

HOUSE BILL NO. 202  
INTRODUCED BY PAVLOVICH

IN THE HOUSE

JANUARY 16, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
JANUARY 17, 1989	FIRST READING.
MARCH 21, 1989	ON MOTION, TAKEN FROM TAXATION COMMITTEE AND PLACED ON SECOND READING
MARCH 29, 1989	SECOND READING, DO PASS AS AMENDED.
MARCH 30, 1989	ENGROSSING REPORT.
	THIRD READING, PASSED. AYES, 65; NOES, 32.
	TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 31, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
APRIL 11, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
APRIL 12, 1989	PASS CONSIDERATION.
APRIL 14, 1989	SECOND READING, CONCURRED IN AS AMENDED.
APRIL 17, 1989	THIRD READING, CONCURRED IN. AYES, 26; NOES, 24.
	RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

APRIL 18, 1989

ON MOTION, RULES SUSPENDED TO ALLOW  
LATE TRANSMITTAL.

APRIL 19, 1989

RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS  
CONCURRED IN.

APRIL 20, 1989

THIRD READING, AMENDMENTS  
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *House* BILL NO. *202*  
2 INTRODUCED BY *Carlson*  
3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE THE  
5 CIGARETTE TAX BY 5 CENTS TO PAY COSTS OF STUDIES CONDUCTED  
6 BY THE BOARD OF VETERANS' AFFAIRS IN CONSIDERING LOCATIONS  
7 FOR THE CONSTRUCTION OF A STATE NURSING HOME OR DOMICILIARY  
8 HOME FOR VETERANS; PROVIDING FOR A STATUTORY APPROPRIATION;  
9 AND AMENDING SECTIONS 16-11-111, 16-11-119, 17-5-408, AND  
10 17-7-502, MCA."  
11

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

13 NEW SECTION. Section 1. veterans home -- study --  
14 appropriation. There is an account in the state special  
15 revenue fund. Money collected from the 5-cent increase in  
16 the cigarette tax pursuant to 16-11-111 is statutorily  
17 appropriated, as provided in 17-7-502, to the board of  
18 veterans' affairs to pay costs of studies conducted by the  
19 board to consider locations for the construction of state  
20 nursing homes and domiciliary homes for veterans in Montana.

21 Section 2. Section 16-11-111, MCA, is amended to read:

22 "16-11-111. Cigarette sales tax. There is hereby  
23 levied, imposed, and assessed and there shall be collected  
24 and paid to the state of Montana upon cigarettes sold or  
25 possessed in this state the following excise tax which shall

1 be paid prior to the time of sale and delivery thereof of  
2 cigarettes: ~~16~~ 21 cents on each package containing not more  
3 than 20 cigarettes and, when packages contain more than 20  
4 cigarettes, then a tax on each cigarette equal to 1/20th the  
5 tax on a package containing not more than 20 cigarettes."

6 Section 3. Section 16-11-119, MCA, is amended to read:

7 "16-11-119. Disposition of taxes -- retirement of  
8 bonds. All moneys collected under the provisions of  
9 16-11-111, less the expense of collecting all the taxes  
10 levied, imposed, and assessed by said section, shall be paid  
11 to the state treasurer and deposited as follows: 79.75%  
12 60.76% in the long-range building program fund in the debt  
13 service fund type and--20.25%, 15.43% in the long-range  
14 building program fund in the capital projects fund type, and  
15 23.81% in the state special revenue fund to be used for the  
16 purposes of [section 1]."

17 Section 4. Section 17-5-408, MCA, is amended to read:

18 "17-5-408. Percentage of income, corporation license,  
19 and cigarette tax pledged. (1) (a) The state pledges and  
20 appropriates and directs to be credited as received to the  
21 debt service account 10% of all money received from the  
22 collection of the individual income tax and 11% of all  
23 money, except as provided in 15-31-702, received from the  
24 collection of the corporation license and income tax as  
25 provided in 15-1-501, and such additional amount of said

1 taxes, if any, as may at any time be needed to comply with  
2 the principal and interest and reserve requirements stated  
3 in 17-5-405(4).

4 (b) No more than the percentages described in  
5 subsection (1)(a) of such tax collections may be pledged for  
6 the purpose of 17-5-403(2). The pledge and appropriation  
7 herein made shall be and remain at all times a first and  
8 prior charge upon all money received from the collection of  
9 said taxes.

