mining impact trust account. Money is payable~~  
 6 ~~into this account under the provisions of [section 1].~~  
 7 ~~After deducting the administrative and operating expenses of~~  
 8 ~~the board as provided in 90-6-303, money must be segregated~~  
 9 ~~within the account by county of origin. The state treasurer~~  
 10 ~~shall draw warrants from this account upon order of the~~  
 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;

19 (c) award grants to local government units subject to  
 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

provided in 90-6-307;

~~that~~ make determinations as provided in 90-6-307,  
~~[sections 2 and 3]; and~~

~~that~~ accept grants and other funds to be used in  
carrying out this part.

(2) The provisions of the Montana Administrative  
Procedure Act apply to the proceedings and determinations of  
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~~  
~~accounts~~ shall be awarded to local government units on the  
basis of:

(1) need;

(2) severity of impact from mineral development;

(3) availability of funds; and

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

~~NEW SECTION.~~ 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.

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

-End-

-9-

HB 446

## 1 STATEMENT OF INTENT

## 2 HOUSE BILL 446

3 House Taxation Committee  
4

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.



## HOUSE BILL NO. 446

INTRODUCED BY D. BROWN, FABREGA, IVERSON, QUILICI,  
ELLISON, ROUSH, HAND, DAILY, DARKO, ECK, LYNCH,  
HARRINGTON, SAUNDERS, HALLIGAN, PAVLOVICH  
BY REQUEST OF THE HARD-ROCK MINING SUBCOMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE  
ALLOCATION OF METALLIFEROUS MINES LICENSE TAXES TO THE  
GENERAL FUND AND TO AN IMPACT TRUST ACCOUNT; RESTRICTING THE  
USES OF THE IMPACT TRUST ACCOUNT; PROVIDING FOR A SMALL  
MINER'S EXEMPTION FROM THE METALLIFEROUS MINES LICENSE TAX;  
AMENDING SECTIONS 15-1-501, 15-37-101, 15-37-103, AND  
90-6-303 THROUGH 90-6-306, MCA."

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

NEW SECTION. Section 1. Disposition of metalliferous  
mines license taxes. Metalliferous mines license taxes  
collected under the provisions of this part are allocated as  
follows:

(1) to the credit of the general fund of the state,  
~~67% 82%~~ of total collections each year FOR THE BIENNium  
ENDING JUNE 1985, AND 67% FOR EACH YEAR THEREAFTER;

(2) to the earmarked revenue fund to the credit of a  
hard-rock mining impact trust account, ~~33% 11%~~ of total  
collections each year FOR THE BIENNium ENDING JUNE 1985,

AND 33% FOR EACH YEAR THEREAFTER.

NEW SECTION. Section 2. Basis for awarding grants and  
loans from the hard-rock mining impact trust account --  
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).

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

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

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

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

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

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

(3) Not more than 50% of the money available in the hard-rock mining impact trust account may be granted or loaned for the purpose of assisting local governments UNDER (A) AND (B) OF SUBSECTION (2).

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

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

(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 is final. The board shall adopt rules that provide a procedure for designating local government units and areas impacted by the cessation or reduction of mining-related activity.

Section 4. Section 15-1-501, MCA, is amended to read:

"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;

~~(c) --metalliferous-mines-license--taxes--under--chapter 37;~~

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

~~(e)(d)~~ liquor license taxes under Title 16;

~~(f)(e)~~ telephone license taxes under chapter 53; and

~~(g)(f)~~ inheritance and estate taxes under Title 72, chapter 16.

(2) Seventy-five percent of all moneys received from the collection of income taxes under chapter 30 and corporation license and income taxes under chapter 31, except as provided in 15-31-702, shall be deposited in the general fund subject to the prior pledge and appropriation of such income tax and corporation license tax collections for the payment of long-range building program bonds. The remaining 25% of the proceeds of the corporation license 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.

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

Section 5. Section 15-37-101, MCA, is amended to read:

"15-37-101. License tax on metal mines. (1) Every person who engages in or carries on the business of working or operating any mine or mining property in the state of Montana from which gold, silver, copper, lead, or any other metal or metals or precious or semiprecious gems or stones of any kind shall be mined, extracted, or produced, whether such person shall carry on such business or engage in such work or operations as owner, lessee, trustee, possessor, receiver, or in any other capacity, must for each year when engaged in or carrying on such business, work, or operations pay to the department of revenue for the exclusive use and benefit of the state of Montana and impacted local government units a license tax for engaging in and carrying 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 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."

