

SENATE BILL NO. 434

Introduced: 02/16/83

Referred to Committee on Taxation: 02/16/83

Hearing: 2/18/83

Died in Committee.

1 *Sen. 434* BILL NO. 434
 2 INTRODUCED BY *Sen. 434*
 3 *Manning Graham*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOCATING 15 PERCENT
 5 OF THE COAL SEVERANCE TAX TO THE RECONSTRUCTION OF HIGHWAYS;
 6 CREATING A HIGHWAY RECONSTRUCTION ACCOUNT; AMENDING SECTION
 7 15-35-108, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."
 8
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 10 Section 1. Section 15-35-108, MCA, is amended to read:
 11 "15-35-108. Disposal of severance taxes. Severance
 12 taxes collected under the provisions of this chapter are
 13 allocated as follows:
 14 (1) To the trust fund created by Article IX, section
 15 5, of the Montana constitution, 25% of total collections a
 16 year. After December 31, 1979, 50% of coal severance tax
 17 collections are allocated to this trust fund. The trust fund
 18 moneys shall be deposited in the fund established under
 19 17-6-203(5) and invested by the board of investments as
 20 provided by law.
 21 (2) Coal severance tax collections remaining after
 22 allocation to the trust fund under subsection (1) are
 23 allocated in the following percentages of the remaining
 24 balance:
 25 (a) to the county in which coal is mined, 2% of the

1 severance tax paid on the coal mined in that county until
 2 January 1, 1980, for such purposes as the governing body of
 3 the county may determine;
 4 (b) 2 1/2% until December 31, 1979, and thereafter
 5 4 1/2% to the earmarked revenue fund to the credit of the
 6 alternative energy research development and demonstration
 7 account;
 8 (c) 26 1/2% until July 1, 1979, and thereafter 37 1/2%
 9 to the earmarked revenue fund to the credit of the local
 10 impact and education trust fund account;
 11 (d) for each of the 2 fiscal years following June 30,
 12 1977, 13% to the earmarked revenue fund to the credit of the
 13 coal area highway improvement account;
 14 (e) 10% to the earmarked revenue fund for state
 15 equalization aid to public schools of the state;
 16 (f) 1% to the earmarked revenue fund to the credit of
 17 the county land planning account;
 18 (g) 1 1/4% to the sinking fund to the credit of the
 19 renewable resource development bond account;
 20 (h) 5% to the earmarked revenue fund to the credit of
 21 a trust fund for the purpose of parks acquisition or
 22 management, protection of works of art in the state capitol,
 23 and other cultural and aesthetic projects. Income from this
 24 trust fund shall be appropriated as follows:
 25 (i) 1/3 for protection of works of art in the state

1 capitol and other cultural and aesthetic projects; and
 2 (ii) 2/3 for the acquisition of sites and areas
 3 described in 23-1-102 and the operation and maintenance of
 4 sites so acquired;
 5 (i) 1% to the earmarked revenue fund to the credit of
 6 the state library commission for the purposes of providing
 7 basic library services for the residents of all counties
 8 through library federations and for payment of the costs of
 9 participating in regional and national networking;
 10 (j) 1/2 of 1% to the earmarked revenue fund for
 11 conservation districts;
 12 (k) 1 1/4% to the sinking fund to the credit of the
 13 water development sinking account;
 14 ~~(ll) 30% to the highway reconstruction account;~~
 15 ~~+++ (m) all other revenues from severance taxes~~
 16 ~~collected under the provisions of this chapter to the credit~~
 17 ~~of the general fund of the state."~~
 18 **NEW SECTION.** Section 2. Highway reconstruction
 19 account. (1) There is a highway reconstruction account.
 20 (2) The coal severance tax collections allocated by
 21 15-35-108(2)(1) and funds appropriated from other sources to
 22 the highway reconstruction account must be expended by the
 23 department for the reconstruction of highways on the primary
 24 and secondary systems.
 25 (3) The department shall expend these funds on

1 reconstruction projects to straighten, widen, or make major
 2 improvements to the base of the highways or make major
 3 improvements in grades or curves. The funds may not be
 4 expended for routine repairs.
 5 (4) The department shall expend the funds on projects
 6 throughout the state according to need and not on the basis
 7 of 60-3-203.
 8 **NEW SECTION.** Section 3. Codification instruction.
 9 Section 2 is intended to be codified as an integral part of
 10 Title 60, chapter 3, part 2.
 11 **NEW SECTION.** Section 4. Effective date. This act is
 12 effective July 1, 1985.

-End-

STATE OF MONTANA

REQUEST NO. 463-83

FISCAL NOTE

Form BD-15

In compliance with a written request received February 18, 19 83, there is hereby submitted a Fiscal Note for Senate Bill 434 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 434 allocates 15% of the coal severance tax to the reconstruction of highways; creates a highway reconstruction account; and provides a delayed effective date.

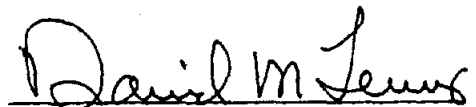
ASSUMPTIONS:

- 1) The bill will have no fiscal impact during the FY84-85 biennium because its effective date is July 1, 1985.
- 2) The estimated coal severance tax collections for FY86 are \$147.06 million and for FY87 are \$161.76 million.

FISCAL IMPACT:

	<u>FY84</u>	<u>FY85</u>	<u>FY86</u>	<u>FY87</u>
Reduction in General Fund	-0-	-0-	(\$22.059 M)	(\$24.264 M)
Increase to Highway Reconstruction Account	-0-	-0-	22.059 M	24.264 M

FISCAL NOTE 16: 0/1



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-20-83