

SENATE BILL NO. 465

3/08 Introduced
3/08 Referred to Taxation
3/14 Hearing
3/15 Fiscal Note Requested
3/18 Fiscal Note Received
3/18 On Motion Rules Suspended
 Placed on 3rd Reading 60th Day
3/19 On Motion Placed on 2nd Reading
3/20 2nd Reading Pass As Amended
3/20 3rd Reading Pass

Transmitted to House

3/22 Referred to Taxation
3/26 Hearing
 Died in Committee

1 *Senate* BILL NO. *465*
 2 INTRODUCED BY *Van Valkenburg*

3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING AN
 5 ACADEMIC BUILDING PROGRAM TO FINANCE THE CONSTRUCTION,
 6 REPAIR, AND MAINTENANCE OF ACADEMIC FACILITIES OF THE
 7 UNIVERSITY SYSTEM; ESTABLISHING ACCOUNTS FOR THE PROGRAM;
 8 PROVIDING FOR TRANSFERS OF CERTAIN UNIVERSITY SYSTEM MONEY;
 9 INCREASING THE CORPORATION LICENSE TAX; ESTABLISHING A BOND
 10 PROGRAM; AMENDING SECTIONS 15-1-501, 15-31-121, 15-31-702,
 11 16-11-119, AND 17-7-202, MCA; AND PROVIDING AN EFFECTIVE
 12 DATE AND AN APPLICABILITY DATE."

13
 14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15 NEW SECTION. Section 1. Academic building program accounts
 16 -- transfer of certain funds -- appropriation required. (1)
 17 There is a group of accounts known as the academic building
 18 program accounts in the subgroup of the university plant
 19 fund that accounts for unexpended plant funds. Money
 20 deposited in any of the academic building program accounts
 21 shall be segregated into separate accounts according to
 22 restrictions that may attach to the money based upon its
 23 source or law.
 24 (2) At the end of each fiscal year, money from the sources
 25 or accounts listed in subsection (3) may be transferred by

1 the board of regents to an appropriate academic building
 2 program account.
 3 (3) Subsection (2) applies to money from the following
 4 sources or accounts:
 5 (a) all or part of university land grant revenue not
 6 otherwise dedicated or pledged;
 7 (b) unpledged building and maintenance fee revenues; and
 8 (c) other funds as approved by the regents.
 9 (4) Money deposited in an academic building program account
 10 must remain in the account until specifically appropriated
 11 by the legislature for the construction, renovation,
 12 maintenance, or repair of university buildings other than
 13 revenue-producing facilities as described in 20-25-302(1) or
 14 to pay principal and interest on bonds sold for the
 15 construction, renovation, maintenance, or repair of such
 16 buildings.
 17 (5) All investment earnings on money in the academic
 18 building program accounts are credited to the appropriate
 19 academic building program account.
 20 Section 2. Section 15-1-501, MCA, is amended to read:
 21 "15-1-501. Disposition of moneys from certain designated
 22 license and other taxes. (1) The state treasurer shall
 23 deposit to the credit of the state general fund all moneys
 24 received by him from the collection of:
 25 (a) automobile driver's license fees under subsections (1)



-2- INTRODUCED BILL
 SB 465

1 through (6) of 61-5-111;
 2 (b) electrical energy producer's license taxes under
 3 chapter 51;
 4 (c) severance taxes allocated to the general fund under
 5 chapter 36;
 6 (d) liquor license taxes under Title 16;
 7 (e) telephone [company] license taxes under chapter 53; and
 8 (f) inheritance and estate taxes under Title 72, chapter
 9 16.
 10 (2) Seventy-five percent of all moneys received from the
 11 collection of income taxes under chapter 30 and corporation
 12 license and income taxes under chapter 31, except as
 13 provided in 15-31-121(2) and 15-31-702, shall be deposited
 14 in the general fund subject to the prior pledge and
 15 appropriation of such income tax and corporation license tax
 16 collections for the payment of long-range building program
 17 bonds. The remaining 25% of the proceeds of the corporation
 18 license tax, excluding that allocated to the counties under
 19 15-31-702, corporation income tax, and income tax shall be
 20 deposited to the credit of the state special revenue fund
 21 for state equalization aid to the public schools of Montana.
 22 (3) The state treasurer shall also deposit to the credit of
 23 the state general fund all moneys received by him from the
 24 collection of license taxes, fees, and all net revenues and
 25 receipts from all other sources under the operation of the

