

SENATE BILL NO. 8

Introduced: 1/3/83

Referred to Committee on Finance & Claims: 1/3/83
Died in Committee.

SENATE BILL NO. 8

INTRODUCED BY STIMATZ, PISTORIA, LYNCH

BY REQUEST OF THE JOINT SUBCOMMITTEE ON HIGHWAYS

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A HIGHWAY RECONSTRUCTION ACCOUNT; ALLOCATING A PORTION OF THE OIL SEVERANCE TAX COLLECTIONS TO THE ACCOUNT; PROVIDING FOR APPLICABILITY ON APRIL 1, 1983; AMENDING SECTION 15-36-112, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

WHEREAS, the Joint Subcommittee on Highways recommended to the 48th Legislature that one-half of the proceeds of the 1% increase in the oil severance tax effective on April 1, 1983, be appropriated to the highway reconstruction trust fund account.

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

Section 1. Section 15-36-112, MCA, is amended to read:

"15-36-112. Disposition of oil and gas severance taxes. (1) Each year the department of revenue shall determine the amount of tax collected under this chapter from within each county.

(2) The severance taxes collected under this chapter are allocated as follows:

(a) ~~An amount equal to one-twelfth of the total tax~~

~~collected pursuant to 15-36-101(1)(a) is allocated to the highway reconstruction account for expenditure as authorized in [section 2].~~

~~(a)(b) the the remaining amount, if any, by which the tax collected from within a county for any fiscal year exceeds the total amount collected from within that county for the previous fiscal year, by reason of increased production and not because of increase in or elimination of federal price ceilings on oil and gas, is allocated to the general fund of the county for distribution as provided in subsection (3)(a).~~

~~(b)(c) any Any amount not allocated to the county highway reconstruction account under subsection (2)(a) or to the county under subsection (2)(b) is allocated to the state general fund.~~

(3) (a) The county treasurer shall distribute the money received under this section to the county and to all the incorporated cities and towns within the county in the following manner. The county receives the available money multiplied by the ratio of the rural population to the county population. Each incorporated municipality receives the available money multiplied by the ratio of the population of the incorporated municipality to the county population. The rural population is that population of the county living outside the boundaries of an incorporated

1 municipality. Population shall be based on the most recent
2 figures as determined by the department of administration.

3 (b) The money distributed under this subsection may be
4 used for any purpose as determined by the governing body of
5 the county, city, or town."

6 NEW SECTION. Section 2. Highway reconstruction
7 account. (1) There is a highway reconstruction account in
8 the earmarked special revenue fund.

9 (2) The portion of the oil severance tax collections
10 allocated by 15-36-112(2)(a) and funds appropriated from any
11 other source to the highway reconstruction account shall be
12 expended by the department of highways for the
13 reconstruction of highways on the primary and secondary
14 systems.

15 (3) The department of highways shall expend these
16 funds on reconstruction projects to straighten, widen, or
17 make major improvements to the base of the highway or make
18 major improvements in grades or curves. The funds may not be
19 expended for routine repairs.

20 (4) The department of highways shall expend the funds
21 on projects throughout the state according to need and not
22 on the basis of 60-3-203.

23 NEW SECTION. Section 3. Codification instruction.
24 Section 2 is intended to be codified as an integral part of
25 Title 60, chapter 3, part 2, and the provisions of Title 60,

1 chapter 3, part 2, apply to section 2.

2 NEW SECTION. Section 4. Applicability. This act
3 applies on and after April 1, 1983.

4 NEW SECTION. Section 5. Effective date. This act is
5 effective on passage and approval.

-End-

STATE OF MONTANA

REQUEST NO. 004-83

FISCAL NOTE

Form BD-15

In compliance with a written request received January 4, , 19 83 , there is hereby submitted a Fiscal Note for Senate Bill 8 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

Senate Bill 8 creates a highway reconstruction account; allocates a portion of the oil severance tax collections to the account; provides for applicability on April 1, 1983; and provides an immediate effective date.

ASSUMPTIONS:

- 1) The Department of Revenue forecast of oil severance tax receipts and distribution for the 1984-1985 biennium is the basis for comparison.
- 2) The proposed change will not affect expenditures of the Department of Revenue.
- 3) Distributions to counties under the provisions of 15-36-112(2)(b) is unchanged by this bill.

FISCAL IMPACT:

	<u>FY84</u>	<u>FY85</u>
Oil Severance Tax		
Under Current Law	59.250 M	62.840 M
Under Proposed Law	59.250 M	62.840 M
Estimated Change	<u>0</u>	<u>0</u>
General Fund		
Under Current Law	55.110 M	57.530 M
Under Proposed Law	50.173 M	52.294 M
Estimated Decrease	<u>(4.937 M)</u>	<u>(5.236 M)</u>
Allocation to Producing Counties		
Under Current Law	4.140 M	5.310 M
Under Proposed Law	4.140 M	5.310 M
Estimated Decrease	<u>0</u>	<u>0</u>
Highway Reconstruction Account		
Under Current Law	0	0
Under Proposed Law	4.937 M	5.236 M
Estimated Increase	<u>4.937 M</u>	<u>5.236 M</u>

FISCAL NOTE2:R/1


BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-10-83