

SENATE BILL NO. 271

1/28 Introduced
1/29 Referred to Education & Cultural Resources
1/31 Fiscal Note Requested
2/05 Fiscal Note Received
2/06 Hearing
2/08 Fiscal Note Requested
2/11 Fiscal Note Received
2/16 Committee Report-Bill Pass As Amended
2/19 Rereferred to Finance & Claims
2/23 Hearing
2/25 Adverse Committee Report
2/25 On Motion Placed on 2nd Reading
2/26 2nd Reading Indefinitely Postponed

1 Senate BILL NO. 271
 2 INTRODUCED BY M. Sullivan

3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE FROM 25
 5 PERCENT TO 30 PERCENT THE AMOUNT OF MONEY RECEIVED FROM THE
 6 COLLECTION OF INCOME TAXES THAT IS EARMARKED FOR STATE
 7 EQUALIZATION AID TO PUBLIC SCHOOLS OF THE STATE; AMENDING
 8 SECTION 20-9-343, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

11 Section 1. Section 20-9-343, MCA, is amended to read:
 12 "20-9-343. Definition of and revenue for state
 13 equalization aid. (1) As used in this title, the term "state
 14 equalization aid" means those moneys deposited in the state
 15 special revenue fund as required in this section plus any
 16 legislative appropriation of moneys from other sources for
 17 distribution to the public schools for the purpose of
 18 equalization of the foundation program.

19 (2) The legislative appropriation for state
 20 equalization aid shall be made in a single sum for the
 21 biennium. The superintendent of public instruction has
 22 authority to spend such appropriation, together with the
 23 earmarked revenues provided in subsection (3), as required
 24 for foundation program purposes throughout the biennium.

25 (3) The following shall be paid into the state special

1 revenue fund for state equalization aid to public schools of
 2 the state:

3 (a) 25% ~~30%~~ of all moneys received from the collection
 4 of income taxes under chapter 30 of Title 15;

5 (b) 25% of all moneys, except as provided in
 6 15-31-702, received from the collection of corporation
 7 license taxes under chapter 31 of Title 15, as provided by
 8 15-1-501;

9 (c) 10% of the moneys received from the collection of
 10 the severance tax on coal under chapter 35 of Title 15;

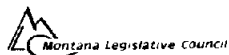
11 (d) 62 1/2% of the moneys received from the treasurer
 12 of the United States as the state's shares of oil, gas, and
 13 other mineral royalties under the federal Mineral Lands
 14 Leasing Act, as amended;

15 (e) interest and income moneys described in 20-9-341
 16 and 20-9-342;

17 (f) income from the local impact and education trust
 18 fund account; and

19 (g) in addition to these revenues, the surplus
 20 revenues collected by the counties for foundation program
 21 support according to 20-9-331 and 20-9-333 shall be paid
 22 into the same state special revenue fund.

23 (4) Any surplus revenue in the state equalization aid
 24 account in the second year of a biennium may be used to
 25 reduce the appropriation required for the next succeeding



-2- INTRODUCED BILL
 SB 271

LC 1383/01

1 biennium (or may be transferred to the state permissive
2 account if revenues in that fund are insufficient to meet
3 the state's permissive amount obligation)."

4 NEW SECTION. Section 2. Applicability. This act
5 applies to taxable years beginning after December 31, 1984.

-End-

STATE OF MONTANA
FISCAL NOTE

REQUEST NO. FNN 298-85

Form BD-15

In compliance with a written request received January 31, 19 85, there is hereby submitted a Fiscal Note for S.B. 271 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 to increase from 25% to 30% the amount of money received from the collection of income taxes that is earmarked for state equalization aid to public schools of the state; and providing an applicability date.

ASSUMPTIONS:

1. Individual income tax revenue under current law is \$196,157,813 in FY 1986 and \$209,890,625 in FY 1987.
2. Distribution of revenue under proposed law is: 59% to general fund, 30% to school equalization, and 11% to long-range building.