1 Montana Alcoholic Beverage Code.
 2 (4) Thirty-three and one-third percent of the total
 3 collections of the oil severance tax under chapter 36 shall
 4 be deposited into the local government block grant account
 5 within the state special revenue fund. After the
 6 distribution provided for in 15-36-112, the remainder of the
 7 oil severance tax collections shall be deposited in the
 8 general fund."
 9 Section 3. Section 15-31-121, MCA, is amended to read:
 10 "15-31-121. Rate of tax -- minimum tax. (1) The percentage
 11 of net income to be paid under 15-31-101 shall be 6 3/4% of
 12 all net income for the taxable period. The rate set forth in
 13 this part shall be effective for all taxable years ending on
 14 or after February 28, 1971. This rate is retroactive to and
 15 effective for all taxable years ending on or after February
 16 28, 1971.
 17 (2) There is an additional tax of 0.25% of all net income
 18 for the taxable period applicable to all taxable years
 19 ending on or after July 1, 1985. Money collected under this
 20 additional tax shall be deposited in an appropriate academic
 21 building program account.
 22 ~~(2)~~(3) Every corporation subject to taxation under this
 23 part shall, in any event, pay a minimum tax of not less than
 24 \$50."
 25 Section 4. Section 15-31-702, MCA, is amended to read:

1 "15-31-702. Distribution of corporation license taxes
 2 collected from banks or savings and loan associations. (1)
 3 All corporation license taxes collected from banks and
 4 savings and loan associations, except those allocated under
 5 15-31-121(2), shall be distributed in the following manner:
 6 (a) 20% must be remitted to the state treasurer to be
 7 allocated as provided in 15-1-501(2); and
 8 (b) 80% must be allocated to the various taxing
 9 jurisdictions within the county in which the bank or savings
 10 and loan association is located.

11 (2) The corporation license taxes distributed under
 12 subsection (1)(b) shall be allocated to each taxing
 13 jurisdiction in the proportion that its mill levy for that
 14 fiscal year bears to the total mill levy of the taxing
 15 authorities of the district in which the bank or savings and
 16 loan association is located.

17 (3) "Taxing jurisdictions" means, for the purposes of this
 18 section, all taxing authorities within a county permitted
 19 under state law to levy mills against the taxable value of
 20 property in the taxing district in which the bank or savings
 21 and loan association is located.

22 (4) If a return filed by a bank or savings and loan
 23 association involves branches or offices in more than one
 24 taxing jurisdiction, the department of revenue shall provide
 25 a method by rule for equitable distribution among those

1 taxing jurisdictions."
 2 Section 5. Section 16-11-119, MCA, is amended to read:
 3 "16-11-119. Disposition of taxes -- retirement of bonds.
 4 All moneys collected under the provisions of 16-11-111, less
 5 the expense of collecting all the taxes levied, imposed, and
 6 assessed by said section, shall be paid to the state
 7 treasurer and deposited as follows: 79.75% in the long-range
 8 building program fund in the debt service fund type and
 9 20-25%, 8.1% in the long-range building program fund in the
 10 capital projects fund type, and 12.15% in an appropriate
 11 academic building program account."