10 (2) The state pledges and appropriates and directs to  
11 be credited to the debt service account ~~79.75%~~ 60.76% of all  
12 money received from the collection of the excise tax on  
13 cigarettes which is levied, imposed, and assessed by  
14 16-11-111. The state also pledges and appropriates and  
15 directs to be credited as received to the debt service  
16 account all money received from the collection of the taxes  
17 on other tobacco products which are or may hereafter be  
18 levied, imposed, and assessed by law for that purpose,  
19 including the tax levied, imposed, and assessed by  
20 16-11-202. Nothing herein shall impair or otherwise affect  
21 the provisions and covenants contained in the resolutions  
22 authorizing the presently outstanding long-range building  
23 program bonds. Subject to the provisions of the preceding  
24 sentence, the pledge and appropriation herein made shall be  
25 and remain at all times a first and prior charge upon all

1 money received from the collection of all taxes referred to  
2 in this subsection (2)."

3 **Section 5.** Section 17-7-502, MCA, is amended to read:

4 "17-7-502. Statutory appropriations -- definition --  
5 requisites for validity. (1) A statutory appropriation is an  
6 appropriation made by permanent law that authorizes spending  
7 by a state agency without the need for a biennial  
8 legislative appropriation or budget amendment.

9 (2) Except as provided in subsection (4), to be  
10 effective, a statutory appropriation must comply with both  
11 of the following provisions:

12 (a) The law containing the statutory authority must be  
13 listed in subsection (3).

14 (b) The law or portion of the law making a statutory  
15 appropriation must specifically state that a statutory  
16 appropriation is made as provided in this section.

17 (3) The following laws are the only laws containing  
18 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;  
19 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304;  
20 15-25-123; 15-31-702; 15-36-112; 15-65-121; 15-70-101;  
21 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404; 17-5-424;  
22 17-5-804; 19-8-504; 19-9-702; 19-9-1007; 19-10-205;  
23 19-10-305; 19-10-506; 19-11-512; 19-11-513; 19-11-606;  
24 19-12-301; 19-13-604; 20-4-109; 20-6-406; 20-8-111;  
25 23-5-610; 23-5-1027; 33-31-212; 33-31-401; 37-51-501;

1 39-71-2504; 53-6-150; 53-24-206; 67-3-205; 75-1-1101;  
2 75-7-305; 76-12-123; 80-2-103; 80-2-228; 82-11-136;  
3 90-3-301; 90-3-302; 90-3-412; 90-4-215; 90-9-306; 90-15-103;  
4 section 13, House Bill No. 861, Laws of 1985; and section 1,  
5 Chapter 454, Laws of 1987; and [section 1].

6 (4) There is a statutory appropriation to pay the  
7 principal, interest, premiums, and costs of issuing, paying,  
8 and securing all bonds, notes, or other obligations, as due,  
9 that have been authorized and issued pursuant to the laws of  
10 Montana. Agencies that have entered into agreements  
11 authorized by the laws of Montana to pay the state  
12 treasurer, for deposit in accordance with 17-2-101 through  
13 17-2-107, as determined by the state treasurer, an amount  
14 sufficient to pay the principal and interest as due on the  
15 bonds or notes have statutory appropriation authority for  
16 such payments. (In subsection (3): pursuant to sec. 15, Ch.  
17 607, L. 1987, the inclusion of 15-65-121 terminates June 30,  
18 1989; pursuant to sec. 10, Ch. 664, L. 1987, the inclusion  
19 of 39-71-2504 terminates June 30, 1991; and pursuant to sec.  
20 6, Ch. 454, L. 1987, the inclusion of sec. 1, Ch. 454, L.  
21 1987, terminates July 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 HB202, as introduced.

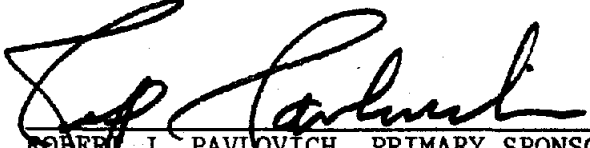
DESCRIPTION OF PROPOSED LEGISLATION:

An act to increase the cigarette tax by five cents to pay costs of studies conducted by the board of veterans' affairs in considering locations for the construction of a state nursing home or domiciliary home for veterans; providing for a statutory appropriation.

