

HB 148 INTRODUCED BY DONALDSON
TRANSFER EDUCATIONAL TRUST FUND MONEY TO GENERAL
FUND

1/12	INTRODUCED	
1/12	REFERRED TO TAXATION	
1/12	FISCAL NOTE REQUESTED	
1/15	HEARING	
1/16	COMMITTEE REPORT--BILL NOT PASSED AS AMENDED	
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1/19	2ND READING NOT PASSED	69 31
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1/19	REREFERRED TO TAXATION	
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1 HB BILL NO. 148
 2 INTRODUCED BY Donaldson
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TRANSFERRING 2 CALENDAR
 5 QUARTERS OF COAL SEVERANCE TAX COLLECTIONS WHICH WOULD BE
 6 DEPOSITED IN THE PERMANENT TRUST FUND TO THE GENERAL FUND;
 7 AMENDING SECTION 17-5-703, MCA; AND PROVIDING AN IMMEDIATE
 8 EFFECTIVE DATE AND A TERMINATION DATE."
 9

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

11 Section 1. Section 17-5-703, MCA, is amended to read:

12 "17-5-703. Coal severance tax trust funds. (1) The
 13 trust established under Article IX, section 5, of the
 14 Montana constitution shall be composed of the following
 15 funds:

16 (a) a coal severance tax bond fund into which the
 17 constitutionally dedicated receipts from the coal severance
 18 tax shall be deposited;

19 (b) a coal severance tax permanent fund; and

20 (c) a coal severance tax income fund.

21 (2) The Except as provided in subsection (3), the
 22 state treasurer shall from time to time transfer to the coal
 23 severance tax permanent fund all money in the coal severance
 24 tax bond fund except the amount necessary to meet all
 25 principal and interest payments on bonds payable from the

1 coal severance tax bond fund on the next two ensuing
 2 semiannual payment dates.

3 (3) The state treasurer shall transfer to the general
 4 fund all money in the coal severance tax bond fund
 5 representing coal severance tax collections for the quarters
 6 ending December 30, 1987, and March 30, 1988, at the time
 7 the treasurer would normally transfer the money to the
 8 permanent fund."

9 NEW SECTION. Section 2. Requirements for coal trust
 10 transfer. Because section 1 transfers money flowing into the
 11 permanent trust fund to the general fund, a three-fourths
 12 vote of each house is required under Article IX, section 5,
 13 of the constitution.

14 NEW SECTION. Section 3. Effective date --
 15 termination. This act is effective on passage and approval
 16 and terminates October 1, 1988.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB148, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act transferring 2 calendar quarters of coal severance tax collections which would be deposited in the permanent trust fund to the general fund; providing an immediate effective date and a termination date.

ASSUMPTIONS:

1. Revenue impacts are based on Revenue Estimating Advisory Council coal tax revenue assumptions.
2. There will be a fiscal impact in FY88 only!
3. Revenue estimates are net of estimated coal severance tax credits.
4. None of the collections anticipated to be allocated to the general fund will be used to service principal or interest payments on bonds payable from the coal severance tax bond fund.


FISCAL IMPACT:

This bill would allow an estimated \$19.498 million of coal severance tax revenue to be transferred to the state general fund rather than to the coal tax permanent trust fund in FY88 only. Money directed to the Montana Economic Development Board would be reduced by \$4.874 million in FY88. Also, by diverting receipts that normally are deposited to the permanent and in-state investment trusts, less interest earnings will be deposited to the general fund.

TECHNICAL OR MECHANICAL DEFECTS IN PROPOSED LEGISLATION OR CONFLICTS WITH EXISTING LEGISLATION:

The bill, as written, transfers coal tax collections for the "...quarters ending December 30, 1987, and March 30, 1988...". Normally, quarters end December 31 and March 31.


DATE 1/19/87
DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning


DATE _____
GENE DONALDSON, PRIMARY SPONSOR

Fiscal Note for HB148, as introduced.

HB148

APPROVED BY COMMITTEE
ON TAXATION

HOUSE BILL NO. 148

INTRODUCED BY DONALDSON

A BILL FOR AN ACT ENTITLED: "AN ACT TRANSFERRING THE AMOUNT OF REVENUE COLLECTED FROM 2 CALENDAR QUARTERS OF COAL SEVERANCE TAX COLLECTIONS WHICH WOULD BE DEPOSITED IN FROM THE PERMANENT TRUST FUND TO THE GENERAL FUND; AMENDING SECTION 17-5-703, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE."

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

Section 1. Section 17-5-703, MCA, is amended to read:

"17-5-703. Coal severance tax trust funds. (1) The trust established under Article IX, section 5, of the Montana constitution shall be composed of the following funds:

(a) a coal severance tax bond fund into which the constitutionally dedicated receipts from the coal severance tax shall be deposited;

(b) a coal severance tax permanent fund; and

(c) a coal severance tax income fund.

(2) The Except as provided in subsection (3), the state treasurer shall from time to time transfer to the coal severance tax permanent fund all money in the coal severance tax bond fund except the amount necessary to meet all

principal and interest payments on bonds payable from the coal severance tax bond fund on the next two ensuing semiannual payment dates.

~~(3) The state treasurer shall transfer to the general fund all money in the coal severance tax bond fund representing coal severance tax collections for the quarters ending December 31, 1987, and March 31, 1988, at the time the treasurer would normally transfer the money to the permanent fund.~~

(3) THE STATE TREASURER SHALL TRANSFER FROM THE COAL SEVERANCE TAX PERMANENT FUND, CREATED IN 17-5-703(1)(B), BUT NOT FROM THE IN-STATE INVESTMENT FUND CREATED IN 17-6-306, TO THE GENERAL FUND AN AMOUNT EQUAL TO THE COAL SEVERANCE TAX COLLECTIONS FOR THE QUARTERS ENDING DECEMBER 31, 1986, AND MARCH 31, 1987."

NEW SECTION. Section 2. Requirements for coal trust transfer. Because section 1 transfers money flowing into the permanent trust fund to the general fund, a three-fourths vote of each house is required under Article IX, section 5, of the constitution.

NEW SECTION. Section 3. Effective date -- termination. This act is effective on passage and approval and terminates October 1, 1988 1987.

-End-