12 Section 6. Section 17-7-202, MCA, is amended to read:
 13 "17-7-202. Preparation of building programs and submission
 14 to department of administration. (1) Before July 1 of each
 15 even-numbered year, each state agency and institution shall
 16 submit to the department of administration, on forms
 17 furnished by the department, a proposed long-range building
 18 program, if any, for the agency or institution. The board
 19 of regents shall include in its proposal a separately
 20 identified academic building program proposing necessary
 21 construction, renovation, repair, and maintenance projects
 22 for nonrevenue-producing facilities in the university
 23 system. The board's proposal shall include the information
 24 required of the governor under 17-7-203(2) in addition to
 25 any other information necessary to explain the need for and

1 cost implications of the proposed projects. Each agency and
 2 institution shall furnish any additional information
 3 requested by the department relating to the utilization of
 4 or need for buildings.

5 (2) The department shall examine the information furnished
 6 by each agency and institution and shall gather whatever
 7 additional information is necessary and conduct whatever
 8 surveys are necessary in order to provide a factual basis
 9 for determining the need for and the feasibility of the
 10 construction of buildings. The information compiled by the
 11 department shall be submitted to the governor before
 12 December 1 of each even-numbered year."

13 NEW SECTION. Section 7. Limitation on appropriation
 14 authority. At least one-third of the money in or revenues
 15 dedicated to the academic building program accounts must be
 16 appropriated for the maintenance or repair of existing
 17 academic buildings.

18 NEW SECTION. Section 8. Academic building program bonds.
 19 No more than two-thirds of the money in or revenues
 20 dedicated to the academic building program accounts may be
 21 pledged to support bonds sold for construction, maintenance,
 22 renovation, or repair of nonrevenue-producing facilities of
 23 the university system. Such bonds must be sold pursuant to
 24 the provisions of Title 17, chapter 5, part 8, after
 25 adoption of a bond act specifically authorizing the issue of

1 bonds.

2 NEW SECTION. Section 9. Extension of authority. Any
 3 existing authority of the department of revenue or the
 4 department of administration to make rules on the subject of
 5 the provisions of this act is extended to the provisions of
 6 this act.

7 NEW SECTION. Section 10. Agreement with board of regents.
 8 If the proceeds of any bonds or notes issued pursuant to
 9 Title 17, chapter 5, part 8, are appropriated for the
 10 construction, maintenance, renovation, or repair of academic
 11 buildings, the board of examiners and the board of regents
 12 may enter into an agreement under the terms of which the
 13 board of regents shall pay the state treasurer, for deposit
 14 in accordance with 17-2-101 through 17-2-107, as determined
 15 by the state treasurer, an amount sufficient to pay the
 16 principal and interest as due on the bonds or notes from
 17 which the appropriation was made and to accumulate and
 18 maintain reserves required under such bonds. The agreement
 19 must further provide that income from the investment of bond
 20 proceeds and the reserves not required for construction or
 21 renovation costs must be credited against the department's
 22 payment obligation. The agreement must also allow for the
 23 accumulation of reserves during the first year the bonds are
 24 outstanding. Payments by the department must be made from
 25 funds available therefor.

1 NEW SECTION. Section 11. Saving clause. This act does not
2 affect rights and duties that matured, penalties that were
3 incurred, or proceedings that were begun before the
4 effective date of this act.

5 NEW SECTION. Section 12. Nonseverability. It is the intent
6 of the legislature that each part of this act is essentially
7 dependent upon every other part and if one part is held
8 unconstitutional or invalid, all other parts are invalid.

9 NEW SECTION. Section 13. Effective date -- applicability.
10 This act is effective July 1, 1985, except section 5, which
11 is effective July 1, 1987. The reallocation of taxes
12 affected by section 5 applies to taxes due and payable on or
13 after July 1, 1987. The additional tax imposed by section 3
14 and the allocation of the tax established by sections 2
15 through 4 are applicable to tax years beginning after June
16 30, 1985.

-End-

STATE OF MONTANA
FISCAL NOTE

REQUEST NO. FNN 515-85

Form BD-15

In compliance with a written request received March 14, 19 85, there is hereby submitted a Fiscal Note for S.B. 465 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 establishing an academic building program to finance the construction, repair, and maintenance of academic facilities of the University System; establishing accounts for the program; providing for transfers of certain University System money; increasing the corporation license tax; establishing a bond program.

