

SENATE BILL 308

Introduced by Van Valkenburg, et al.

2/01	Introduced
2/01	Referred to Taxation
2/02	Fiscal Note Requested
2/07	Fiscal Note Received
2/08	Fiscal Note Printed
2/13	Committee Report--Bill Passed as Amended
2/15	2nd Reading Passed
2/17	3rd Reading Passed

Transmitted to House

2/21	Referred to Appropriations
3/17	Hearing
	Died in Committee

1 *Senate* BILL NO. *308*  
2 INTRODUCED BY *Van Valkenburg Rep. Bob Brown Mercer*  
3 BY REQUEST OF THE DEPARTMENT OF JUSTICE  
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOCATING PART OF THE  
6 COAL SEVERANCE TAX PROCEEDS FOR CRIMINAL INVESTIGATIONS AND  
7 PROSECUTIONS; AMENDING SECTION 15-35-108, MCA; AND PROVIDING  
8 AN EFFECTIVE DATE AND AN APPLICABILITY 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) 1 1/4% to the credit of the renewable resource  
22 development bond fund;

23 (f) after June 30, 1989, 5% to a nonexpendable trust  
24 fund for the purpose of parks acquisition or management,  
25 protection of works of art in the state capitol, and other

1 cultural and aesthetic projects. Income from this trust fund  
2 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 (g) 1% to the state special revenue fund to the credit  
9 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 (h) 1/2 of 1% to the state special revenue fund for  
14 conservation districts;

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

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

19 (k) 2 1/4% until June 30, 1990, and thereafter 4 1/2%  
20 to the state special revenue fund to the credit of the  
21 department of justice for criminal investigations and  
22 prosecution of offenses involving dangerous drugs and other  
23 felonies committed in Montana;

24 ~~(k)(1)~~ all other revenues from severance taxes  
25 collected under the provisions of this chapter to the credit

1 of the general fund of the state."

2 NEW SECTION. Section 2. Extension of authority. Any  
3 existing authority to make rules on the subject of the  
4 provisions of [this act] is extended to the provisions of  
5 [this act].

6 NEW SECTION. Section 3. Effective date. [This act] is  
7 effective July 1, 1989.

8 NEW SECTION. Section 4. Applicability. [This act  
9 applies to all coal severance tax revenue recorded on or  
10 after July 1, 1989, regardless of when the tax obligation  
11 accrued.

-End-

## STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB308, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An Act allocating part of the coal severance tax proceeds for criminal investigations and prosecutions.

ASSUMPTIONS:

1. Coal revenue taxes are estimated to be \$52,884,000 in FY90 and \$45,683,000 in FY91. (REAC)
2. The new state special revenue fund account created by this bill will fund the Department of Justice's special investigation section-east and provide the match to the federal grant supporting special investigation section-west.

FISCAL IMPACT:

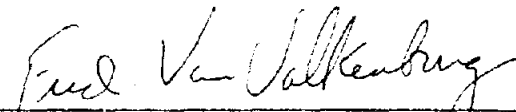
	Current	FY90 Proposed		Current	FY91 Proposed	
Revenue:	Law	Law	Difference	Law	Law	Difference
General Fund	\$7,234,531	\$6,782,373	(\$ 452,158)	\$6,249,434	\$5,468,255	(\$ 781,179)
Criminal Investigation SSRA	-0-	452,158	452,158	-0-	781,179	781,179
<u>Expenditures:</u>						
Department of Justice - Special Investigation Section						
FTE	16	16	-0-	16	16	-0-
Personal Services	\$ 467,064	\$ 467,064	\$ -0-	\$ 467,622	\$ 467,622	\$ -0-
Operating Expenses	284,533	284,533	-0-	283,973	283,973	-0-
Equipment	17,565	17,565	-0-	22,500	22,500	-0-
Total	\$ 769,162	\$ 769,162	-0-	\$ 774,095	\$ 774,095	\$ -0-
<u>Funding:</u>						
Federal Special Revenue	\$ 350,716	\$ 350,716	-0-	\$ 354,820	\$ 240,825	(\$ 113,995)
Motor Vehicle Account	125,827	-0-	(\$ 125,827)	126,830	-0-	( 126,830)
Montana Coal Board	292,619	-0-	( 292,619)	292,445	-0-	( 292,445)
State Special Revenue	-0-	418,446	418,446	-0-	533,270	533,270
(Criminal Investigations)						
Total	\$ 769,162	\$ 769,162	\$ -0-	\$ 774,095	\$ 774,095	\$ -0-



2/7/89

RAY SHACKLEFORD, BUDGET DIRECTOR  
OFFICE OF BUDGET AND PROGRAM PLANNING

DATE



2-7-89

FRED VAN VALKENBURG, PRIMARY SPONSOR  
DATE

Fiscal Note for SB308, as introduced

**SB 308**

APPROVED BY COMMITTEE  
ON TAXATION

SENATE BILL NO. 308

INTRODUCED BY VAN VALKENBURG, GAGE,

B. BROWN, MERCER, STRIZICH

BY REQUEST OF THE DEPARTMENT OF JUSTICE

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"15-35-108. Disposal of severance taxes. Severance taxes collected under this chapter must be allocated according to the provisions in effect on the date the tax is due under 15-35-104. Severance taxes collected under the provisions of this chapter are allocated as follows:

(1) To the trust fund created by Article IX, section 5, of the Montana constitution, 50% of total coal severance tax collections. The trust fund moneys shall be deposited in the fund established under 17-6-203(5) and invested by the board of investments as provided by law.

(2) Starting July 1, 1987, and ending June 30, 1993, 12% of coal severance tax collections are allocated to the highway reconstruction trust fund account in the state

special revenue fund.

(3) Coal severance tax collections remaining after the allocations provided by subsections (1) and (2) are allocated in the following percentages of the remaining balance:

(a) 4 1/2% to the state special revenue fund to the credit of the alternative energy research development and demonstration account;

(b) 4% until June 30, 1989, to the state special revenue fund to the credit of the local impact account and thereafter 20% to the state special revenue fund to the credit of the ~~local-impact-and~~ education trust fund account and 17.5% to the credit of the local impact account. Unencumbered funds remaining in the local impact account at the end of each biennium are allocated to the education trust fund account.

(c) 44.2% until June 30, 1989, and thereafter 10% to the state special revenue fund for state equalization aid to public schools of the state;

(d) 1% to the state special revenue fund to the credit of the county land planning account;

(e) 1 1/4% to the credit of the renewable resource development bond fund;

(f) after June 30, 1989, 5% to a nonexpendable trust fund for the purpose of parks acquisition or management,

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2 cultural and aesthetic projects. Income from this trust fund  
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9 (g) 1% to the state special revenue fund to the credit  
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11 providing basic library services for the residents of all  
12 counties through library federations and for payment of the  
13 costs of participating in regional and national networking;

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17 of the water development debt service fund;

18 (j) 2% to the state special revenue fund for the  
19 Montana Growth Through Agriculture Act;

20 (k) ~~2-1/4%~~ 2 1/2% until June 30, 1990, and thereafter  
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22 the department of justice for criminal investigations and  
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