Section 6. Section 15-37-103, MCA, is amended to read:

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

Gross Value of Product	Rate of Tax (percentage of gross value)
first-\$100,000-----	6-15%
more-than-\$100,000-and	

1 not more than ~~first~~ \$250,000 ~~0.575% of the increment or~~  
 2 more than \$250,000 and  
 3 not more than ~~\$400,000~~ ~~\$500,000~~ ~~0.868~~ ~~1.5%~~ of the increment  
 4 more than ~~\$400,000~~ ~~\$500,000~~ and  
 5 not more than ~~\$500,000~~ ~~\$1,000,000~~ ~~1.15%~~ ~~1%~~ of the increment  
 6 more than ~~\$500,000~~ ~~\$1,000,000~~ ~~1.438%~~ ~~1.5%~~ ~~1.5%~~ ~~1.5%~~  
 7 of the increment"

8 Section 7. Section 90-6-303, MCA, is amended to read:  
 9 "90-6-303. Chairman -- meetings -- facilities --  
 10 funding. (1) The board shall elect a chairman from among its  
 11 members.

12 (2) The board shall meet as necessary or as called by  
 13 the chairman or a majority of the members.

14 (3) The board is allocated to the department of  
 15 commerce for administrative purposes only as provided in  
 16 2-15-121.

17 (4) The administrative and operating expenses of the  
 18 board shall be paid from the revenue generated ~~deposited to~~  
 19 ~~the credit of the hard-rock mining impact trust account~~ from  
 20 the license tax on metal mines imposed under Title 15,  
 21 chapter 37."

22 Section 8. Section 90-6-304, MCA, is amended to read:

23 "90-6-304. Account ~~Accounts~~ established. (1) There is  
 24 within the earmarked revenue fund a hard-rock mining impact  
 25 account. Moneys are payable into this account from payments

1 made by a mining developer in compliance with the written  
 2 guarantee from the developer to meet the increased costs of  
 3 public services and facilities as specified in the impact  
 4 plan provided for in 90-6-307. The state treasurer shall  
 5 draw warrants from this account upon order of the hard-rock  
 6 mining impact board.

7 ~~(2) There is within the earmarked revenue fund a~~  
 8 ~~hard-rock mining impact trust account. Money is payable~~  
 9 ~~into this account under the provisions of (section 1).~~  
 10 ~~After deducting the administrative and operating expenses of~~  
 11 ~~the board as provided in 90-6-303, money must be segregated~~  
 12 ~~within the account by county of origin. The state treasurer~~  
 13 ~~shall draw warrants from this account upon order of the~~  
 14 ~~hard-rock mining impact board."~~

15 Section 9. Section 90-6-305, MCA, is amended to read:

16 "90-6-305. Hard-rock mining impact board -- general  
 17 powers. (1) The board may:

18 (a) retain professional staff, consultants, and  
 19 advisors notwithstanding the provisions of 2-15-121;

20 (b) adopt rules governing its proceedings and  
 21 determinations;

22 (c) award grants to local government units subject to  
 23 90-6-306;

24 ~~(d) award grants or loans to local government units~~  
 25 ~~from money paid into the hard-rock mining impact trust~~

1 ~~account subject to the provisions of [sections 2 and 3];~~  
 2 ~~(d)(e)~~ make payments to local government units from  
 3 money paid to the hard-rock mining impact account as  
 4 provided in 90-6-307;  
 5 ~~(e)(f)~~ make determinations as provided in 90-6-307,  
 6 ~~[sections 2 and 3];~~ and  
 7 ~~(f)(g)~~ 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 hard-rock mining impact trust~~  
 15 ~~account,~~ shall be awarded to local government units on the  
 16 basis of:  
 17 (1) need;  
 18 (2) severity of impact from mineral development;  
 19 (3) availability of funds; and  
 20 (4) extent of local effort in meeting its needs."  
 21 ~~NEW SECTION.~~ Section 11. Codification Instructions.  
 22 (1) Section 1 is intended to be codified as an integral part  
 23 of Title 15, chapter 37, part 1, and the provisions of Title  
 24 15, chapter 37, part 1, apply to section 1.  
 25 (2) Sections 2 and 3 are intended to be codified as an

1 integral part of Title 90, chapter 6, part 3, and the  
 2 provisions of Title 90, chapter 6, part 3, apply to sections  
 3 2 and 3.

