

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 concurring 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.
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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
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 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
7 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;

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



-2- INTRODUCED BILL
 HB 12

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

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

7 "85-1-603. Water development debt service fund created
8 -- coal severance tax allocated. (1) There is created a
9 water development debt service fund within the debt service
10 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

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

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

6 "90-2-124. Appropriation of coal severance tax. The
7 state pledges and appropriates and directs to be credited to
8 the debt service fund, as received, 1 1/4% of all money from
9 time to time received from the collection of the severance
10 tax and remaining after allocation of such tax ~~to the trust~~
11 ~~fund-established-under-section-57-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-

APPROVED BY COMMITTEE
ON TAXATION

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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
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6 15-31-702, received from the collection of corporation
7 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)
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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



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

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

7 "85-1-603. Water development debt service fund created
8 -- coal severance tax allocated. (1) There is created a
9 water development debt service fund within the debt service
10 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

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1 into the water development state special revenue account
2 pursuant to 85-1-604, as determined by the board of
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5 Section 3. Section 90-2-124, MCA, is amended to read:

6 "90-2-124. Appropriation of coal severance tax. The
7 state pledges and appropriates and directs to be credited to
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10 tax and remaining after allocation of such tax ~~to the trust~~
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
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5 Section 3. Section 90-2-124, MCA, is amended to read:

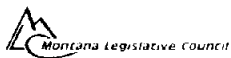
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