HOUSE BILL NO. 12

INTRODUCED BY NATHE

IN THE HOUSE

January 5, 1987	Introduced and referred to Committee on Taxation.
January 6, 1987	Committee recommend bill do pass. Report adopted.
January 7, 1987	Printing report.
January 8, 1987	Second reading, do pass.
January 9, 1987	Engrossing report.
January 10, 1987	Third reading, passed.
	Transmitted to Senate.

IN THE SENATE

January	12,	1987	Introduced and referred to Committee on Taxation.
January	20,	1987	Committee recommend bill be concurred in. Report adopted.
January	23,	1987	Second reading, concurred in.
January	26,	1987	Third reading, concurred in. Ayes, 50; Noes, 0.
			Returned to House.

IN THE HOUSE

January 28, 1987	Received from Senate.
	Sent to enrolling.

9

10

11

12

13

14

15 16

17

18

21

22

23

24

1	HOUSE BILL NO. 12
2	INTRODUCED BY NATHE
3	BY REQUEST OF THE COAL TAX OVERSIGHT SUBCOMMITTEE
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT CORRECTING REFERENCES
6	TO ALLOCATIONS OF PORTIONS OF THE PROCEEDS OF THE COAL
7	SEVERANCE TAX; AND AMENDING SECTIONS 20-9-343, 85-1-603, AND
8	90-2-124, MCA."
9	
.0	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
.1	Section 1. Section 20-9-343, MCA, is amended to read:
. 2	"20-9-343. Definition of and revenue for state
.3	equalization aid. (1) As used in this title, the term "state
4	equalization aid" means those moneys deposited in the state
.5	special revenue fund as required in this section plus any
.6	legislative appropriation of moneys from other sources for
.7	distribution to the public schools for the purpose of
8	equalization of the foundation program.
19	(2) The legislative appropriation for state
20	equalization aid shall be made in a single sum for the
21	biennium. The superintendent of public instruction has
22	authority to spend such appropriation, together with the
23	earmarked revenues provided in subsection (3), as required
24.	for foundation program purposes throughout the biennium.
25	(3) The following shall be paid into the state special

revenue	fund	for	state	equalization	aid	to	${\tt public}$	schools	of
the stat	te:								

- (a) 25% of all moneys received from the collection of
 income taxes under chapter 30 of Title 15;
- 5 (b) 25% of all moneys, except as provided in 6 15-31-702, received from the collection of corporation 7 license taxes under chapter 31 of Title 15, as provided by 15-1-501;
 - (c) 10% of the moneys received from the collection of the severance tax on coal under chapter 35 of Title 15 and remaining after allocation of such tax under 15-35-108(1) and (2);
 - (d) 100% of the moneys received from the treasurer of the United States as the state's shares of oil, gas, and other mineral royalties under the federal Mineral Lands Leasing Act, as amended;
 - (e) interest and income moneys described in 20-9-341 and 20-9-342;
- 19 (f) income from the local impact and education trust
 20 fund account; and
 - (g) in addition to these revenues, the surplus revenues collected by the counties for foundation program support according to 20-9-331 and 20-9-333 shall be paid into the same state special revenue fund.
 - (4) Any surplus revenue in the state equalization aid

INTRODUCED BILL #8/2

LC 0226/01

5

7

9

10

11

12

13

14

15

16

17

account in the second year of a biennium may be used to reduce the appropriation required for the next succeeding biennium [or may be transferred to the state permissive account if revenues in that fund are insufficient to meet the state's permissive amount obligation]."

1

6

7

8

10

14

15

16

17

18

19

20

21

22

Section 2. Section 85-1-603, MCA, is amended to read:

"85-1-603. Water development debt service fund created
-- coal severance tax allocated. (1) There is created a
water development debt service fund within the debt service
fund type established in 17-2-102.

- 11 (2) The state pledges and allocates and directs to be 12 credited to the water development debt service fund, as 13 received:
 - (a) 1 1/4% of all money from time to time received from the coal severance tax collected under Title 15, chapter 35, and remaining after allocation of such tax to the--trust--fund-established under Article-IX7-section-57-of The-Constitution-of-the-State-of--Montana 15-35-108(1) and (2);
 - (b) any principal and accrued interest received in repayment of a loan made from the proceeds of bonds issued under 85-1-617;
- 23 (c) all interest income earned on proceeds of water
 24 development bonds; and
- 25 (d) revenue or money otherwise required to be paid

into the water development state special revenue account

pursuant to 85-1-604, as determined by the board of

examiners in connection with the issuance of bonds pursuant

to 85-1-617."