-End-

April 14, 1983

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"

April 15, 1983

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: "33%"

Strike: "11%"

Insert: "33%"

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.

## 1 STATEMENT OF INTENT

2 HOUSE BILL 446

3 House Taxation Committee

4

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.

REFERENCE BILL

HB 446



## HOUSE BILL NO. 446

INTRODUCED BY D. BROWN, FABREGA, IVERSON, QUILICI,  
 ELLISON, ROUSH, HAND, DAILY, DARKO, ECK, LYNCH,  
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 GENERAL FUND AND TO AN IMPACT TRUST ACCOUNT; RESTRICTING THE  
 USES OF THE IMPACT TRUST ACCOUNT; PROVIDING FOR A SMALL  
 MINER'S EXEMPTION FROM THE METALLIFEROUS MINES LICENSE TAX;  
 AMENDING SECTIONS 15-1-501, 15-37-101, 15-37-103, AND  
 90-6-303 THROUGH 90-6-306, MCA; ~~AND PROVIDING A DELAYED~~  
~~EFFECTIVE DATE AND AN APPLICABILITY DATE."~~

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

~~NEW SECTION.~~ Section 1. Disposition of metalliferous  
 mines license taxes. Metalliferous mines license taxes  
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~~67% 82% 67%~~ of total collections each year ~~FOR THE BIENNIMUM~~  
~~ENDING JUNE 1985, AND 67% FOR EACH YEAR THEREAFTER;~~

(2) to the earmarked revenue fund to the credit of a  
 hard-rock mining impact trust account, ~~33% 11% 33%~~ of total

collections each year ~~FOR THE BIENNIMUM ENDING JUNE 1985,~~  
~~AND 33% FOR EACH YEAR THEREAFTER.~~

~~NEW SECTION.~~ Section 2. Basis for awarding grants and  
 loans from the hard-rock mining impact trust account --  
 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).

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

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

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

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

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

(e) provide cash incentives for expanding the

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 UNDER  
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 SECTION. 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  
17 grants or loans from the account for the county in which  
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:  
2 "15-1-501. Disposition of moneys from certain  
3 designated license and other taxes. (1) The state treasurer  
4 shall deposit to the credit of the state general fund all  
5 moneys received by him from the collection of:

6 (a) automobile driver's license fees under subsections  
7 (1) through (6) of 61-5-111;

8 (b) electric energy producer's license taxes under  
9 chapter 51;

10 ~~(c) --metalliferous--mines--license--taxes--under--chapter~~  
11 ~~37;~~

12 ~~(d)(1)~~ oil and gas severance taxes allocated to the  
13 general fund under chapter 36;

14 ~~(e)(1)~~ liquor license taxes under Title 16;

15 ~~(f)(1)~~ telephone license taxes under chapter 53; and

16 ~~(g)(1)~~ inheritance and estate taxes under Title 72,  
17 chapter 16.

18 (2) Seventy-five percent of all moneys received from  
19 the collection of income taxes under chapter 30 and  
20 corporation license and income taxes under chapter 31,  
21 except as provided in 15-31-702, shall be deposited in the  
22 general fund subject to the prior pledge and appropriation  
23 of such income tax and corporation license tax collections  
24 for the payment of long-range building program bonds. The  
25 remaining 25% of the proceeds of the corporation license

1 tax, excluding that allocated to the counties under  
2 15-31-702, corporation income tax, and income tax shall be  
3 deposited to the credit of the earmarked revenue fund for  
4 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  
14 Montana from which gold, silver, copper, lead, or any other  
15 metal or metals or precious or semiprecious gems or stones  
16 of any kind shall be mined, extracted, or produced, whether  
17 such person 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  
20 engaged in or carrying on such business, work, or operations  
21 pay to the department of revenue for the exclusive use and  
22 benefit of the state of Montana and impacted local  
23 government units a license tax for engaging in and carrying  
24 on such business, work, or operation in this state.