ASSUMPTIONS:

1. Cigarette tax receipts, under the current law, will be \$10.155 million in FY90 and \$9.705 million in FY91 (REAC estimate.)
2. Cigarette tax collections are allocated as follows under the proposed law: 60.76% debt service; 15.43% capital projects; 23.81% special revenue Veteran's affairs.
3. The current effective rate of 15.3968 cents (REAC estimate) would remain constant under current law during the biennium and under the proposed law an effective rate of 20.2083 cents would remain constant throughout the biennium.
4. The effective date for the proposal would be October 1, 1989, and a one-month timing lag would result in eight months of additional revenue collected in FY90. The full annual impact would begin in FY91.
5. The Board of Veterans' Affairs through the Veterans' Affairs Division, Department of Military Affairs will pay costs of the study from revenue generated from the increased tax.
6. The cost of the study will be \$30,000.

  
RAY SHACKLEFORD, BUDGET DIRECTOR      1/23/89  
OFFICE OF BUDGET AND PROGRAM PLANNING      DATE

  
ROBERT J. PAVLOVICH, PRIMARY SPONSOR      DATE  
Fiscal Note for HB202, as introduced

HB 202

Fiscal Note Request, HB202 as introduced  
Form BD-15  
Page 2

FISCAL IMPACT:  
Revenue Impact:

		FY90			FY91	
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>		<u>Proposed Law</u>	<u>Difference</u>
Cigarette Tax	\$10,155,000	\$ 11,876,784	\$1,721,784	Current Law	\$ 9,705,000	\$ 3,032,696
<u>FUND INFORMATION:</u>						
Long-Range Building						
Debt Service	8,098,612	7,859,143	(239,469)	7,739,737	7,739,424	(313)
Long-Range Building						
Capital Projects	2,056,388	1,995,744	(60,644)	1,965,263	1,965,426	163
State Special Revenue						
Veterans' Affairs	0	2,021,897	2,021,897	0	3,032,846	3,032,846
<u>Expenditure Impact:</u>						
State Special Revenue						
Veterans' Affairs	0	30,000	30,000			

HB 202

COMMITTEE  
ON TAXATION  
MOTION TO MOVE FROM  
COMMITTEE TO 2ND READING

1 *House* BILL NO. 202  
2 INTRODUCED BY *Carlson*  
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4 A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE THE  
5 CIGARETTE TAX BY 5 CENTS TO PAY COSTS OF STUDIES CONDUCTED  
6 BY THE BOARD OF VETERANS' AFFAIRS IN CONSIDERING LOCATIONS  
7 FOR THE CONSTRUCTION OF A STATE NURSING HOME OR DOMICILIARY  
8 HOME FOR VETERANS; PROVIDING FOR A STATUTORY APPROPRIATION;  
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10 17-7-502, MCA."

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

13 NEW SECTION. **Section 1. Veterans home -- study --**  
14 **appropriation.** There is an account in the state special  
15 revenue fund. Money collected from the 5-cent increase in  
16 the cigarette tax pursuant to 16-11-111 is statutorily  
17 appropriated, as provided in 17-7-502, to the board of  
18 veterans' affairs to pay costs of studies conducted by the  
19 board to consider locations for the construction of state  
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21 **Section 2.** Section 16-11-111, MCA, is amended to read:

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2 cigarettes: 16 21 cents on each package containing not more  
3 than 20 cigarettes and, when packages contain more than 20  
4 cigarettes, then a tax on each cigarette equal to 1/20th the  
5 tax on a package containing not more than 20 cigarettes."

6 **Section 3.** Section 16-11-119, MCA, is amended to read:

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12 60.76% in the long-range building program fund in the debt  
13 service fund type and--20.25%, 15.43% in the long-range  
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24 collection of the corporation license and income tax as  
25 provided in 15-1-501, and such additional amount of said



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2 the principal and interest and reserve requirements stated  
3 in 17-5-405(4).

4 (b) No more than the percentages described in  
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8 prior charge upon all money received from the collection of  
9 said taxes.

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11 be credited to the debt service account ~~79.75%~~ 60.76% of all  
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13 cigarettes which is levied, imposed, and assessed by  
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24 sentence, the pledge and appropriation herein made shall be  
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4 section 13, House Bill No. 861, Laws of 1985; and section 1,  
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6 (4) There is a statutory appropriation to pay the  
7 principal, interest, premiums, and costs of issuing, paying,  
8 and securing all bonds, notes, or other obligations, as due,  
9 that have been authorized and issued pursuant to the laws of  
10 Montana. Agencies that have entered into agreements  
11 authorized by the laws of Montana to pay the state  
12 treasurer, for deposit in accordance with 17-2-101 through  
13 17-2-107, as determined by the state treasurer, an amount  
14 sufficient to pay the principal and interest as due on the  
15 bonds or notes have statutory appropriation authority for  
16 such payments. (In subsection (3): pursuant to sec. 15, Ch.  
17 607, L. 1987, the inclusion of 15-65-121 terminates June 30,  
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-End-

