

SENATE BILL NO. 202

Introduced: 01/19/83

Referred to Committee on Local Government: 01/19/83  
Hearing: 1/25/83

Rereferred to Committee on Taxation: 01/25/83  
Hearing: 2/9/83  
Report: 02/22/83, Do Not Pass. Report Adopted.  
Bill Killed.

1 Sen. Eck, Rust BILL NO. 202  
 2 INTRODUCED BY  
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH A METHOD  
 5 OF DETERMINING COAL DEVELOPMENT IMPACT COSTS INCURRED BY  
 6 LOCAL GOVERNMENT UNITS AND TO FIX THE MAXIMUM APPROPRIATION  
 7 AVAILABLE FOR SUCH COSTS FROM THE CONSTITUTIONAL TRUST  
 8 INCOME EARNINGS."  
 9

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

11 Section 1. Direct coal employment -- certification.  
 12 The department of commerce shall certify each fiscal year  
 13 the increase or decrease in the number of people directly  
 14 employed in:

- 15 (1) coal mine construction and mining;
- 16 (2) coal-fired electrical generation plant  
 17 construction and operation;
- 18 (3) synthetic fuel plant construction and operation;
- 19 and
- 20 (4) coal transportation.

21 Section 2. Coal development impact costs -- formula.

22 (1) The department of commerce shall develop a formula for  
 23 calculating the costs that governments incur due to coal  
 24 development activities in the state. The formula must  
 25 include:

1 (a) the employment increase or decrease certified in  
 2 accordance with [section 1];

3 (b) a reasonable multiplier for use in establishing  
 4 the ratio of total increase in population due to the  
 5 increase in employment to the total number of new employees  
 6 in coal-related occupations; and

7 (c) the average per capita cost for all services  
 8 normally provided by government.

9 (2) The product of subsection (1)(a) multiplied by  
 10 subsection (1)(b) multiplied by subsection (1)(c) equals the  
 11 easily quantifiable economic coal development impact costs  
 12 in Montana.

13 Section 3. Coal development impact costs --  
 14 available appropriation. If the money available to the coal  
 15 board pursuant to 90-6-205 is not sufficient to fully  
 16 reimburse the coal development impact costs established in  
 17 [section 2], the necessary remaining funds may be made  
 18 available by appropriation from the income of the trust fund  
 19 account created by Article IX, section 5, of the Montana  
 20 constitution.

21 Section 4. Legislative appropriation. For budgeting  
 22 purposes, the legislature shall determine the amount of  
 23 money necessary to reimburse coal development impact costs  
 24 and by appropriation bill request the necessary funding.

-End-

INTRODUCED BILL

-2-

SB 202

## STATE OF MONTANA

REQUEST NO. 175-83

## FISCAL NOTE

Form BD-15

In compliance with a written request received January 20, , 19 83 , there is hereby submitted a Fiscal Note for Senate Bill 202 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 202 will establish a method of determining coal development impact costs incurred by local government units and to fix the maximum appropriation available for such costs from the constitutional trust income earnings.

ASSUMPTIONS:

- 1) Impacts only for local governments.
- 2) Impact estimates only for past year. No impact projections for future years required.
- 3) Coal impact program important enough to require reasonably accurate estimates.
- 4) Analytical work in developing details of the formula, and testing done in FY 84.

FISCAL IMPACT:

	<u>FY 84</u>	<u>FY 85</u>	<u>TOTAL BIENNIUM</u>
Expenditures under proposed law			
Personal Services	\$ 24,942	\$ 6,835	\$ 31,777
Operating	13,222	4,234	17,456
Total	<u>\$ 38,164</u>	<u>\$ 11,069</u>	<u>\$ 49,233</u>
Less: Expenditures under			
current law	\$ -0-	\$ -0-	\$ -0-
Increase expenditures under			
proposed law	<u>\$ 38,164</u>	<u>\$ 11,069</u>	<u>\$ 49,233</u>

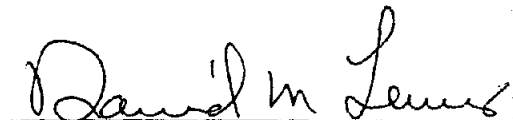
COAL SEVERANCE TAX LOCAL IMPACT:

Dollar estimate of local impact is not possible since this legislation intends to put an upper limit on coal impact grants to local governments using a formula yet to be precisely designed and implemented. Local expenditures will be affected to the extent that the resulting upper limit and formula increasing or decreasing funding available for each local government entity.

GENERAL FUND IMPACT:

Any impact grants paid from the interest earnings from the constitutional trust will reduce general fund revenue.

FISCAL NOTE 7:Y/1



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-25-83