ASSUMPTIONS:

1. Corporation license tax revenue under current law is \$51,357,000 in FY 1986 and \$55,380,000 in FY 1987.

FISCAL IMPACT:

| | <u>Under</u> <u>Current Law</u> | <u>FY 86</u> <u>Under</u> <u>Proposed Law</u> | <u>Difference</u> | <u>Under</u> <u>Current Law</u> | <u>FY 87</u> <u>Under</u> <u>Proposed Law</u> | <u>Difference</u> |
|---------------------------|------------------------------------|---|--------------------|------------------------------------|---|--------------------|
| Corporation License Tax | \$51,357,000 | \$53,259,111 | \$1,902,111 | \$55,380,000 | \$57,431,111 | \$2,051,111 |
| TOTAL REVENUE | \$51,357,000 | \$53,259,111 | \$1,902,111 | \$55,380,000 | \$57,431,111 | \$2,051,111 |
| General Fund | \$29,957,248 | \$29,957,248 | \$ -0- | \$32,304,128 | \$32,304,128 | \$ -0- |
| Earmarked Special | | | | | | |
| Revenue Fund | 11,702,050 | 11,702,050 | -0- | 12,618,800 | 12,618,800 | -0- |
| Capital Project Fund | 5,148,902 | 5,148,902 | -0- | 5,552,272 | 5,552,272 | -0- |
| Local Government | 4,548,800 | 4,548,800 | -0- | 4,904,800 | 4,904,800 | -0- |
| Academic Building Program | -0- | 1,902,111 | 1,902,111 | -0- | 2,051,111 | 2,051,111 |

NOTE:

The revenue impact for FY 86 may be overstated because of those corporations that file on a July 1 to June 30 fiscal year basis. There is insufficient data available to make this determination.

David L. Hunter

BUDGET DIRECTOR
Office of Budget and Program Planning

Date: March 18, 1985
SB 465

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Beginning July 1, 1987 the proposed legislation would change the distribution of funds accruing from the cigarette sales tax as follows:

| | <u>Current Law</u> | <u>Proposed Law</u> |
|------------------------------|--------------------|---------------------|
| Long-Range Building Program: | | |
| Debt Service | 79.75% | 79.75% |
| Capital Projects | 20.25% | 8.10% |
| Academic Building Program | 0.00% | 12.15% |

TECHNICAL OR MECHANICAL DEFECTS OR CONFLICTS WITH EXISTING LEGISLATION:

Section 3, page 4, lines 18 and 19, is in conflict with Section 13, page 9, lines 13 through 16. For the full impact to occur in FY 1986 (as shown on the Fiscal Impact section) the word "beginning" in line 15, Section 13 should read "ending." This would conform to the language in Section 3.

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2 INTRODUCED BY Van Valkenburg
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20 deposited in any of the academic building program accounts
21 shall be segregated into separate accounts according to
22 restrictions that may attach to the money based upon its
23 source or law.

24 (2) At the end of each fiscal year, money from the sources
25 or accounts listed in subsection (3) may be transferred by

1 the board of regents to an appropriate academic building
2 program account.

3 (3) Subsection (2) applies to money from the following
4 sources or accounts:

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6 otherwise dedicated or pledged;

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8 (c) other funds as approved by the regents.

9 (4) Money deposited in an academic building program account
10 must remain in the account until specifically appropriated
11 by the legislature for the construction, renovation,
12 maintenance, or repair of university buildings other than
13 revenue-producing facilities as described in 20-25-302(1) or
14 to pay principal and interest on bonds sold for the
15 construction, renovation, maintenance, or repair of such
16 buildings.

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18 building program accounts are credited to the appropriate
19 academic building program account.