FISCAL IMPACT:

	Under Current Law	FY 86 Under Proposed Law	Difference	Under Current Law	FY 87 Under Proposed Law	Difference
<u>EFFECT ON REVENUE</u>						
Individual Income Tax	\$196,157,813	\$196,157,813	\$ -0-	\$209,890,625	\$209,890,625	\$ -0-
Totals	\$196,157,813	\$196,157,813	\$ -0-	\$209,890,625	\$209,890,625	\$ -0-
<u>FUND INFORMATION</u>						
General Fund	\$125,541,000	\$115,733,109	(\$9,807,891)	\$134,330,000	\$123,835,469	(\$10,494,531)
Earmarked Special Revenue Fund	\$ 49,039,453	\$ 58,847,344	\$9,807,891	\$ 52,472,656	\$ 62,967,187	\$10,494,531
Capital Project Fund	\$ 21,577,360	\$ 21,577,360	\$ -0-	\$ 23,087,969	\$ 23,087,969	\$ -0-

TECHNICAL/MECHANICAL DEFECTS:

The proposed legislation is in conflict with 15-1-501, MCA. Section 2 states "This act applies to taxable years beginning after December 31, 1984." This would require the Department of Revenue to distribute revenues received in FY 85 based on two difference distributions. Revenues received in FY 85 are for both calendar year 1984 and calendar year 1985.

David L Hunter
BUDGET DIRECTOR
Office of Budget and Program Planning

Date: Feb 5, 1985
SB 271

STATE OF MONTANA
FISCAL NOTE

Amended
REQUEST NO. FNN298-85
Form BD-15

In compliance with a written request received February 18, 19 85, there is hereby submitted a Fiscal Note for S.B. 271 Amended 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.

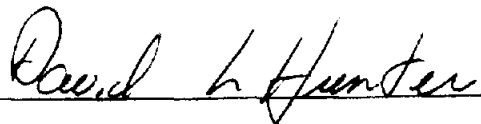
DESCRIPTION

An act to to increase from 25% to 30% the amount of money received from the collection of income taxes that is earmarked for state equalization aid to public schools of the state; and providing an applicability date.

ASSUMPTIONS

- 1) Individual income tax revenue under current law is \$196,157,813 in FY1986 and \$209,890,625 in FY1987.
- 2) Distribution of revenue under proposed law is: 59% to general fund, 30% to school equalization, and 11% to long-range building.

	<u>FY86</u>			<u>FY87</u>		
	<u>Under Current Law</u>	<u>Under Proposed Law</u>	<u>Difference</u>	<u>Under Current Law</u>	<u>Under Proposed Law</u>	<u>Difference</u>
<u>EFFECT ON REVENUE</u>						
Individual Income Tax	\$196,157,813	\$196,157,813	\$ 0	\$209,890,625	\$209,890,625	\$ 0
Totals	\$196,157,813	\$196,157,813	\$ 0	\$209,890,625	\$209,890,625	\$ 0
<u>FUND INFORMATION</u>						
General Fund	\$125,541,000	\$115,733,109	(\$9,807,891)	\$134,330,000	\$123,835,469	(\$10,494,531)
Earmarked Special Revenue Fund	\$ 49,039,453	\$ 58,847,344	\$9,807,891	\$ 52,472,656	\$ 62,967,187	\$10,494,531
Capital Project Fund	\$ 21,577,360	\$ 21,577,360	\$ 0	\$ 23,087,969	\$ 23,087,969	\$ 0



BUDGET DIRECTOR
Office of Budget and Program Planning

Date: Feb 22, 1985
SB 271 Amended

APPROVED BY COMM. ON EDUCATION AND CULTURAL RESOURCES

SENATE BILL NO. 271
INTRODUCED BY MCCALLUM

A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE FROM 25 PERCENT TO 30 PERCENT THE AMOUNT OF MONEY RECEIVED FROM THE COLLECTION OF INCOME TAXES THAT IS EARMARKED FOR STATE EQUALIZATION AID TO PUBLIC SCHOOLS OF THE STATE; AMENDING SECTION SECTIONS 15-1-501 AND 20-9-343, MCA; AND PROVIDING AN APPLICABILITY EFFECTIVE DATE."

