

HOUSE BILL NO. 15

INTRODUCED BY MANUEL

BY REQUEST OF THE DEPARTMENT OF FISH, WILDLIFE, AND PARKS

IN THE HOUSE

June 16, 1986	Introduced and referred to Committee on Appropriations.
June 19, 1986	Committee recommend bill do pass. Report adopted.  Bill printed and placed on members' desks.
June 20, 1986	Second reading, do pass.  Third reading, passed.  Transmitted to Senate.

IN THE SENATE

June 21, 1986	Introduced and referred to Committee on Finance and Claims.  Committee recommend bill be concurring in. Report adopted.  Second reading, concurring in.  Third reading, concurring in. Ayes, 42; Noes, 6.  Returned to House.
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IN THE HOUSE

June 21, 1986	Received from Senate.
June 23, 1986	Sent to enrolling.  Reported correctly enrolled.

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3    BY REQUEST OF THE DEPARTMENT OF FISH, WILDLIFE, AND PARKS  
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5    A BILL FOR AN ACT ENTITLED: "AN ACT REALLOCATING, UNTIL  
6    JUNE 30, 1989, 5 PERCENT OF THE COAL SEVERANCE TAX REVENUE  
7    TO THE GENERAL FUND FROM THE TRUST FUND WHOSE PURPOSE IS  
8    PARKS ACQUISITION AND MANAGEMENT AND PROTECTION OF CERTAIN  
9    WORKS OF ART; EXPANDING THE NUMBER OF PARKS THAT CAN BE  
10   OPERATED AND MAINTAINED WITH INCOME FROM THE TRUST FUND;  
11   AMENDING SECTION 15-35-108, MCA; AND PROVIDING AN IMMEDIATE  
12   EFFECTIVE DATE."  
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14   BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
15        Section 1. Section 15-35-108, MCA, is amended to read:  
16        "15-35-108. Disposal of severance taxes. Severance  
17   taxes collected under the provisions of this chapter are  
18   allocated as follows:  
19        (1) To the trust fund created by Article IX, section  
20        5, of the Montana constitution, 50% of total coal severance  
21        tax collections. The trust fund moneys shall be deposited  
22        in the fund established under 17-6-203(5) and invested by  
23        the board of investments as provided by law.  
24        (2) Starting July 1, 1986, and ending June 30, 1987,  
25        6% of coal severance tax collections are allocated to the

1   highway reconstruction trust fund account in the state  
2   special revenue fund. Starting July 1, 1987, and ending June  
3   30, 1993, 12% of coal severance tax collections are  
4   allocated to the highway reconstruction trust fund account  
5   in the state special revenue fund.  
6        (3) Coal severance tax collections remaining after the  
7   allocations provided by subsections (1) and (2) are  
8   allocated in the following percentages of the remaining  
9   balance:  
10        (a) 2 1/2% until July 1, 1987, and thereafter 4 1/2%  
11        to the state special revenue fund to the credit of the  
12        alternative energy research development and demonstration  
13        account;  
14        (b) 26% until July 1, 1987, and thereafter 37 1/2% to  
15        the state special revenue fund to the credit of the local  
16        impact and education trust fund account;  
17        (c) 10% to the state special revenue fund for state  
18        equalization aid to public schools of the state;  
19        (d) 1% to the state special revenue fund to the credit  
20        of the county land planning account;  
21        (e) 1 1/4% to the credit of the renewable resource  
22        development bond fund;  
23        (f) starting July 1, 1986, and ending June 30, 1989,  
24        5% to the general fund, and after June 30, 1989, 5% to a  
25        nonexpendable trust fund for the purpose of parks

1 acquisition or management, protection of works of art in the  
 2 state capitol, and other cultural and aesthetic projects.  
 3 Income from this trust fund shall be appropriated as  
 4 follows:

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

7 (ii) ~~starting--July--1,--1985,--and--ending--June--30,--1989,~~  
 8 2/3 for the acquisition, development, operation, and  
 9 maintenance of any sites and areas described in 23-1-102  
 10 ~~and,--after--June--30,--1989,--2/3--for--the--acquisition--of--sites~~  
 11 ~~and--areas--described--in--23-1-102--and--the--development,~~  
 12 ~~operation,--and--maintenance--of--sites--acquired--with--funds~~  
 13 ~~allocated--under--this--subsection;~~

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

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

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

23 (j) 4% until July 1, 1987, to the highway  
 24 reconstruction trust fund account in the state special  
 25 revenue fund;

1 (k) all other revenues from severance taxes collected  
 2 under the provisions of this chapter to the credit of the  
 3 general fund of the state."

4 NEW SECTION. Section 2. Effective date. This act is  
 5 effective on passage and approval.

-End-

## STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB015, as introduced.

Description of Proposed Legislation:

A bill reallocating, until June 30, 1989, 5 percent of the coal severance tax revenue to the General Fund from the Parks and Cultural Acquisition Trust Fund.