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

1 as requiring laborers or employees hired or employed by any  
2 person to mine or to work in or about any mine or mining  
3 business or property to pay such license taxes, nor shall  
4 any discovery work required to be done in prospecting for or  
5 locating any mining claims or any annual assessment work or  
6 work required in the obtaining of title to mining property  
7 from the United States or required by the laws of the United  
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."

12 Section 6. Section 15-37-103, MCA, is amended to read:

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

23	Gross Value	Rate of Tax
24	of Product	(percentage of gross value)
25	first-\$100,000-----	0+15%

1 more-than-\$100,000-and  
 2 not-more-than first \$250,000 0.575% of the increment 0.1  
 3 more than \$250,000 and  
 4 not more than \$400,000 \$500,000 0.06% 1.5% of the increment  
 5 more than \$400,000 \$500,000 and  
 6 not more than \$500,000 \$1,000,000 1.15% 1% of the increment  
 7 more than \$500,000 \$1,000,000 1.43% 1.5% 1.43% 1.5%  
 8 of the increment"

9 Section 7. Section 90-6-303, MCA, is amended to read:  
 10 "90-6-303. Chairman -- meetings -- facilities --  
 11 funding. (1) The board shall elect a chairman from among its  
 12 members.

13 (2) The board shall meet as necessary or as called by  
 14 the chairman or a majority of the members.

15 (3) The board is allocated to the department of  
 16 commerce for administrative purposes only as provided in  
 17 2-15-121.

18 (4) The administrative and operating expenses of the  
 19 board shall be paid from the revenue generated deposited to  
 20 the credit of the hard-rock mining impact trust account from  
 21 the license tax on metal mines imposed under Title 15,  
 22 chapter 37."

23 Section 8. Section 90-6-304, MCA, is amended to read:

24 "90-6-304. ~~Account~~ Accounts established. (1) There is  
 25 within the earmarked revenue fund a hard-rock mining impact

1 account. Moneys are payable into this account from payments  
 2 made by a mining developer in compliance with the written  
 3 guarantee from the developer to meet the increased costs of  
 4 public services and facilities as specified in the impact  
 5 plan provided for in 90-6-307. The state treasurer shall  
 6 draw warrants from this account upon order of the hard-rock  
 7 mining impact board.

8 ~~(2) There is within the earmarked revenue fund a~~  
 9 ~~hard-rock mining impact trust account. Money is payable~~  
 10 ~~into this account under the provisions of (section 1).~~  
 11 ~~After deducting the administrative and operating expenses of~~  
 12 ~~the board as provided in 90-6-303, money must be segregated~~  
 13 ~~within the account by county of origin. The state treasurer~~  
 14 ~~shall draw warrants from this account upon order of the~~  
 15 ~~hard-rock mining impact board."~~

16 Section 9. Section 90-6-305, MCA, is amended to read:

17 "90-6-305. Hard-rock mining impact board -- general  
 18 powers. (1) The board may:

19 (a) retain professional staff, consultants, and  
 20 advisors notwithstanding the provisions of 2-15-121;

21 (b) adopt rules governing its proceedings and  
 22 determinations;

23 (c) award grants to local government units subject to  
 24 90-6-306;

25 ~~(d) award grants or loans to local government units~~

1 ~~from money paid into the hard-rock mining impact trust~~  
 2 ~~account subject to the provisions of [sections 2 and 3];~~

3 ~~(e)(e)~~ make payments to local government units from  
 4 money paid to the hard-rock mining impact account as  
 5 provided in 90-6-307;

6 ~~(e)(f)~~ make determinations as provided in 90-6-307,  
 7 ~~[sections 2 and 3]; and~~

8 ~~(f)(g)~~ accept grants and other funds to be used in  
 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,  
 15 ~~including those from the hard-rock mining impact trust~~  
 16 ~~accounts~~ 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  
 3 provisions of Title 90, chapter 6, part 3, apply to sections  
 4 2 and 3.

5 SECTION 12. EFFECTIVE DATE -- APPLICABILITY. THIS ACT  
 6 IS EFFECTIVE JULY 1, 1985, AND APPLIES TO TAXABLE YEARS  
 7 BEGINNING AFTER DECEMBER 31, 1984.

-End-