20 Section 2. Section 15-1-501, MCA, is amended to read:

21 "15-1-501. Disposition of moneys from certain designated
22 license and other taxes. (1) The state treasurer shall
23 deposit to the credit of the state general fund all moneys
24 received by him from the collection of:

25 (a) automobile driver's license fees under subsections (1)



1 through (6) of 61-5-111;

2 (b) electrical energy producer's license taxes under
3 chapter 51;

4 (c) severance taxes allocated to the general fund under
5 chapter 36;

6 (d) liquor license taxes under Title 16;

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

8 (f) inheritance and estate taxes under Title 72, chapter
9 16.

10 (2) Seventy-five percent of all moneys received from the
11 collection of income taxes under chapter 30 and corporation
12 license and income taxes under chapter 31, except as
13 provided in 15-31-121(2) and 15-31-702, shall be deposited
14 in the general fund subject to the prior pledge and
15 appropriation of such income tax and corporation license tax
16 collections for the payment of long-range building program
17 bonds. The remaining 25% of the proceeds of the corporation
18 license tax, excluding that allocated to the counties under
19 15-31-702, corporation income tax, and income tax shall be
20 deposited to the credit of the state special revenue fund
21 for state equalization aid to the public schools of Montana.

22 (3) The state treasurer shall also deposit to the credit of
23 the state general fund all moneys received by him from the
24 collection of license taxes, fees, and all net revenues and
25 receipts from all other sources under the operation of the

1 Montana Alcoholic Beverage Code.

2 (4) Thirty-three and one-third percent of the total
3 collections of the oil severance tax under chapter 36 shall
4 be deposited into the local government block grant account
5 within the state special revenue fund. After the
6 distribution provided for in 15-36-112, the remainder of the
7 oil severance tax collections shall be deposited in the
8 general fund."

9 Section 3. Section 15-31-121, MCA, is amended to read:

10 "15-31-121. Rate of tax -- minimum tax. (1) The percentage
11 of net income to be paid under 15-31-101 shall be 6 3/4% of
12 all net income for the taxable period. The rate set forth in
13 this part shall be effective for all taxable years ending on
14 or after February 28, 1971. This rate is retroactive to and
15 effective for all taxable years ending on or after February
16 28, 1971.

17 (2) There is an additional tax of 0.25% of all net income
18 for the taxable period applicable to all taxable years
19 ending on or after July 1, 1985. Money collected under this
20 additional tax shall be deposited in an appropriate academic
21 building program account.

22 ~~(2)~~(3) Every corporation subject to taxation under this
23 part shall, in any event, pay a minimum tax of not less than
24 \$50."

25 Section 4. Section 15-31-702, MCA, is amended to read:

1 "15-31-702. Distribution of corporation license taxes
 2 collected from banks or savings and loan associations. (1)
 3 All corporation license taxes collected from banks and
 4 savings and loan associations, except those allocated under
 5 15-31-121(2), shall be distributed in the following manner:
 6 (a) 20% must be remitted to the state treasurer to be
 7 allocated as provided in 15-1-501(2); and
 8 (b) 80% must be allocated to the various taxing
 9 jurisdictions within the county in which the bank or savings
 10 and loan association is located.

11 (2) The corporation license taxes distributed under
 12 subsection (1)(b) shall be allocated to each taxing
 13 jurisdiction in the proportion that its mill levy for that
 14 fiscal year bears to the total mill levy of the taxing
 15 authorities of the district in which the bank or savings and
 16 loan association is located.

17 (3) "Taxing jurisdictions" means, for the purposes of this
 18 section, all taxing authorities within a county permitted
 19 under state law to levy mills against the taxable value of
 20 property in the taxing district in which the bank or savings
 21 and loan association is located.