LC 0226/01

Section 3. Section 90-2-124, MCA, is amended to read:

"90-2-124. Appropriation of coal severance tax. The
state pledges and appropriates and directs to be credited to
the debt service fund, as received, 1 1/4% of all money from
time to time received from the collection of the severance
tax and remaining after allocation of such tax to-the-trust
fund-established-under-section-5, Article-IX, of-the-Montana
constitution under 15-35-108(1) and (2) and such additional
amount thereof, if any, as may be required from time to time
to provide sufficient funds for the purposes stated in
90-2-123(2), provided that no more than 1 1/4% of such tax
collections shall be deemed to be pledged for the purpose of
90-2-121(3)."

-End-

APPROVED BY COMMITTEE ON TAXATION

1	BILL NO. 12
2	INTRODUCED BY NATHE
3	BY REQUEST OF THE COAL TAX OVERSIGHT SUBCOMMITTEE
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT CORRECTING REFERENCES
6	TO ALLOCATIONS OF PORTIONS OF THE PROCEEDS OF THE COAL
7	SEVERANCE TAX; AND AMENDING SECTIONS 20-9-343, 85-1-603, AND
8	90-2-124, MCA."
9	
LO	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
11	Section 1. Section 20-9-343, MCA, is amended to read:
12	"20-9-343. Definition of and revenue for state
13	equalization aid. (1) As used in this title, the term "state
14	equalization aid" means those moneys deposited in the state
15	special revenue fund as required in this section plus any
16	legislative appropriation of moneys from other sources for
17	distribution to the public schools for the purpose of
18	equalization of the foundation program.
19	(2) The legislative appropriation for state
20	equalization aid shall be made in a single sum for the
21	biennium. The superintendent of public instruction has
22	authority to spend such appropriation, together with the
23	earmarked revenues provided in subsection (3), as required
24	for foundation program purposes throughout the biennium.
25	(3) The following shall be paid into the state special

1	revenue	fund	for	state	equalization	aid	to	${\tt public}$	schools	o£
2	the sta	te:							_	

- 3 (a) 25% of all moneys received from the collection of 4 income taxes under chapter 30 of Title 15;
- 5 (b) 25% of all moneys, except as provided 15-31-702, received from the collection of corporation license taxes under chapter 31 of Title 15, as provided by 8 15-1-501:
- 9 (c) 10% of the moneys received from the collection of 10 the severance tax on coal under chapter 35 of Title 15 and 11 remaining after allocation of such tax under 15-35-108(1) and (2); 12
- 13 (d) 100% of the moneys received from the treasurer of 14 the United States as the state's shares of oil, gas, and 15 other mineral royalties under the federal Mineral Lands 16 Leasing Act, as amended;
- 17 (e) interest and income moneys described in 20-9-341 18 and 20-9-342:
- 19 (f) income from the local impact and education trust 20 fund account: and
- 21 (g) in addition to these revenues, the surplus revenues collected by the counties for foundation program 22 23 support according to 20-9-331 and 20-9-333 shall be paid into the same state special revenue fund.
 - (4) Any surplus revenue in the state equalization aid

SECOND READING

25

9

10

11

12

13

14

15

16

17

account in the second year of a biennium may be used to reduce the appropriation required for the next succeeding biennium [or may be transferred to the state permissive account if revenues in that fund are insufficient to meet the state's permissive amount obliqation]."

2

3

5

11

12

13

14

15

16

17

18

19

20

21

22

25

Section 2. Section 85-1-603, MCA, is amended to read:

"85-1-603. Water development debt service fund created

-- coal severance tax allocated. (1) There is created a

water development debt service fund within the debt service

fund type established in 17-2-102.

- (2) The state pledges and allocates and directs to be credited to the water development debt service fund, as received:
- (a) 1 1/4% of all money from time to time received from the coal severance tax collected under Title 15, chapter 35, and remaining after allocation of such tax to the--trust--fund-established under Article-IX7-section-57-of The-Constitution-of-the-State-of--Montana 15-35-108(1) and (2);
- (b) any principal and accrued interest received in repayment of a loan made from the proceeds of bonds issued under 85-1-617;
- 23 (c) all interest income earned on proceeds of water
 24 development bonds; and
 - (d) revenue or money otherwise required to be paid

into the water development state special revenue account pursuant to 85-1~604, as determined by the board of examiners in connection with the issuance of bonds pursuant to 85-1-617."

