

HOUSE BILL 735

Introduced by Ramirez, et al.

2/16	Introduced
2/16	Referred to Appropriations
2/28	Fiscal Note Requested
3/07	Fiscal Note Received
3/09	Fiscal Note Printed
3/14	Hearing
3/20	Hearing
3/22	Tabled in Committee

1 House BILL NO. 735
2 INTRODUCED BY Ramirez NATHE
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A SCHOOL
5 CAPITAL PROJECTS ACCOUNT; PROVIDING FOR THE ALLOCATION OF
6 THE ACCOUNT AMONG THE SCHOOL DISTRICTS OF THE STATE;
7 STATUTORILY APPROPRIATING THE ACCOUNT; PROVIDING FOR
8 ALLOWABLE USES OF THE ACCOUNT; STATUTORILY APPROPRIATING
9 MONEY FROM THE COAL SEVERANCE TAX PERMANENT TRUST FUND TO
10 THE SCHOOL CAPITAL PROJECTS ACCOUNT; AND AMENDING SECTION
11 17-7-502, MCA."

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

14 NEW SECTION. Section 1. School capital projects
15 account -- allocation -- uses. (1) There is a school capital
16 projects account in the state special revenue fund. The
17 account is statutorily appropriated, as provided in
18 17-7-502, to the superintendent of public instruction for
19 distribution as provided in this section.

20 (2) Money in the account must be allocated by the
21 superintendent of public instruction to each school district
22 in the ratio that the ANB of the district has to the
23 statewide ANB. The account must be invested pursuant to
24 Title 17, chapter 6. The earnings on the account must be
25 allocated to each district in the same ratio as the account

1 is allocated.

2 (3) A school district may use its portion of the
3 account for any purpose enumerated in Title 20, chapter 6,
4 part 6, or 20-9-508. A district may either draw on its
5 portion of the account or allow its portion of the account
6 to accumulate. The superintendent of public instruction
7 shall instruct the state treasurer to issue warrants to a
8 district drawing on its portion of the account.

9 Section 2. Section 17-7-502, MCA, is amended to read:

10 "17-7-502. Statutory appropriations -- definition --
11 requisites for validity. (1) A statutory appropriation is an
12 appropriation made by permanent law that authorizes spending
13 by a state agency without the need for a biennial
14 legislative appropriation or budget amendment.

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

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

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

23 (3) The following laws are the only laws containing
24 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;
25 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304;

1 15-25-123; 15-31-702; 15-36-112; 15-65-121; 15-70-101;
 2 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404; 17-5-424;
 3 17-5-804; 19-8-504; 19-9-702; 19-9-1007; 19-10-205;
 4 19-10-305; 19-10-506; 19-11-512; 19-11-513; 19-11-606;
 5 19-12-301; 19-13-604; 20-4-109; 20-6-406; 20-8-111; [section
 6 1]; [section 3]; 23-5-610; 23-5-1027; 33-31-212; 33-31-401;
 7 37-51-501; 39-71-2504; 53-6-150; 53-24-206; 67-3-205;
 8 75-1-1101; 75-7-305; 76-12-123; 80-2-103; 80-2-228;
 9 82-11-136; 90-3-301; 90-3-302; 90-3-412; 90-4-215; 90-9-306;
 10 90-15-103; section 13, House Bill No. 861, Laws of 1985;
 11 and section 1, Chapter 454, Laws of 1987.

12 (4) There is a statutory appropriation to pay the
 13 principal, interest, premiums, and costs of issuing, paying,
 14 and securing all bonds, notes, or other obligations, as due,
 15 that have been authorized and issued pursuant to the laws of
 16 Montana. Agencies that have entered into agreements
 17 authorized by the laws of Montana to pay the state
 18 treasurer, for deposit in accordance with 17-2-101 through
 19 17-2-107, as determined by the state treasurer, an amount
 20 sufficient to pay the principal and interest as due on the
 21 bonds or notes have statutory appropriation authority for
 22 such payments. (In subsection (3): pursuant to sec. 15, Ch.
 23 607, L. 1987, the inclusion of 15-65-121 terminates June 30,
 24 1989; pursuant to sec. 10, Ch. 664, L. 1987, the inclusion
 25 of 39-71-2504 terminates June 30, 1991; and pursuant to sec.

1 6, Ch. 454, L. 1987, the inclusion of sec. 1, Ch. 454, L.
 2 1987, terminates July 1, 1988.)"

3 NEW SECTION. Section 3. Statutory appropriation.
 4 There is statutorily appropriated, as provided in 17-7-502,
 5 from the coal severance tax permanent trust fund \$10 million
 6 each year to the school capital projects account established
 7 in [section 1].

8 NEW SECTION. Section 4. Codification instruction.
 9 [Sections 1 and 3] are intended to be codified as an
 10 integral part of Title 20, chapter 9, and the provisions of
 11 Title 20, chapter 9, apply to [sections 1 and 3].

12 NEW SECTION. Section 5. Three-fourths vote. Because
 13 [section 3] appropriates money from the coal severance tax
 14 permanent trust fund, a vote of three-fourths of the members
 15 of each house of the legislature is necessary to approve
 16 [this act].

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB735, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

A bill for an Act entitled: "An Act establishing a School Capital Projects Account; providing for the allocation of the account among the school districts of the state; statutorily appropriating the account; providing for allowable uses of the account; statutorily appropriating money from the Coal Severance Tax Permanent Trust Fund to the School Capital Projects Account; and amending Section 17-7-502, MCA."

ASSUMPTIONS:

1. Revenue in the permanent trust will be \$435,530,000 at the end of FY90; and \$457,766,000 at the end of FY91.
2. Projected interest on the revenue in the Permanent Trust Fund is \$42,251,000 in FY90 and \$44,130,000 in FY91.
3. Interest rates will be 9.7% in FY90 and 9.6% in FY91.
4. 85% of the interest earned on the Permanent Trust is deposited in the General Fund. 15% of the interest earned remains in the trust fund.

FISCAL IMPACT:

	Current Law	FY90 Proposed Law	Difference	Current Law	FY91 Proposed Law	Difference
<u>Revenues:</u>						
Coal Tax Interest	\$42.251m	\$41.276m	(\$.975m)	\$44.130m	\$42.986m	(\$ 1.144m)
<u>Expenditures:</u>						
Capital Outlay	\$ -0-	\$10.0m	\$10.0m	\$ -0-	\$10.0m	\$10.0m
<u>Funding:</u>						
Coal Trust Fund	\$ -0-	\$10.0m	\$10.0m	\$ -0-	\$10.0m	\$10.0m

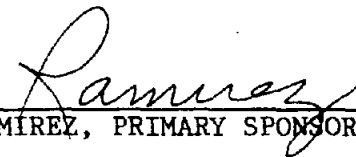
EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

Each school district will receive funds based on a ratio of district ANB to total statewide ANB. Interest earned on the account is allocated using the same ratio.



DATE 3/7/89

RAY SHACKLEFORD, BUDGET DIRECTOR
OFFICE OF BUDGET AND PROGRAM PLANNING



DATE 3/8/89

JACK RAMIREZ, PRIMARY SPONSOR

Fiscal Note for HB735, as introduced

HB 735