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

Section 1. Section 20-9-343, MCA, is amended to read:

"20-9-343. Definition of and revenue for state equalization aid. (1) As used in this title, the term "state equalization aid" means those moneys deposited in the state special revenue fund as required in this section plus any legislative appropriation of moneys from other sources for distribution to the public schools for the purpose of equalization of the foundation program.

(2) The legislative appropriation for state equalization aid shall be made in a single sum for the biennium. The superintendent of public instruction has authority to spend such appropriation, together with the earmarked revenues provided in subsection (3), as required for foundation program purposes throughout the biennium.

(3) The following shall be paid into the state special revenue fund for state equalization aid to public schools of the state:

(a) 25% ~~30%~~ of all moneys received from the collection of income taxes under chapter 30 of Title 15;

(b) 25% of all moneys, except as provided in 15-31-702, received from the collection of corporation license taxes under chapter 31 of Title 15, as provided by 15-1-501;

(c) 10% of the moneys received from the collection of the severance tax on coal under chapter 35 of Title 15;

(d) 62 1/2% of the moneys received from the treasurer of the United States as the state's shares of oil, gas, and other mineral royalties under the federal Mineral Lands Leasing Act, as amended;

(e) interest and income moneys described in 20-9-341 and 20-9-342;

(f) income from the local impact and education trust fund account; and

(g) in addition to these revenues, the surplus revenues collected by the counties for foundation program support according to 20-9-331 and 20-9-333 shall be paid into the same state special revenue fund.

(4) Any surplus revenue in the state equalization aid account in the second year of a biennium may be used to



1 reduce the appropriation required for the next succeeding
2 biennium [or may be transferred to the state permissive
3 account if revenues in that fund are insufficient to meet
4 the state's permissive amount obligation]."

5 SECTION 2. SECTION 15-1-501, MCA, IS AMENDED TO READ:

6 "15-1-501. Disposition of moneys from certain
7 designated license and other taxes. (1) The state treasurer
8 shall deposit to the credit of the state general fund all
9 moneys received by him from the collection of:

10 (a) automobile driver's license fees under subsections
11 (1) through (6) of 61-5-111;

12 (b) electrical energy producer's license taxes under
13 chapter 51;

14 (c) severance taxes allocated to the general fund
15 under chapter 36;

16 (d) liquor license taxes under Title 16;

17 (e) telephone [company] license taxes under chapter
18 53; and

19 (f) inheritance and estate taxes under Title 72,
20 chapter 16.

21 (2) ~~Seventy-five~~ Seventy percent of all moneys
22 received from the collection of income taxes under chapter
23 30 and 75% of all money received from the collection of
24 corporation license and income taxes under chapter 31,
25 except as provided in 15-31-702, shall be deposited in the

1 general fund subject to the prior pledge and appropriation
2 of such income tax and corporation license tax collections
3 for the payment of long-range building program bonds. The
4 remaining 25% of the proceeds of the corporation license
5 tax, excluding that allocated to the counties under
6 15-31-702, corporation income tax, and the remaining 30% of
7 the proceeds of the income tax shall be deposited to the
8 credit of the state special revenue fund for state
9 equalization aid to the public schools of Montana.

10 (3) The state treasurer shall also deposit to the
11 credit of the state general fund all moneys received by him
12 from the collection of license taxes, fees, and all net
13 revenues and receipts from all other sources under the
14 operation of the Montana Alcoholic Beverage Code.

15 (4) Thirty-three and one-third percent of the total
16 collections of the oil severance tax under chapter 36 shall
17 be deposited into the local government block grant account
18 within the state special revenue fund. After the
19 distribution provided for in 15-36-112, the remainder of the
20 oil severance tax collections shall be deposited in the
21 general fund."

22 NEW SECTION. Section 3. Applicability EFFECTIVE DATE.
23 ~~This act applies to taxable years beginning after December~~
24 ~~31, 1984~~ IS EFFECTIVE JULY 1, 1985.

-End-