

HOUSE BILL 522

Introduced by Ramirez, et al.

2/01	Introduced
2/02	Referred to Appropriations
3/06	Fiscal Note Requested
3/10	Fiscal Note Received
3/14	Hearing
3/14	Fiscal Note Printed
3/21	Tabled in Committee

CONSTITUTIONAL AMENDMENT

1 *House Bill No. 522*
 2 INTRODUCED BY *Ramirez*
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING ARTICLE IX,
 5 SECTION 5, OF THE MONTANA CONSTITUTION TO REQUIRE THAT 25
 6 PERCENT OF THE COAL SEVERANCE TAX REVENUE, AND THE INTEREST
 7 THEREFROM, BE USED FOR PUBLIC BUILDINGS AND FACILITIES AND
 8 LOCAL GOVERNMENT INFRASTRUCTURE; CHANGING THE AMOUNT OF COAL
 9 SEVERANCE TAX REVENUE TO BE ALLOCATED TO THE COAL SEVERANCE
 10 TAX TRUST FROM 50 PERCENT TO 25 PERCENT; AND PROVIDING THAT
 11 THE PROPOSED AMENDMENT BE SUBMITTED TO THE ELECTORS OF THE
 12 STATE OF MONTANA."

13
 14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15 **Section 1.** Article IX, section 5, of The Constitution
 16 of the State of Montana is amended to read:

17 **"Section 5. Severance tax on coal -- trust fund funds.**

18 (1) The legislature shall dedicate not less than one-fourth
 19 (1/4) of the coal severance tax to a trust fund, the
 20 interest and income from which may be appropriated. The
 21 principal of the trust shall forever remain inviolate unless
 22 appropriated by vote of three-fourths (3/4) of the members
 23 of each house of the legislature. ~~After-December--31--1997~~
 24 ~~at-least--fifty-percent-(50%)--of-the-severance-tax-shall-be~~
 25 ~~dedicated-to-the-trust-fund.~~

1 (2) (a) Not less than one-fourth (1/4) of the coal
 2 severance tax shall be deposited in an infrastructure trust
 3 to be used to construct, improve, and maintain public
 4 buildings and facilities and local government
 5 infrastructure.

6 (b) One-half (1/2) of the principal of the
 7 infrastructure trust shall remain inviolate unless
 8 appropriated by vote of three-fourths (3/4) of the members
 9 of each house of the legislature. One-half (1/2) of the
 10 principal of the infrastructure trust and the interest and
 11 income from the infrastructure trust may be appropriated or
 12 pledged to pay or secure infrastructure bonds or, if not
 13 appropriated or pledged, shall be redeposited in the trust."

14 **NEW SECTION Section 2. Submission to electorate.** This
 15 amendment shall be submitted to the qualified electors of
 16 Montana at the general election to be held in November 1990
 17 by printing on the ballot the full title of this act and the
 18 following:

19 ☐ FOR changing the amount of coal severance tax
 20 revenue going to the coal severance tax trust fund
 21 and allocating not less than 25% of the coal
 22 severance tax revenue to an infrastructure trust to
 23 be used to construct, improve, and maintain public
 24 buildings and facilities and local government
 25 infrastructure.

LC 1677/01

1 ☐ AGAINST changing the amount of coal severance tax
2 revenue going to the coal severance tax trust fund
3 and allocating not less than 25% of the coal
4 severance tax revenue to an infrastructure trust to
5 be used to construct, improve, and maintain public
6 buildings and facilities and local government
7 infrastructure.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB522, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:


An act amending Article IX, Section 5, of the Montana Constitution to require that 25 percent of the coal severance tax revenue, and the interest therefrom, be used for public buildings and facilities and local government infrastructure; changing the amount of coal severance tax revenue to be allocated to the coal severance tax trust from 50 percent to 25 percent; and providing that the proposed amendment be submitted to the electors of the State of Montana.

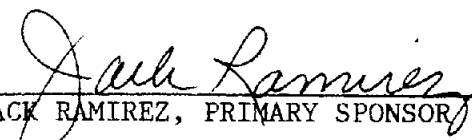
FISCAL IMPACT:

This proposal will submit to the electors an amendment to the Constitution of Montana at the general election to be held in November 1990. A constitutional amendment approved by the electorate becomes effective on July 1st following the election. If approved this proposal would become effective on July 1, 1991, which is the start of FY92. There will be no impact in the current biennium.

LONG RANGE EFFECTS:

Coal severance tax revenues are estimated to be \$35,967,000 in FY92 (OBPP). If 25% of the coal severance revenue is deposited in the Infrastructure Trust Fund, that would amount to \$8,991,750 in FY92.


RAY SHACKLEFORD, BUDGET DIRECTOR
OFFICE OF BUDGET AND PROGRAM PLANNING
DATE 3/10/89


JACK RAMIREZ, PRIMARY SPONSOR
DATE 3/13/89
Fiscal Note for HB522, as introduced
HB 522