Section 3. Section 90-2-124, MCA, is amended to read:

"90-2-124. Appropriation of coal severance tax. The
state pledges and appropriates and directs to be credited to
the debt service fund, as received, 1 1/4% of all money from
time to time received from the collection of the severance
tax and remaining after allocation of such tax to-the-trust
fund-established-under-section-57-Article-IX7-of-the-Montana
constitution under 15-35-108(1) and (2) and such additional
amount thereof, if any, as may be required from time to time
to provide sufficient funds for the purposes stated in
90-2-123(2), provided that no more than 1 1/4% of such tax
collections shall be deemed to be pledged for the purpose of
90-2-121(3)."

-End-

90-2-124, MCA."

9

1.0

11

12

13

14

15

16

17 18

19

20

21

22

23

24

1	HOUSE BILL NO. 12
2	INTRODUCED BY NATHE
3	BY REQUEST OF THE COAL TAX OVERSIGHT SUBCOMMITTEE
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT CORRECTING REFERENCE
6	TO ALLOCATIONS OF PORTIONS OF THE PROCEEDS OF THE COA
7	SEVERANCE TAX; AND AMENDING SECTIONS 20-9-343, 85-1-603, AN

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

Section 1. Section 20-9-343, MCA, is amended to read:

"20-9-343. Definition of and revenue for state
equalization aid. (1) As used in this title, the term "state
equalization aid" means those moneys deposited in the state
special revenue fund as required in this section plus any
legislative appropriation of moneys from other sources for
distribution to the public schools for the purpose of
equalization of the foundation program.

- (2) The legislative appropriation for state equalization aid shall be made in a single sum for the biennium. The superintendent of public instruction has authority to spend such appropriation, together with the earmarked revenues provided in subsection (3), as required for foundation program purposes throughout the biennium.
- 25 (3) The following shall be paid into the state special

- revenue fund for state equalization aid to public schools of the state:
- (a) 25% of all moneys received from the collection of
 income taxes under chapter 30 of Title 15;
- (b) 25% of all moneys, except as provided in 15-31-702, received from the collection of corporation license taxes under chapter 31 of Title 15, as provided by 15-1-501;
- 9 (c) 10% of the moneys received from the collection of 10 the severance tax on coal under chapter 35 of Title 15 and 11 remaining after allocation of such tax under 15-35-108(1)
- 12 and (2);
- 13 (d) 100% of the moneys received from the treasurer of
 14 the United States as the state's shares of oil, gas, and
 15 other mineral royalties under the federal Mineral Lands
 16 Leasing Act, as amended;
- 17 (e) interest and income moneys described in 20-9-341
 18 and 20-9-342;
- 19 (f) income from the local impact and education trust 20 fund account; and
- 21 (g) in addition to these revenues, the surplus 22 revenues collected by the counties for foundation program 23 support according to 20-9-331 and 20-9-333 shall be paid
- 24 into the same state special revenue fund.
- 25 (4) Any surplus revenue in the state equalization aid



6

7

8

9

10

11

12

13

14

15

16

17

- account in the second year of a biennium may be used to reduce the appropriation required for the next succeeding biennium [or may be transferred to the state permissive account if revenues in that fund are insufficient to meet the state's permissive amount obligation]."
- Section 2. Section 85-1-603, MCA, is amended to read:

 "85-1-603. Water development debt service fund created

 -- coal severance tax allocated. (1) There is created a

 water development debt service fund within the debt service

 fund type established in 17-2-102.
- 11 (2) The state pledges and allocates and directs to be 12 credited to the water development debt service fund, as 13 received:
- 14 (a) 1 1/4% of all money from time to time received
 15 from the coal severance tax collected under Title 15,
 16 chapter 35, and remaining after allocation of such tax to
 17 the-trust--fund-established under Article-IX,-section-5,-of
 18 The-Constitution-of-the-State-of--Montana 15-35-108(1) and
 19 (2);
- 20 (b) any principal and accrued interest received in
 21 repayment of a loan made from the proceeds of bonds issued
 22 under 85-1-617;
- 23 (c) all interest income earned on proceeds of water
 24 development bonds; and

25

(d) revenue or money otherwise required to be paid

into the water development state special revenue account
pursuant to 85-1-604, as determined by the board of
examiners in connection with the issuance of bonds pursuant
to 85-1-617."

Section 3. Section 90-2-124, MCA, is amended to read:

"90-2-124. Appropriation of coal severance tax. The
state pledges and appropriates and directs to be credited to
the debt service fund, as received, 1 1/4% of all money from
time to time received from the collection of the severance
tax and remaining after allocation of such tax to-the-trust
fund-established-under-section-57-Article-IX7-of-the-Montana
constitution under 15-35-108(1) and (2) and such additional
amount thereof, if any, as may be required from time to time
to provide sufficient funds for the purposes stated in
90-2-123(2), provided that no more than 1 1/4% of such tax
collections shall be deemed to be pledged for the purpose of
90-2-121(3)."