22 (4) If a return filed by a bank or savings and loan
 23 association involves branches or offices in more than one
 24 taxing jurisdiction, the department of revenue shall provide
 25 a method by rule for equitable distribution among those

1 taxing jurisdictions."
 2 Section 5. Section 16-11-119, MCA, is amended to read:
 3 "16-11-119. Disposition of taxes -- retirement of bonds.
 4 All moneys collected under the provisions of 16-11-111, less
 5 the expense of collecting all the taxes levied, imposed, and
 6 assessed by said section, shall be paid to the state
 7 treasurer and deposited as follows: 79.75% in the long-range
 8 building program fund in the debt service fund type ~~and~~
 9 ~~20.25%~~, 8.1% in the long-range building program fund in the
 10 capital projects fund type, and 12.15% in an appropriate
 11 academic building program account."
 12 Section 6. Section 17-7-202, MCA, is amended to read:
 13 "17-7-202. Preparation of building programs and submission
 14 to department of administration. (1) Before July 1 of each
 15 even-numbered year, each state agency and institution shall
 16 submit to the department of administration, on forms
 17 furnished by the department, a proposed long-range building
 18 program, if any, for the agency or institution. The board
 19 of regents shall include in its proposal a separately
 20 identified academic building program proposing necessary
 21 construction, renovation, repair, and maintenance projects
 22 for nonrevenue-producing facilities in the university
 23 system. The board's proposal shall include the information
 24 required of the governor under 17-7-203(2) in addition to
 25 any other information necessary to explain the need for and

1 cost implications of the proposed projects. Each agency and
 2 institution shall furnish any additional information
 3 requested by the department relating to the utilization of
 4 or need for buildings.

5 (2) The department shall examine the information furnished
 6 by each agency and institution and shall gather whatever
 7 additional information is necessary and conduct whatever
 8 surveys are necessary in order to provide a factual basis
 9 for determining the need for and the feasibility of the
 10 construction of buildings. The information compiled by the
 11 department shall be submitted to the governor before
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 14 authority. At least one-third of the money in or revenues
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 17 academic buildings.

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 22 renovation, or repair of nonrevenue-producing facilities of
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 24 the provisions of Title 17, chapter 5, part 8, after
 25 adoption of a bond act specifically authorizing the issue of

1 bonds.

2 NEW SECTION. Section 9. Extension of authority. Any
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 4 department of administration to make rules on the subject of
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2 affect rights and duties that matured, penalties that were
3 incurred, or proceedings that were begun before the
4 effective date of this act.

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6 of the legislature that each part of this act is essentially
7 dependent upon every other part and if one part is held
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12 affected by section 5 applies to taxes due and payable on or
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15 through 4 are applicable to tax years beginning after June
16 30, 1985.

-End-

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2 INTRODUCED BY VAN VALKENBURG

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18 academic building program accounts in the subgroup of the
19 university plant fund that accounts for unexpended plant
20 funds. Money deposited in any of the academic building
21 program accounts shall be segregated into separate accounts
22 according to restrictions that may attach to the money based
23 upon its source or law.

24 (2) At the end of each fiscal year, money from the
25 sources or accounts listed in subsection (3) may be

1 transferred by the board of regents to an appropriate
2 academic building program account.

3 (3) Subsection (2) applies to money from the following
4 sources or accounts:

5 (a) all or part of university land grant revenue not
6 otherwise dedicated or pledged;

7 (b) unpledged building and maintenance fee revenues;
8 and

9 (c) other funds as approved by the regents.

10 (4) Money deposited in an academic building program
11 account must remain in the account until specifically
12 appropriated by the legislature for the construction,
13 renovation, maintenance, or repair of university buildings
14 other than revenue-producing facilities as described in
15 20-25-302(1) or to pay principal and interest on bonds sold
16 for the construction, renovation, maintenance, or repair of
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19 building program accounts are credited to the appropriate
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3 (b) electrical energy producer's license taxes under
4 chapter 51;

5 (c) severance taxes allocated to the general fund
6 under chapter 36;

7 (d) liquor license taxes under Title 16;

