

HOUSE BILL NO. 2
INTRODUCED BY SANDS
BY REQUEST OF THE COAL TAX OVERSIGHT SUBCOMMITTEE

IN THE HOUSE

January 7, 1985	Introduced and referred to Committee on Fish and Game.
January 11, 1985	Fiscal Note requested.
January 15, 1985	Fiscal Note returned.
February 1, 1985	Committee recommend bill do pass as amended. Report adopted.
	Bill printed and placed on members' desks.
February 2, 1985	Second reading, do pass. Ayes, 67; Noes, 29.
	Considered correctly engrossed.
February 4, 1985	Third reading, passed. Ayes, 80; Noes, 17.
	Transmitted to Senate.

IN THE SENATE

February 7, 1985	Introduced and referred to Committee on Taxation.
March 18, 1985	Committee recommend bill be concurred in. Report adopted.
March 21, 1985	Second reading, concurred in.

March 23, 1985

Third reading, concurred in.
Ayes, 49; Noes, 0.

Returned to House.

IN THE HOUSE

March 25, 1985

Received from Senate.

Sent to enrolling.

Reported correctly enrolled.

1 HOUSE BILL NO. 2
2 INTRODUCED BY SANDS

3 BY REQUEST OF THE COAL TAX OVERSIGHT SUBCOMMITTEE

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE USE FOR
6 FOUR YEARS OF COAL SEVERANCE TAX PROCEEDS FOR DEVELOPMENT,
7 OPERATION, AND MAINTENANCE OF ALL STATE PARKS, RECREATIONAL
8 AREAS, MONUMENTS, OR HISTORICAL SITES; AMENDING SECTION
9 15-35-108, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

12 Section 1. Section 15-35-108, MCA, is amended to read:
13 "15-35-108. Disposal of severance taxes. Severance
14 taxes collected under the provisions of this chapter are
15 allocated as follows:

16 (1) To the trust fund created by Article IX, section
17 5, of the Montana constitution, 25% of total collections a
18 year. After December 31, 1979, 50% of coal severance tax
19 collections are allocated to this trust fund. The trust fund
20 moneys shall be deposited in the fund established under
21 17-6-203(5) and invested by the board of investments as
22 provided by law.

23 (2) Starting July 1, 1986, and ending June 30, 1987,
24 6% of coal severance tax collections are allocated to the
25 highway reconstruction trust fund account in the state

1 special revenue fund. Starting July 1, 1987, and ending June
2 30, 1993, 12% of coal severance tax collections are
3 allocated to the highway reconstruction trust fund account
4 in the state special revenue fund.

5 (3) Coal severance tax collections remaining after the
6 allocations provided by subsections (1) and (2) are
7 allocated in the following percentages of the remaining
8 balance:

9 (a) to the county in which coal is mined, 2% of the
10 severance tax paid on the coal mined in that county until
11 January 1, 1980, for such purposes as the governing body of
12 the county may determine;

13 (b) 2 1/2% until December 31, 1979, and thereafter
14 4 1/2% to the state special revenue fund to the credit of
15 the alternative energy research development and
16 demonstration account;

17 (c) 26 1/2% until July 1, 1979, and thereafter 37 1/2%
18 to the state special revenue fund to the credit of the local
19 impact and education trust fund account;

20 (d) for each of the 2 fiscal years following June 30,
21 1977, 13% to the state special revenue fund to the credit of
22 the coal area highway improvement account;

23 (e) 10% to the state special revenue fund for state
24 equalization aid to public schools of the state;

25 (f) 1% to the state special revenue fund to the credit

1 of the county land planning account;

2 (g) 1 1/4% to the credit of the renewable resource
3 development bond fund;

4 (h) 5% to a nonexpendable trust fund for the purpose
5 of parks acquisition or management, protection of works of
6 art in the state capitol, and other cultural and aesthetic
7 projects. Income from this trust fund shall be appropriated
8 as follows:

9 (i) 1/3 for protection of works of art in the state
10 capitol and other cultural and aesthetic projects; and

11 (ii) starting July 1, 1985, and ending June 30, 1989,
12 2/3 for the acquisition, development, operation, and
13 maintenance of sites and areas described in 23-1-102 and,
14 starting July 1, 1989, 2/3 for the acquisition of sites and
15 areas described in 23-1-102 and the operation and
16 maintenance of sites so acquired;

17 (i) 1% to the state special revenue fund to the credit
18 of the state library commission for the purposes of
19 providing basic library services for the residents of all
20 counties through library federations and for payment of the
21 costs of participating in regional and national networking;

22 (j) 1/2 of 1% to the state special revenue fund for
23 conservation districts;

24 (k) 1 1/4% to the debt service fund type to the credit
25 of the water development debt service fund;

1 (l) all other revenues from severance taxes collected
2 under the provisions of this chapter to the credit of the
3 general fund of the state."

