

HOUSE BILL 39

Introduced by Cobb

12/30	Fiscal Note Requested
1/02	Introduced
1/02	Referred to Taxation
1/06	Fiscal Note Received
1/06	Fiscal Note Printed
	Died in Committee

1 HOUSE BILL NO. 39
2 INTRODUCED BY COBB
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE
5 ALLOCATION FROM THE COAL SEVERANCE TAX PROCEEDS TO THE
6 COUNTY LAND PLANNING ACCOUNT; CORRECTING A STATUTORY
7 REFERENCE; AMENDING SECTIONS 15-35-108 AND 22-2-304, MCA;
8 AND PROVIDING AN EFFECTIVE DATE."
9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
11 **Section 1.** Section 15-35-108, MCA, is amended to read:
12 "15-35-108. Disposal of severance taxes. Severance
13 taxes collected under this chapter must be allocated
14 according to the provisions in effect on the date the tax is
15 due under 15-35-104. Severance taxes collected under the
16 provisions of this chapter are allocated as follows:
17 (1) To the trust fund created by Article IX, section
18 5, of the Montana constitution, 50% of total coal severance
19 tax collections. The trust fund moneys shall be deposited
20 in the fund established under 17-6-203(5) and invested by
21 the board of investments as provided by law.
22 (2) Starting July 1, 1987, and ending June 30, 1993,
23 12% of coal severance tax collections are allocated to the
24 highway reconstruction trust fund account in the state
25 special revenue fund.

1 (3) Coal severance tax collections remaining after the
2 allocations provided by subsections (1) and (2) are
3 allocated in the following percentages of the remaining
4 balance:
5 (a) 4 1/2% to the state special revenue fund to the
6 credit of the alternative energy research development and
7 demonstration account;
8 (b) 4% until June 30, 1989, to the state special
9 revenue fund to the credit of the local impact account and
10 thereafter 20% to the state special revenue fund to the
11 credit of the local impact and education trust fund account
12 and 17.5% to the credit of the local impact account.
13 Unencumbered funds remaining in the local impact account at
14 the end of each biennium are allocated to the education
15 trust fund account.
16 (c) 44.2% until June 30, 1989, and thereafter 10% to
17 the state special revenue fund for state equalization aid to
18 public schools of the state;
19 ~~(d) --1% to the state special revenue fund to the credit~~
20 ~~of the county land planning account;~~
21 ~~(e)(d)~~ 1 1/4% to the credit of the renewable resource
22 development bond fund;
23 ~~(f)(e)~~ after June 30, 1989, 5% to a nonexpendable
24 trust fund for the purpose of parks acquisition or
25 management, protection of works of art in the state capitol,

1 and other cultural and aesthetic projects. Income from this
2 trust fund shall be appropriated as follows:

3 (i) 1/3 for protection of works of art in the state
4 capitol and other cultural and aesthetic projects; and

5 (ii) 2/3 for the acquisition, development, operation,
6 and maintenance of any sites and areas described in
7 23-1-102;

8 ~~fg~~(f) 1% to the state special revenue fund to the
9 credit of the state library commission for the purposes of
10 providing basic library services for the residents of all
11 counties through library federations and for payment of the
12 costs of participating in regional and national networking;

13 ~~th~~(g) 1/2 of 1% to the state special revenue fund for
14 conservation districts;

15 ~~ti~~(h) 1 1/4% to the debt service fund type to the
16 credit of the water development debt service fund;

17 ~~tj~~(i) 2% to the state special revenue fund for the
18 Montana Growth Through Agriculture Act;

19 ~~tk~~(j) all other revenues from severance taxes
20 collected under the provisions of this chapter to the credit
21 of the general fund of the state."

22 **Section 2.** Section 22-2-304, MCA, is amended to read:

23 "22-2-304. Cultural and aesthetic project
24 appropriations -- administration. (1) The legislature must
25 appropriate funds from the income of the trust fund created

1 in 15-35-108~~33~~ff for the purpose of parks acquisition or
2 management and for cultural and aesthetic projects before
3 any grant for a cultural or aesthetic project is awarded.

4 (2) Costs incurred by the Montana arts council for
5 accounting, correspondence, project visits, and solicitation
6 of proposals related to cultural and aesthetic project
7 grants and the costs of the advisory committee established
8 in 2-15-1521 shall be paid from appropriations from the
9 income of the trust fund.

10 (3) Grant proposals are heard by a legislative
11 appropriations subcommittee.

12 (4) Grant proposals approved by the legislature are
13 administered by the Montana arts council."

14 **Section 3.** Effective date. [This act] is effective
15 July 1, 1989.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB039, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

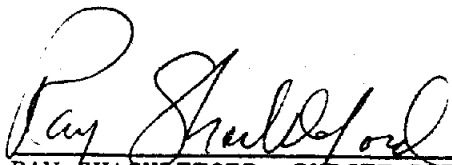
An act eliminating the allocation from the coal severance tax proceeds to the county land planning account; correcting a statutory reference; and providing an effective date.

ASSUMPTIONS:

1. Coal severance tax revenues are projected to be \$52,884,000 in FY1990, and \$45,683,000 in FY1991 (REAC).
2. This bill will not affect department revenues or expenditures.
3. Due to the effective date of July 1, 1989, only three quarters of production will be affected in FY90.

FUND INFORMATION:

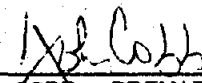
(See Attached Page)



DATE

1/5/89

RAY SHACKLEFORD, BUDGET DIRECTOR
Office of Budget and Program Planning



DATE

1/6/89

JOHN COBB, PRIMARY SPONSOR

Fiscal Note for HB039, as introduced

HB 39

Fiscal Note attachment for HB39, Version: Introduced

I. Estimated Effect on Revenue

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A. Effect on Revenue by Source:

	FY90			FY91		
	Current	Proposed	Difference	Current	Proposed	Difference
Account Title	Law	Law		Law	Law	
=====	=====	=====	=====	=====	=====	=====
Coal Tax Trust Fund	\$26,442,000	\$26,442,000	\$0	\$22,841,500	\$22,841,500	\$0
Highway Reconstruction	6,346,080	6,346,080	0	5,481,960	5,481,960	0
Alternative Energy Research	904,316	904,316	0	781,179	781,179	0
Local Impact	3,516,786	3,516,786	0	3,037,920	3,037,920	0
Local Impact/Education Trust	4,019,184	4,019,184	0	3,471,908	3,471,908	0
School Equalization	2,009,592	2,009,592	0	1,735,954	1,735,954	0
County Land Planning	200,959	50,240	(150,719)	173,595	0	(173,595)
Renewable Resource Development	251,199	251,199	0	216,994	216,994	0
Cultural/Aesthetic Projects	1,004,796	1,004,796	0	867,977	867,977	0
State Library Commission	200,959	200,959	0	173,595	173,595	0
Conservation Districts	100,480	100,480	0	86,798	86,798	0
Water Development	251,199	251,199	0	216,994	216,994	0
MGTA Act	401,918	401,918	0	347,191	347,191	0
General Fund	7,234,531	7,385,251	150,719	6,249,434	6,423,030	173,595
=====	=====	=====	=====	=====	=====	=====
TOTAL	\$52,884,000	\$52,884,000	\$0	\$45,683,000	\$45,683,000	\$0