-End-

50th Legislature HB 0012/02

1	HOUSE BILL NO. 12
2	INTRODUCED BY NATHE
3	BY REQUEST OF THE COAL TAX OVERSIGHT SUBCOMMITTEE
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT CORRECTING REFERENCES
6	TO ALLOCATIONS OF PORTIONS OF THE PROCEEDS OF THE COAL
7	SEVERANCE TAX; AND AMENDING SECTIONS 20-9-343, 85-1-603, AND
8	90-2-124, MCA."
9	
10	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
11	Section 1. Section 20-9-343, MCA, is amended to read:
12	"20-9-343. Definition of and revenue for state
13	equalization aid. (1) As used in this title, the term "state
14	equalization aid" means those moneys deposited in the state
15	special revenue fund as required in this section plus any
16	legislative appropriation of moneys from other sources for
17	distribution to the public schools for the purpose of
18	equalization of the foundation program.
19	(2) The legislative appropriation for state
20	equalization aid shall be made in a single sum for the
21	biennium. The superintendent of public instruction has
22	authority to spend such appropriation, together with the
23	earmarked revenues provided in subsection (3), as required
	· · · · · · · · · · · · · · · · · · ·

for foundation program purposes throughout the biennium.

(3) The following shall be paid into the state special

24

25



- l revenue fund for state equalization aid to public schools of
- 2 the state:
- 3 (a) 25% of all moneys received from the collection of
- 4 income taxes under chapter 30 of Title 15;
- 5 (b) 25% of all moneys, except as provided in 6 15-31-702, received from the collection of corporation
 - license taxes under chapter 31 of Title 15, as provided by
- 8 15-1-501;
- 9 (c) 10% of the moneys received from the collection of
- 10 the severance tax on coal under chapter 35 of Title 15 and
- 11 remaining after allocation of such tax under 15-35-108(1)
- 12 and (2);
- 13 (d) 100% of the moneys received from the treasurer of
- 14 the United States as the state's shares of oil, gas, and
- 15 other mineral royalties under the federal Mineral Lands
- 16 Leasing Act, as amended;
- 17 (e) interest and income moneys described in 20-9-341
- 18 and 20-9-342;

25

- 19 (f) income from the local impact and education trust
- 20 fund account; and
- 21 (g) in addition to these revenues, the surplus
- 22 revenues collected by the counties for foundation program
- 23 support according to 20-9-331 and 20-9-333 shall be paid
- 24 into the same state special revenue fund.
 - (4) Any surplus revenue in the state equalization aid

-2-

HB 12

HB 0012/02

HB 0012/02

account in the second year of a biennium may be used to reduce the appropriation required for the next succeeding biennium [or may be transferred to the state permissive account if revenues in that fund are insufficient to meet the state's permissive amount obligation]."

Section 2. Section 85-1-603, MCA, is amended to read:

"85-1-603. Water development debt service fund created

-- coal severance tax allocated. (1) There is created a

water development debt service fund within the debt service

fund type established in 17-2-102.

(2) The state pledges and allocates and directs to be credited to the water development debt service fund, as received:

11

12

13

14

15

16

17

18

19

- (a) 1 1/4% of all money from time to time received from the coal severance tax collected under Title 15, chapter 35, and remaining after allocation of such tax to the--trust--fund-established under Article-IK7-section-57-of The-Constitution-of-the-State-of--Montana 15-35-108(1) and (2);
- 20 (b) any principal and accrued interest received in 21 repayment of a loan made from the proceeds of bonds issued 22 under 85-1-617;
- 23 (c) all interest income earned on proceeds of water 24 development bonds; and
- 25 (d) revenue or money otherwise required to be paid

into the water development state special revenue account pursuant to 85-1-604, as determined by the board of 3 examiners in connection with the issuance of bonds pursuant to 85-1-617." Section 3. Section 90-2-124, MCA, is amended to read: "90-2-124. Appropriation of coal severance tax. The state pledges and appropriates and directs to be credited to the debt service fund, as received, 1 1/4% of all money from time to time received from the collection of the severance tax and remaining after allocation of such tax to-the-trust 10 11 fund-established-under-section-5;-Article-IX;-of-the-Montana 12 constitution under 15-35-108(1) and (2) and such additional 13 amount thereof, if any, as may be required from time to time 14 to provide sufficient funds for the purposes stated in 15 90-2-123(2), provided that no more than 1 1/4% of such tax 16 collections shall be deemed to be pledged for the purpose of 17 90-2-121(3)."

-End-

-3- HB 12

-4- HB 12

HB 0012/02