4 NEW SECTION. Section 2. Effective date. This act is
5 effective July 1, 1985.

-End-

STATE OF MONTANA

REQUEST NO. FNN 044-85

F I S C A L N O T E

Form BD-15

In compliance with a written request received January 11, 19 85, there is hereby submitted a Fiscal Note for H.B. 2 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:

An act authorizing the use for four years of coal severance tax proceeds for development, operation, and maintenance of all state parks, recreational areas, monuments, or historical sites.

ASSUMPTIONS:

- (1) Funding source remains constant.
- (2) Law provides that only the expenditure categories eligible to spend Coal Tax interest change. Presently the department is authorized to spend these funds to include development, operation, and maintenance costs. It would be primarily a legislative decision as to how the Coal Tax interest funds are allocated between these cost categories.

FISCAL IMPACT:

Not Applicable.

AFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

The only local impact foreseen is a shift in funds flow to personal services from capital outlay, this putting more funds in local circulation. The amount of this change is difficult to calculate.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Quantitative estimates cannot be made at this time. The major effect will be on parks and recreation area availability for use by the public.

TECHNICAL OR MECHANICAL DEFECTS OR CONFLICTS WITH EXISTING LEGISLATION:

None

David L. Hunter
BUDGET DIRECTOR
Office of Budget and Program Planning

Date:

Jan 15, 1985

APPROVED BY COMM.
ON FISH AND GAME

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1 special revenue fund. Starting July 1, 1987, and ending June
2 30, 1993, 12% of coal severance tax collections are
3 allocated to the highway reconstruction trust fund account
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14 4 1/2% to the state special revenue fund to the credit of
15 the alternative energy research development and
16 demonstration account.

17 (c) 26 1/2% until July 1, 1979, and thereafter 37 1/2%
18 to the state special revenue fund to the credit of the local
19 impact and education trust fund account;

20 (d) for each of the 2 fiscal years following June 30,
21 1977, 13% to the state special revenue fund to the credit of
22 the coal area highway improvement account;

23 (e) 10% to the state special revenue fund for state
24 equalization aid to public schools of the state;

(f) 1% to the state special revenue fund to the credit



1 of the county land planning account;

2 (g) 1 1/4% to the credit of the renewable resource
3 development bond fund;

4 (h) 5% to a nonexpendable trust fund for the purpose
5 of parks acquisition or management, protection of works of
6 art in the state capitol, and other cultural and aesthetic
7 projects. Income from this trust fund shall be appropriated
8 as follows:

9 (i) 1/3 for protection of works of art in the state
10 capitol and other cultural and aesthetic projects; and

11 (ii) starting July 1, 1985, and ending June 30, 1989,
12 2/3 for the acquisition, development, operation, and
13 maintenance of ANY sites and areas described in 23-1-102
14 and, starting-July-1 AFTER JUNE 30, 1989, 2/3 for the
15 acquisition of sites and areas described in 23-1-102 and the
16 DEVELOPMENT, operation, and maintenance of sites so acquired
17 WITH FUNDS ALLOCATED UNDER THIS SUBSECTION;

18 (i) 1% to the state special revenue fund to the credit
19 of the state library commission for the purposes of
20 providing basic library services for the residents of all
21 counties through library federations and for payment of the
22 costs of participating in regional and national networking;

23 (j) 1/2 of 1% to the state special revenue fund for
24 conservation districts;

25 (k) 1 1/4% to the debt service fund type to the credit

1 of the water development debt service fund;

2 (l) all other revenues from severance taxes collected
3 under the provisions of this chapter to the credit of the
4 general fund of the state."

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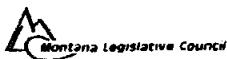
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14 and, starting July 1 AFTER JUNE 30, 1989, 2/3 for the
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