HOUSE BILL NO. 202  
INTRODUCED BY PAVLOVICH

A BILL FOR AN ACT ENTITLED: "AN ACT TO TEMPORARILY INCREASE  
THE CIGARETTE TAX BY 5 2 CENTS TO PAY COSTS OF STUDIES  
CONDUCTED BY THE BOARD OF VETERANS' AFFAIRS IN CONSIDERING  
LOCATIONS FOR THE CONSTRUCTION OF A STATE NURSING HOME OR  
DOMICILIARY HOME FOR VETERANS AND TO PROVIDE REVENUE FOR  
CONSTRUCTION COSTS OF SUCH FACILITIES; PROVIDING FOR A  
STATUTORY APPROPRIATION; AND AMENDING SECTIONS 16-11-111,  
16-11-119, 17-5-408, AND 17-7-502, MCA; AND PROVIDING A  
TERMINATION--PROVISION AN EFFECTIVE DATE AND A TERMINATION  
PROVISION."

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

NEW SECTION. Section 1. veterans home -- study --  
CONSTRUCTION -- appropriation. There is an account in the  
state special revenue fund,---Money INTO WHICH MUST BE  
DEPOSITED 11.11% OF THE MONEY collected from the 5-cent  
2-CENT increase in the cigarette tax pursuant to 16-11-111  
is statutorily appropriated, as provided in 17-7-502, to:

(1) the board of veterans' affairs to pay costs of  
studies conducted by the board to consider locations for the  
construction of state nursing homes and domiciliary homes  
for veterans in Montana; AND

(2) TO THE DEPARTMENT OF ADMINISTRATION FOR  
CONSTRUCTION OR REMODELING, INCLUDING LAND PURCHASE AND  
DESIGN COSTS, OF STATE NURSING HOMES AND DOMICILIARY HOMES  
FOR VETERANS IN MONTANA.

**Section 2.** Section 16-11-111, MCA, is amended to read:

"16-11-111. Cigarette sales tax. There is hereby  
levied, imposed, and assessed and there shall be collected  
and paid to the state of Montana upon cigarettes sold or  
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bonds. All moneys collected under the provisions of  
16-11-111, less the expense of collecting all the taxes  
levied, imposed, and assessed by said section, shall be paid  
to the state treasurer and deposited as follows: ~~79.75%~~  
~~60.76%~~ 70.89% in the long-range building program fund in the  
debt service fund type ~~and--20.25%, 15.43%~~ 18% in the  
long-range building program fund in the capital projects  
fund type, and 23.81% 11.11% in the state special revenue

1 fund to be used for the purposes of [section 1]."

2 **Section 4.** Section 17-5-408, MCA, is amended to read:

3 "17-5-408. Percentage of income, corporation license,  
4 and cigarette tax pledged. (1) (a) The state pledges and  
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6 debt service account 10% of all money received from the  
7 collection of the individual income tax and 11% of all  
8 money, except as provided in 15-31-702, received from the  
9 collection of the corporation license and income tax as  
10 provided in 15-1-501, and such additional amount of said  
11 taxes, if any, as may at any time be needed to comply with  
12 the principal and interest and reserve requirements stated  
13 in 17-5-405(4).

14 (b) No more than the percentages described in  
15 subsection (1)(a) of such tax collections may be pledged for  
16 the purpose of 17-5-403(2). The pledge and appropriation  
17 herein made shall be and remain at all times a first and  
18 prior charge upon all money received from the collection of  
19 said taxes.

20 (2) The state pledges and appropriates and directs to  
21 be credited to the debt service account ~~79.75%~~ ~~60.76%~~ 70.89%  
22 of all money received from the collection of the excise tax  
23 on cigarettes which is levied, imposed, and assessed by  
24 16-11-111. The state also pledges and appropriates and  
25 directs to be credited as received to the debt service

1 account all money received from the collection of the taxes  
2 on other tobacco products which are or may hereafter be  
3 levied, imposed, and assessed by law for that purpose,  
4 including the tax levied, imposed, and assessed by  
5 16-11-202. Nothing herein shall impair or otherwise affect  
6 the provisions and covenants contained in the resolutions  
7 authorizing the presently outstanding long-range building  
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9 sentence, the pledge and appropriation herein made shall be  
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11 money received from the collection of all taxes referred to  
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15 requisites for validity. (1) A statutory appropriation is an  
16 appropriation made by permanent law that authorizes spending  
17 by a state agency without the need for a biennial  
18 legislative appropriation or budget amendment.