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:FY87

<u>Account</u>	<u>Under</u> <u>Current Law</u>	<u>Under</u> <u>Proposed Law</u>	<u>Difference</u>
Coal Tax Trust Fund	\$38,371,000	\$ 38,371,000	\$ 0
Highway Fund	5,955,179	5,955,179	0
Alternative Energy Research	844,162	844,162	0
Local Impact and Education Trust	8,779,285	8,779,285	0
School Equalization	3,376,648	3,376,648	0
County Land Planning	337,665	337,665	0
Renewable Resource Development	422,081	422,081	0
Parks Acquisition and Maintenance	1,688,324	0	(1,688,324)
State Library Commission	337,665	337,665	0
Conservation Districts	168,832	168,832	0
Water Development	422,081	422,081	0
State General Fund	<u>16,039,078</u>	<u>17,727,402</u>	<u>1,688,324</u>
	\$76,742,000	\$76,742,000	\$ -0-

Long-Range Effects of Proposed Legislation:

The proposal would divert additional funds to the general fund in future fiscal years as shown in the revenue section. The amount diverted in future years will depend on future coal severance tax collections.

*David L. Hunter* 6/19/86  
BUDGET DIRECTOR DATE

Office of Budget and Program Planning

*Rep. Rex Manned* 6-20-86  
PRIMARY SPONSOR DATE

Fiscal Note for HB015 as introduced.

Fiscal Note Request HB015, as introduced.  
Form BD-15, page 2  
(continued)

Technical or Mechanical Defects or Conflicts with Existing Legislation:

Section 2 of the bill provides an immediate effective date. If the legislation is to apply to the revenue distribution made in the first quarter of FY1987, the effective date needs to also provide an applicability date. The applicability date in this case would apply the proposed legislation to coal mines after March 31, 1986.

APPROVED BY COMMITTEE  
ON APPROPRIATIONS

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9    WORKS OF ART; EXPANDING THE NUMBER OF PARKS THAT CAN BE  
10   OPERATED AND MAINTAINED WITH INCOME FROM THE TRUST FUND;  
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16        "15-35-108. Disposal of severance taxes. Severance  
17   taxes collected under the provisions of this chapter are  
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19        (1) To the trust fund created by Article IX, section  
20        5, of the Montana constitution, 50% of total coal severance  
21        tax collections. The trust fund moneys shall be deposited  
22        in the fund established under 17-6-203(5) and invested by  
23        the board of investments as provided by law.  
24        (2) Starting July 1, 1986, and ending June 30, 1987,  
25        6% of coal severance tax collections are allocated to the

1   highway reconstruction trust fund account in the state  
2   special revenue fund. Starting July 1, 1987, and ending June  
3   30, 1993, 12% of coal severance tax collections are  
4   allocated to the highway reconstruction trust fund account  
5   in the state special revenue fund.  
6        (3) Coal severance tax collections remaining after the  
7   allocations provided by subsections (1) and (2) are  
8   allocated in the following percentages of the remaining  
9   balance:  
10        (a) 2 1/2% until July 1, 1987, and thereafter 4 1/2%  
11        to the state special revenue fund to the credit of the  
12        alternative energy research development and demonstration  
13        account;  
14        (b) 26% until July 1, 1987, and thereafter 37 1/2% to  
15        the state special revenue fund to the credit of the local  
16        impact and education trust fund account;  
17        (c) 10% to the state special revenue fund for state  
18        equalization aid to public schools of the state;  
19        (d) 1% to the state special revenue fund to the credit  
20        of the county land planning account;  
21        (e) 1 1/4% to the credit of the renewable resource  
22        development bond fund;  
23        (f) starting July 1, 1986, and ending June 30, 1989,  
24        5% to the general fund, and after June 30, 1989, 5% to a  
25        nonexpendable trust fund for the purpose of parks

1 acquisition or management, protection of works of art in the  
 2 state capitol, and other cultural and aesthetic projects.  
 3 Income from this trust fund shall be appropriated as  
 4 follows:

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

7 (ii) ~~starting--July--17--1985--and--ending--June--30--1989,~~  
 8 2/3 for the acquisition, development, operation, and  
 9 maintenance of any sites and areas described in 23-1-102  
 10 ~~and--after--June--30--1989--2/3--for--the--acquisition--of--sites~~  
 11 ~~and---areas---described--in--23-1-102--and--the--development,~~  
 12 ~~operation--and--maintenance--of--sites--acquired--with--funds~~  
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14 (g) 1% to the state special revenue fund to the credit  
 15 of the state library commission for the purposes of  
 16 providing basic library services for the residents of all  
 17 counties through library federations and for payment of the  
 18 costs of participating in regional and national networking;

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

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

23 (j) 4% until July 1, 1987, to the highway  
 24 reconstruction trust fund account in the state special  
 25 revenue fund;

1 (k) all other revenues from severance taxes collected  
 2 under the provisions of this chapter to the credit of the  
 3 general fund of the state."

4 NEW SECTION. Section 2. Effective date. This act is  
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18    equalization aid to public schools of the state;  
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(c) 10% to the state special revenue fund for state equalization aid to public schools of the state;

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

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

(f) starting July 1, 1986, and ending June 30, 1989, 5% to the general fund, and after June 30, 1989, 5% to a nonexpendable trust fund for the purpose of parks

REFERENCE BILL  
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