

HB 5 INTRODUCED BY SWIFT, SEVERSON
 TO APPROPRIATE MONEY FROM THE COAL TAX TRUST FUND
 TO SCHOOL EQUALIZATION

6/16 INTRODUCED
6/16 REFERRED TO APPROPRIATIONS
6/17 HEARING
6/25 TABLED IN COMMITTEE

HOUSE BILL NO. 5

INTRODUCED BY SWIFT, SEVERSON

A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY FOR FISCAL YEAR 1987 FROM THE COAL SEVERANCE TAX BOND FUND OF THE COAL SEVERANCE TAX TRUST FUND FOR STATE EQUALIZATION AID TO THE PUBLIC SCHOOLS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

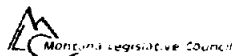
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Appropriation. Subject to the provisions of 17-5-703(2) relating to principal and interest payments on bonds, there is appropriated from the coal severance tax bond fund of the coal severance tax trust fund, 25% or \$22,500,000, whichever amount is greater, of receipts deposited from July 1, 1986, to June 30, 1987, to the state special revenue fund for state equalization aid as defined in 20-9-343.

Section 2. Three-fourths vote required. Since this act appropriates money from the coal severance tax trust fund, Article IX, section 5, of the Montana Constitution requires a vote of three-fourths of the members of each house for passage.

Section 3. Effective date. This act is effective on passage and approval.

-End-



INTRODUCED BILL

HB5

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB005, as introduced.

Description of Proposed Legislation:

A bill appropriating money for Fiscal Year 1987 from the coal severance tax bond fund of the coal severance tax trust fund for state equalization aid to the public schools.

Assumptions:

1. The Revenue Estimating Advisory Council's revenue estimate as adjusted for Western Energy's reduced production provides the basis for comparison.
2. Coal severance tax collections will be \$76,742,000 in FY87.
3. The proposal has no effect on collections.

Fiscal Impact:

N/A

Expenditures:

N/A

Revenues:

The proposal would provide for a one-time transfer of \$22,500,000 from the coal severance tax trust fund to the state special revenue fund for state equalization aid.

	FY87 Current Law	FY87 Proposed Law	FY87 Difference
Permanent Trust Fund	\$28,340,000	\$11,465,000	(\$16,875,000)
In-State Investment Fund	9,447,000	3,822,000	(5,625,000)
State Equalization Fund	-0-	22,500,000	22,500,000
Total	\$37,787,000	\$37,787,000	-0-

Long-Range Effects of Proposed Legislation:

The proposal would reduce future interest earnings from the Coal Severance Tax Trust fund as a consequence of reducing the Trust principal by \$22,500,000.

David L. Hunter 6/20/86
 BUDGET DIRECTOR DATE
 Office of Budget and Program Planning

Bernie Swift 6/20/86
 PRIMARY SPONSOR DATE

Fiscal Note for HB5, as introduced.