

SB 12 INTRODUCED BY CHRISTIAENS, ERNST
 TO REALLOCATE RESOURCE INDEMNITY TRUST TAX REVENUE
 TO GENERAL FUND FOR FISCAL YEAR 87-89
 BY REQUEST OF OFFICE OF BUDGET AND PROGRAM PLANNING

6/19 INTRODUCED
6/19 REFERRED TO TAXATION
6/21 HEARING
6/21 TABLED IN COMMITTEE

1 BILL NO. 12
2 INTRODUCED BY B. Christensen Ernest
3 BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING
4
5 A BILL FOR AN ACT ENTITLED: "AN ACT TO REALLOCATE FUNDS
6 FROM THE RESOURCE INDEMNITY TRUST TAX TO THE GENERAL FUND
7 FOR FISCAL YEARS 1987 THROUGH 1989; AMENDING SECTIONS
8 15-38-102, 15-38-106, AND 15-38-201 THROUGH 15-38-203, MCA;
9 AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN
10 APPLICABILITY DATE."
11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
13 Section 1. Section 15-38-102, MCA, is amended to read:
14 "15-38-102. Legislative policy. It is the policy of
15 this state to provide security against loss or damage to our
16 environment from the extraction of nonrenewable natural
17 resources. Recognizing that the total environment consists
18 of our air, water, soil, flora, fauna, and also of those
19 social, economic, and cultural conditions that influence our
20 communities and the lives of our individual citizens, it is
21 necessary that this state be indemnified for the extraction
22 of those resources. Therefore, it is the purpose of this
23 chapter to impose a tax on mines and mineral production, to
24 provide for the creation of a resource indemnity trust, and
25 to dedicate tax proceeds to the trust or to otherwise

1 improve the total environment and rectify damage thereto in
2 order that the people and resources of Montana may long
3 endure."

4 Section 2. Section 15-38-106, MCA, is amended to read:
5 "15-38-106. Payment of tax -- records -- collection of
6 taxes -- refunds. (1) The tax imposed by this chapter shall
7 be paid by each person to which the tax applies, on or
8 before March 1, on the value of product in the year
9 preceding January 1 of the year in which the tax is paid.
10 The tax shall be paid to the department at the time the
11 statement of yield for the last calendar quarter is filed
12 with the department.

13 (2) The department shall deposit the proceeds of the
14 tax in the general fund for all collections received during
15 fiscal years 1987, 1988, and 1989, and thereafter in the
16 resource indemnity trust fund of the nonexpendable trust
17 fund type. Every person to whom the tax applies shall keep
18 records in accordance with 15-38-105, and the records are
19 subject to inspection by the department upon reasonable
20 notice during normal business hours.

21 (3) The department shall examine each of the four
22 quarterly statements and compute the taxes thereon, and the
23 amount computed by the department shall be the taxes
24 imposed, assessed against, and payable by the taxpayer. If
25 the tax found to be due is greater than the amount paid, the

excess shall be paid by the taxpayer to the department within 30 days after written notice of the amount of deficiency is mailed by the department to the taxpayer. If the tax imposed is less than the amount paid, the difference must be applied as a tax credit against tax liability for subsequent years or refunded if requested by the taxpayer.

(4) The allocation provided in subsection (2) to the general fund must be used and expended to improve the total environment and rectify damage thereto."

Section 3. Section 15-38-201, MCA, is amended to read:

"15-38-201. Creation of resource indemnity trust fund. For the purpose of carrying out this chapter, there is a resource indemnity trust fund in the nonexpendable trust fund type. ~~The--resource--indemnity--fund--shall--be--credited--with--all--moneys--received--as--herein--provided."~~

Section 4. Section 15-38-202, MCA, is amended to read:

"15-38-202. Investment of resource indemnity trust fund -- expenditure -- minimum balance. (1) All moneys paid into the resource indemnity trust fund shall be invested at the discretion of the board of investments. All the net earnings accruing to the resource indemnity trust fund shall annually be added thereto until it has reached the sum of \$10 million. Thereafter, only the net earnings may be appropriated and expended until the fund reaches \$100 million. Thereafter, all net earnings and all receipts money

dedicated to the fund shall be appropriated by the legislature and expended, provided that the balance in the fund may never be less than \$100 million.

(2) Beginning in fiscal year 1982, provided the amount in the resource indemnity trust fund is greater than \$10 million, 30% of the interest income of the resource indemnity trust fund must be allocated to the water development state special revenue account created by 85-1-604.

(3) Beginning in fiscal year 1986, 6% of the interest income of the resource indemnity trust fund must be allocated to the department of health and environmental sciences to be used to implement the Montana Hazardous Waste Act and the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980 in accordance with Title 75, chapter 10, part 6. The allocation in this subsection must be appropriated for each full biennium as necessary to obtain matching federal funds for the biennium."

Section 5. Section 15-38-203, MCA, is amended to read:

"15-38-203. Purpose of fund usage -- limitation on future use. (1) Any funds ~~made-available-under-this--chapter~~ collected pursuant to 15-38-104 and 15-38-106, whether credited to the resource indemnity trust fund or another fund, shall be used and expended to improve the total

1 environment and rectify damage thereto.

2 (2) It is the intent of the legislature that future
3 appropriations from the resource indemnity trust interest
4 account not be made to fund general operating expenses of
5 state agencies."

6 NEW SECTION. Section 6. Effective date --
7 applicability. This act is effective on passage and approval
8 and applies to the fiscal year beginning July 1, 1986.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB012, as introduced.

Description of Proposed Legislation:

A bill to divert Resource Indemnity Trust Tax (RITT) collections from the Resource Indemnity Trust Fund to the General Fund for FY87, FY88 and FY89.

Assumptions:

1. Revenue Estimating Advisory Council's estimates provide the basis for comparison.
2. Resource Indemnity Trust Tax (RITT) collections will be \$4,063,000 in FY87.

Revenue:

N/A

Expenditures:

N/A

Fund Impacts:

| | Current Law FY87 | Proposed Law FY87 | Difference FY87 |
|-------------------------------|---------------------|----------------------|--------------------|
| General Fund | \$ 0 | \$ 4,063,000 | \$4,063,000 |
| Resource Indemnity Trust Fund | 4,063,000 | 0 | (4,063,000) |
| Total | \$ 4,063,000 | \$ 4,063,000 | \$ 0 |

Long Range Effects of Proposed Legislation:

Resource Indemnity Trust Tax (RITT) collections will be diverted from the Resource Indemnity Trust Fund to the General Fund for FY87, FY88 and FY89. Effects on the General Fund and the Resource Indemnity Trust Fund depend on the level of collections next biennium.


BUDGET DIRECTOR6/20/86
DATE

Office of Budget and Program Planning


PRIMARY SPONSOR6/24/86
DATEFiscal Note for SB012 as introduced.