

HB 216 INTRODUCED BY DAILY, ET AL.

1/15 INTRODUCED
1/15 REFERRED TO APPROPRIATIONS
1/21 REREFERRED TO TAXATION
2/06 HEARING
2/06 COMMITTEE REPORT--BILL NOT PASSED
2/07 ADVERSE COMMITTEE REPORT ADOPTED

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1 *HB* BILL NO. *216*
 2 INTRODUCED BY *Daryl J. Anderson, Julie K. Riedel*
 3 *Mendenhall, Sue Brown, Hamilton, Lynch, B. Brown*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A
 5 MECHANISM FOR APPROPRIATION FOR EDUCATION SUPPORT OF A
 6 PORTION OF COAL SEVERANCE TAX PROCEEDS AND OF THE PORTION OF
 7 THE PERMANENT TRUST EARNINGS ALLOCATED TO THE PERMANENT
 8 TRUST; AMENDING SECTIONS 17-5-703, 17-5-704, AND 20-9-343,
 9 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

11 WHEREAS, the Montana Legislature reserved up to
 12 one-half of the proceeds of the coal severance tax in a
 13 permanent trust for future needs; and

14 WHEREAS, the portion of the future coal severance tax
 15 proceeds that will be deposited in the permanent trust may
 16 in certain circumstances be needed to support public
 17 education at all levels.

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

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

21 "17-5-703. Coal severance tax trust funds. (1) The
 22 trust established under Article IX, section 5, of the
 23 Montana constitution shall be composed of the following
 24 funds:

25 (a) a coal severance tax bond fund into which the

1 constitutionally dedicated receipts from the coal severance
 2 tax shall be deposited;

3 (b) a coal severance tax permanent fund; and
 4 (c) a coal severance tax income fund.

5 (2) The state treasurer shall from time to time
 6 transfer to the coal severance tax permanent fund all money
 7 in the coal severance tax bond fund except the amount
 8 amounts:

9 (a) necessary to meet all principal and interest
 10 payments on bonds payable from the coal severance tax bond
 11 fund on the next two ensuing semiannual payment dates; and

12 (b) appropriated by vote of three-fourths of the
 13 members of each house of the legislature from the remainder
 14 in the coal severance tax bond fund to the state special
 15 revenue fund for state equalization aid to public schools,
 16 to the Montana university system or the units of that system
 17 for purposes of higher education, or to the superintendent
 18 of public instruction for the post-secondary
 19 vocational-technical centers and the adult basic education
 20 programs."

21 Section 2. Section 17-5-704, MCA, is amended to read:

22 "17-5-704. Investment of funds. (1) Money in the coal
 23 severance tax bond fund, the coal severance tax permanent
 24 fund, and the coal severance tax income fund must be
 25 invested in accordance with the investment standards for



1 coal severance tax funds except as provided in subsection
2 (2). Income and earnings from all funds must be transferred
3 to and retained in the coal severance tax income fund until
4 appropriated by the legislature.

5 ~~(2) Beginning on July 17, 1983~~ (a) Except as provided
6 in (2)(b), the legislature shall appropriate 15% of the
7 income and earnings from all funds to be deposited to the
8 coal severance tax permanent fund each year. The funds
9 appropriated to the coal severance tax permanent fund under
10 this subsection may not be further appropriated except by
11 vote of three-fourths of the members of each house of the
12 legislature.

13 (b) The legislature may appropriate to the state
14 special revenue fund for state equalization aid to public
15 schools, to the Montana university system or the units of
16 that system for purposes of higher education, or to the
17 superintendent of public instruction for the post-secondary
18 vocational-technical centers and the adult basic education
19 programs so much as is needed of the money that would
20 otherwise be allocated under subsection (2)(a)."

21 Section 3. Section 20-9-343, MCA, is amended to read:
22 "20-9-343. Definition of and revenue for state
23 equalization aid. (1) As used in this title, the term "state
24 equalization aid" means those moneys deposited in the state
25 special revenue fund as required in this section plus any

1 legislative appropriation of moneys from other sources for
2 distribution to the public schools for the purpose of
3 equalization of the foundation program.

4 (2) The legislative appropriation for state
5 equalization aid shall be made in a single sum for the
6 biennium. The superintendent of public instruction has
7 authority to spend such appropriation, together with the
8 earmarked revenues provided in subsection (3), as required
9 for foundation program purposes throughout the biennium.

10 (3) The following shall be paid into the state special
11 revenue fund for state equalization aid to public schools of
12 the state:

13 (a) 25% of all moneys received from the collection of
14 income taxes under chapter 30 of Title 15;

15 (b) 25% of all moneys, except as provided in
16 15-31-702, received from the collection of corporation
17 license taxes under chapter 31 of Title 15, as provided by
18 15-1-501;

19 (c) 10% of the moneys received from the collection of
20 the severance tax on coal under chapter 35 of Title 15;

21 (d) money appropriated under 17-5-703(2)(b) and
22 17-5-704(2)(b);

23 ~~(d)~~(e) 10% of the moneys received from the treasurer
24 of the United States as the state's shares of oil, gas, and
25 other mineral royalties under the federal Mineral Lands

1 Leasing Act, as amended;

2 ~~(e)~~(f) interest and income moneys described in
3 20-9-341 and 20-9-342;

4 ~~(f)~~(g) income from the local impact and education
5 trust fund account; and

6 ~~(g)~~(h) in addition to these revenues, the surplus
7 revenues collected by the counties for foundation program
8 support according to 20-9-331 and 20-9-333 shall be paid
9 into the same state special revenue fund.

10 (4) Any surplus revenue in the state equalization aid
11 account in the second year of a biennium may be used to
12 reduce the appropriation required for the next succeeding
13 biennium [or may be transferred to the state permissive
14 account if revenues in that fund are insufficient to meet
15 the state's permissive amount obligation]."

16 NEW SECTION. Section 4. Effective date. This act is
17 effective on passage and approval.

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