19 (2) Except as provided in subsection (4), to be  
20 effective, a statutory appropriation must comply with both  
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22 (a) The law containing the statutory authority must be  
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14 section 13, House Bill No. 861, Laws of 1985; and section 1,  
15 Chapter 454, Laws of 1987; and [section 1].

16 (4) There is a statutory appropriation to pay the  
17 principal, interest, premiums, and costs of issuing, paying,  
18 and securing all bonds, notes, or other obligations, as due,  
19 that have been authorized and issued pursuant to the laws of  
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1 such payments. (In subsection (3): pursuant to sec. 15, Ch.  
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4 of 39-71-2504 terminates June 30, 1991; and pursuant to sec.  
5 6, Ch. 454, L. 1987, the inclusion of sec. 1, Ch. 454, L.  
6 1987, terminates July 1, 1988.)"

7 NEW SECTION. SECTION 6. EFFECTIVE DATE. [SECTIONS 3  
8 AND 4 OF THIS ACT] ARE EFFECTIVE NOVEMBER 1, 1989.

9 NEW SECTION. SECTION 7. TERMINATION. [THIS ACT]  
10 TERMINATES ON THE DATE ON WHICH THE BOARD OF VETERAN'S  
11 AFFAIRS AND THE DEPARTMENT OF ADMINISTRATION CERTIFIES TO  
12 THE GOVERNOR THAT THE COSTS INCURRED BY THE STATE OF MONTANA  
13 IN EXECUTING THE PROVISIONS OF [SECTION 1] ARE COMPLETELY  
14 PAID.

-End-

SENATE STANDING COMMITTEE REPORT

April 11, 1989

MR. PRESIDENT:

We, your committee on Taxation, having had under consideration HB 202 (third reading copy -- blue), respectfully report that HB 202 be amended and as so amended be concurred in:

Sponsor: Pavolich (Harp)

1. Title, line 6.

Strike: "BOARD OF VETERANS' AFFAIRS"

Insert: "DEPARTMENT OF MILITARY AFFAIRS"

2. Page 1, line 20.

Strike: "2-CENT increase in the"

Following: "16-11-111"

Insert: ". Money in the account"

3. Page 1, line 22.

Strike: "board of veterans' affairs"

Insert: "department of military affairs the amount of \$30,000"

4. Page 1, line 23.

Strike: "board"

Insert: "department"

5. Page 2, line 1.

Strike: "TO"

Following: "ADMINISTRATION"

Insert: "the balance of all other collections under [section 1]"

6. Page 6, lines 10 and 11.

Strike: "BOARD" on line 10 through "AFFAIRS" on line 11

Insert: "department of military affairs"

AND AS AMENDED BE CONCURRED IN

Signed: \_\_\_\_\_

*Bob Brown*

Bob Brown, Chairman

SENATE  
HB 202

SENATE COMMITTEE OF THE WHOLE AMENDMENT

April 14, 1989 3:26 pm

Mr. Chairman: I move to amend HB 202 (third reading copy -- blue)  
as follows:

1. Title, line 9.  
Following: "FACILITIES;"  
Insert: "TO PRORATE THE TAX IN CERTAIN INSTANCES;"
2. Page 2, lines 11 and 12.  
Strike: "not more than"  
Following: "contain more" on line 12  
Insert: "or less"
3. Page 2, line 14.  
Strike: "not more than"

ADOPT

REJECT

Signed: \_\_\_\_\_

Senator Boylan

ADOPT

REJECT

Signed: \_\_\_\_\_

Senator Van Valkenburg

#1  
cwhb202C.413

SENATE COMMITTEE OF THE WHOLE AMENDMENT

April 14, 1989 2:07 pm

Mr. Chairman: I move to amend HB 202 (third reading copy -- blue)  
as follows:

1. Title, lines 12 and 13.  
Strike: "AND A TERMINATION PROVISION"
2. Page 6, lines 9 through 14.  
Strike: section 7 in its entirety

HB 202 43  
SENATE

SENATE COMMITTEE OF THE WHOLE AMENDMENT

page 1 of 2  
April 14, 1989 1:22 pm

Mr. Chairman: I move to amend HB 202 (third reading copy -- blue) as follows:

Amend Senate Committee on Taxation amendments dated April 11, 1989, as follows:

Amendment No. 2

Strike: "Following: "16-11-111"

Insert: ". Money in the account"

Amendment No. 3

Strike: "the amount of \$30,000"

Amendment No. 5

Strike: Amendment No. 5 in its entirety

Amend third reading copy as follows:

1. Title, line 5.

Strike: "STUDIES"

Insert: "A STUDY"

2. Title, line 9.

Following: "CONSTRUCTION"

Insert: "AND REMODELING"

3. Title, line 9 AND 10.

Strike: "PROVIDING" on line 9 through "APPROPRIATION" on line 10

Insert: "TO APPROPRIATE MONEY FOR THE STUDY, CONSTRUCTION, AND REMODELING"

4. Title, line 11.

Following: "16-11-119,"

Insert: "AND"

Strike: " AND 17-7-502,"

5. Page 1, line 16.

Strike: "Veterans"

Insert: "Appropriation for veterans"

6. Page 1, lines 16 and 17.

Following: "home" on line 16

Strike: "--" through "appropriation" on line 17

Insert: "project"

7. Page 1, lines 17 and 18.

Strike: "There" on line 17 through "fund" on line 18

SENATE COMMITTEE OF THE WHOLE, HB 202

Page 2 of 2

April 14, 1989

8. Page 1, lines 18 and 19.

Strike: "INTO" on line 18 through "the" on line 19

9. Page 1, lines 20 through 22.

Strike: "cigarette" on line 20 through "to:" on line 21

Following: "(1)" on line 22

Insert: "The following money is appropriated for the biennium ending June 30, 1991, from the capital projects fund:

(a) \$30,000 to"

10. Page 1, line 23.

Strike: "studies"

Insert: "a study"

11. Page 2, line 1.

Strike: "(2)"

Insert: "(b) \$1,991,897"

12. Page 2, line 2.

Strike: "OR"

Insert: "and"

13. Page 2.

Following: line 4

Insert: "(2) There is appropriated to the department of administration for the biennium ending June 30, 1991, \$3,699,237 in spending authority from federal special revenue received from the veterans' administration."

14. Page 2, line 23.

Strike: "1"

Strike: "18%"

Insert: "and 29.11%"

15. Page 2, line 25.

Strike: ", and"

16. Page 2, line 25 through page 3, line 1.

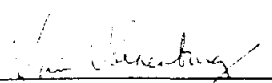
Strike: "11.11%" on page 2, line 25 through "1" on page 3, line

17. Page 4, line 13 through page 6, line 6.

Strike: section 5 in its entirety

Renumber: subsequent sections

ADOPT  
REJECT

Signed:   
Senator Van Valkenburgh

continued

cwhb202.413

SENAT  
HB 202



## HOUSE BILL NO. 202

INTRODUCED BY PAVLOVICH

A BILL FOR AN ACT ENTITLED: "AN ACT TO TEMPORARILY INCREASE THE CIGARETTE TAX BY 5 2 CENTS TO PAY COSTS OF STUDIES A STUDY CONDUCTED BY THE BOARD-OF-VETERANS-AND-AFFAIRS DEPARTMENT OF MILITARY AFFAIRS IN CONSIDERING LOCATIONS FOR THE CONSTRUCTION OF A STATE NURSING HOME OR DOMICILIARY HOME FOR VETERANS AND TO PROVIDE REVENUE FOR CONSTRUCTION AND REMODELING COSTS OF SUCH FACILITIES; TO PRORATE THE TAX IN CERTAIN INSTANCES; PROVIDING FOR A STATUTORY APPROPRIATION TO APPROPRIATE MONEY FOR THE STUDY, CONSTRUCTION, AND REMODELING; AND AMENDING SECTIONS 16-11-111, 16-11-119, AND 17-5-408, AND 17-7-502, MCA; AND PROVIDING A TERMINATION PROVISION AN EFFECTIVE DATE AND A TERMINATION PROVISION."

