

HOUSE BILL 236

Introduced by Nelson, R., et al.

1/17	Introduced
1/18	Referred to Taxation
1/18	Fiscal Note Requested
1/23	Fiscal Note Received
1/24	Fiscal NOte Printed
2/03	Hearing
2/28	Committee Report--Bill Passed as Amended
3/02	2nd Reading Do Pass Motion Failed

## CONSTITUTIONAL AMENDMENT

1 House BILL NO. 236  
 2 INTRODUCED BY R. Nelson Leah Vincent Emily  
 3 Sharon Wayne Harp Peterson Stacy  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO SUBMIT TO THE  
 5 QUALIFIED ELECTORS OF MONTANA AN AMENDMENT TO ARTICLE X,  
 6 SECTION 2, OF THE MONTANA CONSTITUTION TO DEDICATE 7.5% OF  
 7 THE COAL SEVERANCE TAX TO THE PUBLIC SCHOOL FUND; AND  
 8 PROVIDING AN EFFECTIVE DATE."  
 9  
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 11 **Section 1.** Article X, section 2, of The Constitution  
 12 of the State of Montana is amended to read:  
 13 "Section 2. Public school fund. The public school fund  
 14 of the state shall consist of: (1) Proceeds from the school  
 15 lands which have been or may hereafter be granted by the  
 16 United States,  
 17 (2) Lands granted in lieu thereof,  
 18 (3) Lands given or granted by any person or  
 19 corporation under any law or grant of the United States,  
 20 (4) All other grants of land or money made from the  
 21 United States for general educational purposes or without  
 22 special purpose,  
 23 (5) All interests in estates that escheat to the  
 24 state,  
 25 (6) All unclaimed shares and dividends of any

1 corporation incorporated in the state,  
 2 (7) Not less than 7.5% of the severance tax on coal,  
 3 ~~(7)~~ (8) All other grants, gifts, devises or bequests  
 4 made to the state for general educational purposes."  
 5 **NEW SECTION. Section 2.** Effective date. If approved  
 6 by the electorate, this amendment is effective July 1, 1991.  
 7 **NEW SECTION. Section 3.** Submission to electorate.  
 8 This amendment shall be submitted to the qualified electors  
 9 of Montana at the general election to be held in November  
 10 1990 by printing on the ballot the full title of this act  
 11 and the following:  
 12 ☐ FOR dedicating 7.5% of the coal severance tax to the  
 13 public school fund.  
 14 ☐ AGAINST dedicating 7.5% of the coal severance tax to  
 15 the public school fund.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB236, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to submit to the qualified electors of Montana an amendment to Article X, Section 2, of the Montana Constitution to dedicate 7.5% of the coal severance tax to the public school fund; and providing an effective date.

FISCAL IMPACT:

If the proposal is passed by the electorate, the revenue to the general fund would be reduced by the 7.5% dedicated to the public school fund. Using the FY91 estimate of total coal severance tax revenue of \$45,683,000 (REAC), 7.5% would equal \$3,426,225. However, the proposal has a effective date of July 1, 1991, which would mean general fund revenues would not be reduced until FY92.

*Ray Shackleford*

RAY SHACKLEFORD, BUDGET DIRECTOR  
OFFICE OF BUDGET AND PROGRAM PLANNING

*1/23/89*

DATE

*Richard M. Nelson*

RICHARD M. NELSON, PRIMARY SPONSOR

*1/24/89*

DATE

Fiscal Note for HB236, as introduced

**HB 236**

CONSTITUTIONAL AMENDMENT  
APPROVED BY COMMITTEE  
ON TAXATION

HOUSE BILL NO. 236

INTRODUCED BY R. NELSON, SCHYE, VINCENT, EUDAILY, DARKO,  
HAYNE, HARP, PETERSON, BLAYLOCK, PECK

A BILL FOR AN ACT ENTITLED: "AN ACT TO SUBMIT TO THE  
QUALIFIED ELECTORS OF MONTANA AN AMENDMENT TO ARTICLE X,  
SECTION 2, OF THE MONTANA CONSTITUTION TO DEDICATE 7.5% OF  
THE COAL SEVERANCE TAX TO THE PUBLIC SCHOOL FUND; AND  
PROVIDING AN EFFECTIVE DATE."

WHEREAS, THE LEGISLATURE HAS PLACED REVENUE RECEIVED  
FROM THE COAL SEVERANCE TAX INTO THE EDUCATION TRUST FUND TO  
PROVIDE FOR THE FUTURE FUNDING FOR EDUCATION; AND

WHEREAS, THE 1987 LEGISLATURE APPROPRIATED MOST OF THE  
MONEY THAT WAS IN THE EDUCATION TRUST FUND AT THE TIME; AND

WHEREAS, A CONSTITUTIONAL ALLOCATION OF COAL SEVERANCE  
TAX REVENUE TO THE PUBLIC SCHOOL FUND MAY NOT BE  
APPROPRIATED BY FUTURE LEGISLATURES; AND

WHEREAS, SUCH AN ALLOCATION SHOULD NOT AFFECT THE  
FUNDING OF OTHER RECIPIENTS OF COAL SEVERANCE TAX REVENUE;  
AND

WHEREAS, IF THIS CONSTITUTIONAL REFERENDUM IS ADOPTED  
BY THE PEOPLE OF MONTANA, AMENDMENTS TO THE STATUTORY  
DISTRIBUTION OF COAL SEVERANCE TAX REVENUE WILL BE NECESSARY  
TO ENSURE THAT THIS BILL IS REVENUE NEUTRAL TO AGENCIES

CURRENTLY RECEIVING COAL SEVERANCE TAX REVENUE.

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of the State of Montana is amended to read:

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(3) Lands given or granted by any person or  
corporation under any law or grant of the United States,

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special purpose,

(5) All interests in estates that escheat to the  
state,

(6) All unclaimed shares and dividends of any  
corporation incorporated in the state,

(7) Not less than 7.5% of the severance tax on coal,

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-End-