8 (e) telephone [company] license taxes under chapter
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10 (f) inheritance and estate taxes under Title 72,
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12 (2) Seventy-five percent of all moneys received from
13 the collection of income taxes under chapter 30 and
14 corporation license and income taxes under chapter 31,
15 except as provided in 15-31-121(2) and 15-31-702, shall be
16 deposited in the general fund subject to the prior pledge
17 and appropriation of such income tax and corporation license
18 tax collections for the payment of long-range building
19 program bonds. The remaining 25% of the proceeds of the
20 corporation license tax, excluding that allocated to the
21 counties under 15-31-702, corporation income tax, and income
22 tax shall be deposited to the credit of the state special
23 revenue fund for state equalization aid to the public
24 schools of Montana.

25 (3) The state treasurer shall also deposit to the

1 credit of the state general fund all moneys received by him
2 from the collection of license taxes, fees, and all net
3 revenues and receipts from all other sources under the
4 operation of the Montana Alcoholic Beverage Code.

5 (4) Thirty-three and one-third percent of the total
6 collections of the oil severance tax under chapter 36 shall
7 be deposited into the local government block grant account
8 within the state special revenue fund. After the
9 distribution provided for in 15-36-112, the remainder of the
10 oil severance tax collections shall be deposited in the
11 general fund."

12 Section 3. Section 15-31-121, MCA, is amended to read:

13 "15-31-121. Rate of tax -- minimum tax. (1) The
14 percentage of net income to be paid under 15-31-101 shall be
15 6 3/4% of all net income for the taxable period. The rate
16 set forth in this part shall be effective for all taxable
17 years ending on or after February 28, 1971. This rate is
18 retroactive to and effective for all taxable years ending on
19 or after February 28, 1971.

20 (2) There is an additional tax of 0.25% of all net
21 income for the taxable period applicable to all taxable
22 years ending on or after July 1, 1985. Money collected under
23 this additional tax shall be deposited in an appropriate
24 academic building program account.

25 ~~(2)~~(3) Every corporation subject to taxation under

1 this part shall, in any event, pay a minimum tax of not less
2 than \$50."

3 Section 4. Section 15-31-702, MCA, is amended to read:

4 "15-31-702. Distribution of corporation license taxes
5 collected from banks or savings and loan associations. (1)
6 All corporation license taxes collected from banks and
7 savings and loan associations, except those allocated under
8 15-31-121(2), shall be distributed in the following manner:

9 (a) 20% must be remitted to the state treasurer to be
10 allocated as provided in 15-1-501(2); and

11 (b) 80% must be allocated to the various taxing
12 jurisdictions within the county in which the bank or savings
13 and loan association is located.

14 (2) The corporation license taxes distributed under
15 subsection (1)(b) shall be allocated to each taxing
16 jurisdiction in the proportion that its mill levy for that
17 fiscal year bears to the total mill levy of the taxing
18 authorities of the district in which the bank or savings and
19 loan association is located.

20 (3) "Taxing jurisdictions" means, for the purposes of
21 this section, all taxing authorities within a county
22 permitted under state law to levy mills against the taxable
23 value of property in the taxing district in which the bank
24 or savings and loan association is located.

25 (4) If a return filed by a bank or savings and loan

1 association involves branches or offices in more than one
2 taxing jurisdiction, the department of revenue shall provide
3 a method by rule for equitable distribution among those
4 taxing jurisdictions."

5 Section 5. Section 16-11-119, MCA, is amended to read:

6 "16-11-119. Disposition of taxes -- retirement of
7 bonds. All moneys collected under the provisions of
8 16-11-111, less the expense of collecting all the taxes
9 levied, imposed, and assessed by said section, shall be paid
10 to the state treasurer and deposited as follows: 79.75% in
11 the long-range building program fund in the debt service
12 fund type ~~and 20.25%~~, 8.1% in the long-range building
13 program fund in the capital projects fund type, and 12.15%
14 in an appropriate academic building program account."

