

SENATE BILL NO. 285

1/30 Introduced
1/31 Referred to Local Government
2/02 Fiscal Note Requested
2/09 Fiscal Note Received
2/19 Hearing
2/21 Adverse Committee Report
2/21 Bill Killed

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Senate BILL NO. 285
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INTRODUCED BY _____

A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH A METHOD OF DETERMINING COAL DEVELOPMENT IMPACT COSTS INCURRED BY LOCAL GOVERNMENT UNITS AND TO AUTHORIZE APPROPRIATION FOR SUCH COSTS FROM THE CONSTITUTIONAL TRUST INCOME EARNINGS."

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

Section 1. Direct coal employment -- certification.

The department of commerce shall each fiscal year certify the increase or decrease in the number of people directly employed in:

- (1) coal mine construction and mining;
 - (2) coal-fired electrical generation plant construction and operation;
 - (3) synthetic fuel plant construction and operation;
- and
- (4) coal transportation.

Section 2. Coal development impact costs -- formula.

(1) The department of commerce shall develop a formula for calculating the costs that governments incur due to coal development activities in the state. The formula must include:

- (a) the employment increase or decrease certified in

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accordance with [section 1];

(b) a reasonable multiplier for use in establishing the ratio of total increase in population due to the increase in employment to the total number of new employees in coal-related occupations; and

(c) the average per capita cost for all services normally provided by government.

(2) The product of subsection (1)(a) multiplied by subsection (1)(b) multiplied by subsection (1)(c) equals the easily quantifiable economic coal development impact costs in Montana.

Section 3. Coal development impact costs -- available appropriation. If the money available to the coal board pursuant to 90-6-205 is not sufficient to fully reimburse the coal development impact costs established in [section 2], the necessary remaining funds may be made available by appropriation from the income of the trust fund created by Article IX, section 5, of the Montana constitution.

Section 4. Legislative appropriation. For budgeting purposes, the legislature shall determine the amount of money necessary to reimburse coal development impact costs and appropriate the necessary funding.

-End-



-2- INTRODUCED BILL
SB 285

STATE OF MONTANA
FISCAL NOTE

REQUEST NO. FNN 315-85

Form BD-15

In compliance with a written request received February 4, 19 85, there is hereby submitted a Fiscal Note for Senate Bill 285 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 285 establishes a method of determining coal development impact costs to local government and authorizes an appropriation to fund these costs from the interest earnings of the permanent coal tax trust fund.

ASSUMPTIONS:

1. The coal tax allocated to the coal board may not be sufficient to cover all local impact costs as defined in the bill.
2. Interest earning on the permanent trust fund are deposited in the general fund and will total \$57.3 million over the 1987 biennium.
3. Estimation of local impact costs can be accomplished through a temporary contract.

FISCAL IMPACT ON GENERAL FUND:

Revenues:

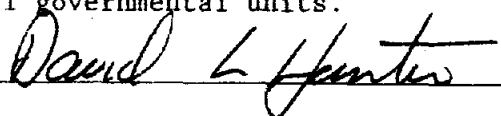
This bill provides that interest earnings of the permanent trust fund may be used to off-set coal development costs if the current allocation to the coal board is not sufficient. Currently, these interest earnings are deposited in the general fund and are projected to be \$57.3 million over the 1987 biennium. It is not possible to determine how much of the interest earnings would be necessary to off-set coal development costs, but any expenditure of these earnings would be a direct reduction to the general fund.

Expenditures:

	<u>FY 1986</u>	<u>FY 1987</u>
Current	-0-	-0-
Proposed	<u>\$6,600</u>	<u>\$6,800</u>
General Fund Cost	<u>\$6,600</u>	<u>\$6,800</u>

LOCAL IMPACT:

The bill has the potential of substantially increasing coal tax grants to local governmental units.


BUDGET DIRECTOR
Office of Budget and Program Planning

Date: Feb 9, 1985
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