

HOUSE BILL NO. 369

1/23 Introduced
1/23 Referred to Taxation
1/24 Fiscal Note Requested
1/31 Hearing
2/04 Fiscal Note Received
2/04 Adverse Committee Report
2/05 Bill Killed

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

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

6 (f) 1% to the state special revenue fund to the credit
7 of the county land planning account;

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

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

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

17 (ii) 2/3 for the acquisition of sites and areas
18 described in 23-1-102 and the operation and maintenance of
19 sites so acquired;

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

25 (j) 1/2 of 1% to the state special revenue fund for

1 conservation districts;

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

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

7 NEW SECTION. Section 2. Coordination instruction. If
8 Bill No. [LC 254], including the section of that bill
9 amending Article IX, section 5, of the Constitution of the
10 State of Montana, and the section of that bill adding a new
11 section 6 to Article IX of the Constitution of the State of
12 Montana, is not submitted or fails upon submission to the
13 electorate on November 4, 1986, this act is void in its
14 entirety.

15 NEW SECTION. Section 3. Effective date. Subject to
16 section 2, this act is effective July 1, 1987.

-End-

STATE OF MONTANA

FISCAL NOTE

REQUEST NO. FNN 222-85

Form BD-15

In compliance with a written request received January 25, 19 85, there is hereby submitted a Fiscal Note for House Bill 369 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 implementing the constitutional amendments in Bill No. (LC 254), which reduces to 45 percent the portion of the coal severance tax allocated to the permanent trust fund and dedicates 5 percent to local governments.

ASSUMPTIONS:

Assuming coal severance tax revenues of \$112,033,493 (FY 1987 OBPP estimate) for FY 1988, \$5,601,675 would be allocated to the local government block grant account and the coal tax trust fund allocation would be decreased from \$56,016,747 to \$50,415,072.

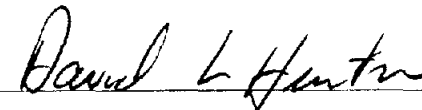
1. Coal Severance Tax revenues for FY 1987 of \$112,033,493 are assumed to remain constant for FY 1988 and beyond.

FISCAL IMPACT:

The proposed legislation does not have a fiscal impact in the 1986-87 biennium.

LONG-RANGE EFFECT OF PROPOSED LEGISLATION:

1. 5% of the coal severance tax trust fund allocation would be \$5,601,675 annually that would be reallocated to the local government block grant account.
2. The In-State Investment Fund administered by the Montana Economic Development Board currently receives 25% of total deposits to the permanent trust fund. The proposed legislation would decrease the In-State Investment Fund allocation by \$1,400,419 annually (25% of \$5,601,675). This decrease would reduce the number of loans that the Economic Development Board could make.
3. Interest earnings from the permanent trust fund would decrease due to decreased allocations of \$5,601,675 annually to the permanent trust fund. The loss of general fund interest earnings in the 1988-89 beinnium is estimated to be \$862,240; the loss of interest earnings reinvested in the permanent trust is estimated to be \$152,160.



BUDGET DIRECTOR
Office of Budget and Program Planning

Date: Feb 2, 1985
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