15 Section 6. Section 17-7-202, MCA, is amended to read:

16 "17-7-202. Preparation of building programs and
17 submission to department of administration. (1) Before July
18 1 of each even-numbered year, each state agency and
19 institution shall submit to the department of
20 administration, on forms furnished by the department, a
21 proposed long-range building program, if any, for the agency
22 or institution. The board of regents shall include in its
23 proposal a separately identified academic building program
24 proposing necessary construction, renovation, repair, and
25 maintenance projects for nonrevenue-producing facilities in

1 the university system. The board's proposal shall include
 2 the information required of the governor under 17-7-203(2)
 3 in addition to any other information necessary to explain
 4 the need for and cost implications of the proposed projects.

5 Each agency and institution shall furnish any additional
 6 information requested by the department relating to the
 7 utilization of or need for buildings.

8 (2) The department shall examine the information
 9 furnished by each agency and institution and shall gather
 10 whatever additional information is necessary and conduct
 11 whatever surveys are necessary in order to provide a factual
 12 basis for determining the need for and the feasibility of
 13 the construction of buildings. The information compiled by
 14 the department shall be submitted to the governor before
 15 December 1 of each even-numbered year."

16 NEW SECTION. Section 7. Limitation on appropriation
 17 authority. At least one-third of the money in or revenues
 18 dedicated to the academic building program accounts must be
 19 appropriated for the maintenance or repair of existing
 20 academic buildings.

21 NEW SECTION. Section 8. Academic building program
 22 bonds. No more than two-thirds of the money in or revenues
 23 dedicated to the academic building program accounts may be
 24 pledged to support bonds sold for construction, maintenance,
 25 renovation, or repair of nonrevenue-producing facilities of

1 the university system. Such bonds must be sold pursuant to
 2 the provisions of Title 17, chapter 5, part 8, after
 3 adoption of a bond act specifically authorizing the issue of
 4 bonds.

5 NEW SECTION. Section 9. Extension of authority. Any
 6 existing authority of the department of revenue or the
 7 department of administration to make rules on the subject of
 8 the provisions of this act is extended to the provisions of
 9 this act.

10 NEW SECTION. Section 10. Agreement with board of
 11 regents. If the proceeds of any bonds or notes issued
 12 pursuant to Title 17, chapter 5, part 8, are appropriated
 13 for the construction, maintenance, renovation, or repair of
 14 academic buildings, the board of examiners and the board of
 15 regents may enter into an agreement under the terms of which
 16 the board of regents shall pay the state treasurer, for
 17 deposit in accordance with 17-2-101 through 17-2-107, as
 18 determined by the state treasurer, an amount sufficient to
 19 pay the principal and interest as due on the bonds or notes
 20 from which the appropriation was made and to accumulate and
 21 maintain reserves required under such bonds. The agreement
 22 must further provide that income from the investment of bond
 23 proceeds and the reserves not required for construction or
 24 renovation costs must be credited against the department's
 25 BOARD OF REGENTS' payment obligation. The agreement must

1 also allow for the accumulation of reserves during the first
2 year the bonds are outstanding. Payments by the department
3 BOARD OF REGENTS must be made from funds available therefor.

4 NEW SECTION. Section 11. Saving clause. This act does
5 not affect rights and duties that matured, penalties that
6 were incurred, or proceedings that were begun before the
7 effective date of this act.

8 NEW SECTION. Section 12. Nonseverability. It is the
9 intent of the legislature that each part of this act is
10 essentially dependent upon every other part and if one part
11 is held unconstitutional or invalid, all other parts are
12 invalid.

13 NEW SECTION. Section 13. Effective date --
14 applicability. This act is effective July 1, 1985, except
15 section 5, which is effective July 1, 1987. The reallocation
16 of taxes affected by section 5 applies to taxes due and
17 payable on or after July 1, 1987. The additional tax imposed
18 by section 3 and the allocation of the tax established by
19 sections 2 through 4 are applicable to tax years beginning
20 after June 30, 1985.

-End-