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

NEW SECTION. Section 1. ~~Veterans~~ APPROPRIATION FOR VETERANS home ----study-----CONSTRUCTION----appropriation PROJECT. There is an account in the state special revenue fund, ---Money INTO WHICH MUST BE DEPOSITED 11.11% OF THE MONEY collected from the 5-cent 2-CENT increase in the cigarette tax pursuant to 16-11-111, MONEY IN THE ACCOUNT is statutorily appropriated, as provided in 17-7-502, to:

(1) THE FOLLOWING MONEY IS APPROPRIATED FOR THE

BIENNIUM ENDING JUNE 30, 1991, FROM THE CAPITAL PROJECTS

FUND:

(A) \$30,000 TO the board--of--veterans--affairs DEPARTMENT OF MILITARY AFFAIRS THE AMOUNT OF \$30,000 to pay costs of studies A STUDY conducted by the board DEPARTMENT to consider locations for the construction of state nursing homes and domiciliary homes for veterans in Montana; AND (2) (B) \$1,991,897 TO TO THE DEPARTMENT OF ADMINISTRATION THE BALANCE OF ALL OTHER COLLECTIONS UNDER SECTION 11 FOR CONSTRUCTION OR AND REMODELING, INCLUDING LAND PURCHASE AND DESIGN COSTS, OF STATE NURSING HOMES AND DOMICILIARY HOMES FOR VETERANS IN MONTANA.

(2) THERE IS APPROPRIATED TO THE DEPARTMENT OF ADMINISTRATION FOR THE BIENNIUM ENDING JUNE 30, 1991, \$3,699,237 IN SPENDING AUTHORITY FROM FEDERAL SPECIAL REVENUE RECEIVED FROM THE VETERANS' ADMINISTRATION.

Section 2. Section 16-11-111, MCA, is amended to read:

"16-11-111. Cigarette sales tax. There is hereby levied, imposed, and assessed and there shall be collected and paid to the state of Montana upon cigarettes sold or possessed in this state the following excise tax which shall be paid prior to the time of sale and delivery thereof of cigarettes: 16 21 18 cents on each package containing not more than 20 cigarettes and, when packages contain more OR LESS than 20 cigarettes, then a tax on each cigarette equal

1 to 1/20th the tax on a package containing ~~not more than~~ 20  
2 cigarettes."

3 **Section 3.** Section 16-11-119, MCA, is amended to read:

4 "16-11-119. Disposition of taxes -- retirement of  
5 bonds. All moneys collected under the provisions of  
6 16-11-111, less the expense of collecting all the taxes  
7 levied, imposed, and assessed by said section, shall be paid  
8 to the state treasurer and deposited as follows: 79.75%  
9 ~~60.76%~~ 70.89% in the long-range building program fund in the  
10 debt service fund type ~~and 20.25%~~ ~~15.43%~~ ~~18%~~ AND 29.11% in  
11 the long-range building program fund in the capital projects  
12 fund type ~~and 23.81%~~ ~~11.11%~~ ~~in the state special revenue~~  
13 ~~fund to be used for the purposes of section 17.~~"

14 **Section 4.** Section 17-5-408, MCA, is amended to read:

15 "17-5-408. Percentage of income, corporation license,  
16 and cigarette tax pledged. (1) (a) The state pledges and  
17 appropriates and directs to be credited as received to the  
18 debt service account 10% of all money received from the  
19 collection of the individual income tax and 11% of all  
20 money, except as provided in 15-31-702, received from the  
21 collection of the corporation license and income tax as  
22 provided in 15-1-501, and such additional amount of said  
23 taxes, if any, as may at any time be needed to comply with  
24 the principal and interest and reserve requirements stated  
25 in 17-5-405(4).

1 (b) No more than the percentages described in  
2 subsection (1)(a) of such tax collections may be pledged for  
3 the purpose of 17-5-403(2). The pledge and appropriation  
4 herein made shall be and remain at all times a first and  
5 prior charge upon all money received from the collection of  
6 said taxes.

7 (2) The state pledges and appropriates and directs to  
8 be credited to the debt service account ~~79.75%~~ ~~60.76%~~ 70.89%  
9 of all money received from the collection of the excise tax  
10 on cigarettes which is levied, imposed, and assessed by  
11 16-11-111. The state also pledges and appropriates and  
12 directs to be credited as received to the debt service  
13 account all money received from the collection of the taxes  
14 on other tobacco products which are or may hereafter be  
15 levied, imposed, and assessed by law for that purpose,  
16 including the tax levied, imposed, and assessed by  
17 16-11-202. Nothing herein shall impair or otherwise affect  
18 the provisions and covenants contained in the resolutions  
19 authorizing the presently outstanding long-range building  
20 program bonds. Subject to the provisions of the preceding  
21 sentence, the pledge and appropriation herein made shall be  
22 and remain at all times a first and prior charge upon all  
23 money received from the collection of all taxes referred to  
24 in this subsection (2)."

