

SENATE BILL NO. 21

1/07 Introduced
1/07 Referred to Taxation
1/08 Fiscal Note Requested
1/09 Hearing
1/14 Fiscal Note Received
2/22 Committee Report-Bill Pass As Amended
2/26 2nd Reading Pass
2/27 3rd Reading Do Not Pass
3/04 Reconsideration
3/04 Rereferred to Taxation
3/18 Tabled in Committee

1 SENATE BILL NO. 21
2 INTRODUCED BY TOWE

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A COAL
5 RESEARCH AND DEVELOPMENT ACCOUNT TO WHICH PORTIONS OF THE
6 COAL SEVERANCE TAX ARE ALLOCATED AFTER JULY 1, 1987, FOR
7 APPROPRIATION FOR SPECIFIED RESEARCH PURPOSES; AMENDING
8 SECTION 15-35-108, MCA."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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

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

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

1 30, 1993, 12% of coal severance tax collections are
2 allocated to the highway reconstruction trust fund account
3 in the state special revenue fund.

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

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

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

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

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

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

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



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

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

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

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

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

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

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

22 (l) to the credit of the coal research and development
23 account in the state special revenue fund, 5% starting July
24 1, 1987, and 10% starting July 1, 1989. The legislature may
25 appropriate money from the coal research and development

1 account up to:

2 (i) 2/5 to the science and technology development
3 board established by Bill No. ... (LC) for use in
4 the competitive coal research program;

5 (ii) 2/5 for use by the Montana coal laboratory within
6 the Montana university system to sponsor research in the
7 characterization, production, processing, marketing, and use
8 of Montana coal and derivative products; and

9 (iii) 1/5 to a center for future studies at Eastern
10 Montana college within the Montana university system.

11 (m) all other revenues from severance taxes
12 collected under the provisions of this chapter to the credit
13 of the general fund of the state."

14 NEW SECTION. Section 2. Account established. There is
15 within the state special revenue fund a coal research and
16 development account.

17 NEW SECTION. Section 3. Codification instruction.
18 Section 2 is intended to be codified as an integral part of
19 Title 20, chapter 25, part 1.

20 NEW SECTION. Section 4. Coordination instruction. If
21 ___ Bill No. ___ (LC ___) establishing the science and
22 technology development board is not passed and approved,
23 provisions of this act are void to the extent they apply to
24 the science and technology development board.

-End-

STATE OF MONTANA
FISCAL NOTE

REQUEST NO. FNN018-85

Form BD-15

In compliance with a written request received January 8, 1985, there is hereby submitted a Fiscal Note for S.B. 21 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

An act establishing a coal research and development account to which portions of the coal severance tax are allocated after July 1, 1987, for appropriation for specified research purposes; amending section 15-35-108, MCA.

ASSUMPTIONS

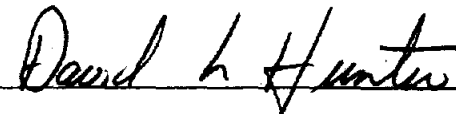
Coal Severance Tax projections remain constant at FY87 level of \$112,033,493 (OBPP)

FISCAL IMPACT

The proposal will have no fiscal impact this biennium.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION

In fiscal years 1988 & 1989, \$2,128,636 per year would be diverted from the general fund to the Coal Research and Development Account. For fiscal years 1990 through 1993 the amount diverted doubles and will be \$4,257,273 per year.



BUDGET DIRECTOR
Office of Budget and Program Planning

Date: Jan 14, 1985

APPROVED BY COMMITTEE
ON TAXATION

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INTRODUCED BY TOWE

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

30, 1993, 12% of coal severance tax collections are allocated to the highway reconstruction trust fund account in the state special revenue fund.

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

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

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

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

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

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

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



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

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

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

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

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14 of the state library commission for the purposes of
15 providing basic library services for the residents of all
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19 conservation districts;

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21 of the water development debt service fund;

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23 account in the state special revenue fund, 5% starting July
24 1, 1987, and 10% starting July 1, 1989. The legislature may
25 appropriate money from the coal research and development

1 account up to:

2 (i) 2/5 to the science and technology development
3 board established by ~~Bill No. (BE)~~ [SECTION 3
4 OF HB 812] for ~~use in the competitive coal research program~~
5 TECHNOLOGY INVESTMENTS IN TECHNOLOGY DEVELOPMENT PROJECTS AS
6 PROVIDED FOR IN [SECTION 6 OF HOUSE BILL 812];

7 (ii) 2/5 for use by the Montana coal laboratory within
8 the Montana university system to sponsor research in the
9 characterization, production, processing, marketing, and use
10 of Montana coal and derivative products, PROVIDED AT LEAST
11 ONE-THIRD OF THE TOTAL PROGRAM FUNDS IS MADE AVAILABLE FROM
12 PRIVATE AND OTHER SOURCES; and

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22 Section 2 is intended to be codified as an integral part of
23 Title 20, chapter 25, part 1.

24 NEW SECTION. Section 4. Coordination instruction. If
25 ~~Bill No. (BE)~~ HOUSE BILL 812 establishing the

SB 0021/02

1 science and technology development board is not passed and
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