

HB 891 INTRODUCED BY WILLIAMS, M.
APPROPRIATION OF COAL TRUST MONEY FOR FISCAL YEARS
1988 AND 1989
BY REQUEST OF GOVERNOR

3/20	INTRODUCED	
3/20	REFERRED TO APPROPRIATIONS	
3/31	HEARING	
4/15	TAKEN FROM COMMITTEE	51 47
4/23	2ND READING NOT PASSED AS AMENDED	50 50

1 House BILL NO. 891
 2 INTRODUCED BY M. Williams
 3 BY REQUEST OF THE GOVERNOR

4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING FUNDS
 6 FROM THE COAL SEVERANCE TAX PERMANENT FUND FOR FISCAL YEARS
 7 1987, 1988, AND 1989; AND PROVIDING AN IMMEDIATE EFFECTIVE
 8 DATE."
 9

10 WHEREAS, state services supported by the general fund
 11 have been reduced during the current biennium; and

12 WHEREAS, full-time employment in state government is at
 13 its lowest level since 1975; and

14 WHEREAS, state agencies cannot make significant
 15 additional funding cuts or personnel cuts without
 16 significant reductions in services; and

17 WHEREAS, for fiscal years 1987, 1988, and 1989,
 18 deficits are projected if current levels of state services
 19 are retained and current low revenues continue; and

20 WHEREAS, Montana's economy is expected to improve in
 21 coming years; and

22 WHEREAS, a temporary source of additional revenue for
 23 the general fund is needed; and

24 WHEREAS, Montana's taxpayers can ill afford an increase
 25 in general taxes; and

1 WHEREAS, dedications from the coal severance tax
 2 collections to the permanent trust fund for fiscal years
 3 1987, 1988, and 1989 are expected to be \$38.941 million,
 4 \$38.996 million, and \$39.790 million, respectively; and

5 WHEREAS, a diversion of three-fourths of the coal tax
 6 revenues that would otherwise be dedicated to the permanent
 7 trust fund will allow the state's budget to be balanced
 8 without a tax increase; and

9 WHEREAS, the diversion of three-fourths of the
 10 permanent trust fund dedication will retain the allocation
 11 to the Montana in-state investment fund authorized by the
 12 people in Initiative 95; and

13 WHEREAS, the coal severance tax permanent trust fund
 14 will continue to grow and to provide a resource for
 15 Montana's future; and

16 WHEREAS, more than \$300 million now in the coal
 17 severance tax permanent fund is subject to appropriation by
 18 a three-fourths vote of the Legislature.
 19

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

21 Section 1. Appropriation. There is appropriated from
 22 the coal severance tax permanent fund created in
 23 17-5-703(1)(b), but not from the Montana in-state investment
 24 fund created in 17-6-306, to the general fund for the fiscal
 25 year:



-2- INTRODUCED BILL
 HB-891

1 (1) ending June 30, 1987, \$29,206,000;

2 (2) beginning July 1, 1987, \$29,247,000; and

3 (3) beginning July 1, 1988, \$29,843,000.

4 Section 2. Three-fourths vote required. Because
5 section 1 appropriates money from the coal severance tax
6 permanent fund, Article IX, section 5, of the Montana
7 constitution requires a vote of three-fourths of the members
8 of each house for passage.

9 Section 3. Effective date. This act is effective on
10 passage and approval.

-End-

HB 0891/02
COMMITTEE
ON APPROPRIATIONS
WITHOUT RECOMMENDATION
ON MOTION, PRINTED AND
PLACED ON SECOND READING

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