25 **Section 5.** ~~Section 17-7-502, MCA, is amended to read:~~

1       "17-7-502;--Statutory-appropriations----definition----  
2       requisites--for--validity;--(1)-A-statutory-appropriation-is  
3       an-appropriation--made--by--permanent--law--that--authorizes  
4       spending--by--a--state--agency--without--the--need--for--a--biennial  
5       legislative-appropriation-or-budget-amendment;

6       (2)--Except--as--provided--in--subsection--(4);--to--be  
7       effective;--a--statutory-appropriation-must-comply-with-both  
8       of-the-following-provisions:

9       (a)--The-law-containing-the-statutory-authority-must-be  
10      listed-in-subsection-(3);

11      (b)--The-law-or-portion-of-the-law-making--a--statutory  
12      appropriation--must--specifically--state--that--a--statutory  
13      appropriation-is-made-as-provided-in-this-section;

14      (3)--The-following-laws-are-the-only-laws--containing  
15      statutory--appropriations;--2-9-202;--2-17-105;--2-18-812;  
16      10-3-203;--10-3-312;--10-3-314;--10-4-301;--13-37-304;  
17      15-25-123;--15-31-702;--15-36-112;--15-65-121;--15-70-101;  
18      16-1-404;--16-1-410;--16-1-411;--17-3-212;--17-5-404;--17-5-424;  
19      17-5-804;--19-8-504;--19-9-702;--19-9-1007;--19-10-205;  
20      19-10-305;--19-10-506;--19-11-512;--19-11-513;--19-11-606;  
21      19-12-301;--19-13-604;--20-4-109;--20-6-406;--20-8-111;  
22      23-5-610;--23-5-1027;--33-31-212;--33-31-401;--37-51-501;  
23      39-71-2504;--53-6-150;--53-24-206;--67-3-205;--75-1-1101;  
24      75-7-305;--76-12-123;--80-2-103;--80-2-220;--82-11-136;  
25      90-3-301;--90-3-302;--90-3-412;--90-4-215;--90-9-306;--90-15-103;

1       section-13;--House-Bill-No.-861;--laws-of-1985;--and-section-1;  
2       Chapter-454;--laws-of-1987;--and-(section-1);

3       (4)--There--is--a--statutory--appropriation--to--pay--the  
4       principal;--interest;--premiums;--and--costs--of--issuing;--paying;  
5       and--securing--all--bonds;--notes;--or--other--obligations;--as--due;  
6       that--have--been--authorized--and--issued--pursuant--to--the--laws--of  
7       Montana;--Agencies--that--have--entered--into--agreements  
8       authorized--by--the--laws--of--Montana--to--pay--the--state  
9       treasurer;--for--deposits--in--accordance--with--17-2-101--through  
10      17-2-107;--as--determined--by--the--state--treasurer;--an--amount  
11      sufficient--to--pay--the--principal--and--interest--as--due--on--the  
12      bonds--or--notes--have--statutory--appropriation--authority--for  
13      such--payments;--(In-subsection-(3);--pursuant--to--sec-15;--Ch-  
14      607;--B-1987;--the--inclusion--of--15-65-121--terminates--June-30;  
15      1989;--pursuant--to--sec-107;--Ch-664;--B-1987;--the--inclusion  
16      of--33-31-2504--terminates--June-30;--1991;--and--pursuant--to--sec-  
17      67;--Ch-454;--B-1987;--the--inclusion--of--sec-1;--Ch-454;--B-  
18      1987;--terminates--July-17-1988;)"

19       NEW SECTION. SECTION 5. EFFECTIVE DATE. [SECTIONS 3  
20       AND 4 OF THIS ACT] ARE EFFECTIVE NOVEMBER 1, 1989.

21       NEW SECTION. SECTION 7. TERMINATION. (THIS ACT)  
22       TERMINATES ON THE DATE ON WHICH THE BOARD OF VETERAN'S  
23       AFFAIRS DEPARTMENT OF MILITARY AFFAIRS AND THE DEPARTMENT OF  
24       ADMINISTRATION CERTIFIES TO THE GOVERNOR THAT THE COSTS  
25       INCURRED BY THE STATE OF MONTANA IN EXECUTING THE PROVISIONS

HB 0202/03

1 OF-SECTION-1}-ARE-COMPLETLY-PAID-

-End-