

HOUSE BILL 12

6/16	Introduced
6/16	Fiscal Note Requested
6/19	Referred to Taxation
6/21	Hearing
6/21	Fiscal Note Received
6/26	Fiscal Note Printed
	Died in Committee

1                    HOUSE BILL NO. 12  
2 INTRODUCED BY COBB

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THAT ALL COAL  
5 SEVERANCE TAX REVENUE NOT ALLOCATED TO ANOTHER PURPOSE BE  
6 DEPOSITED IN THE STATE EQUALIZATION AID ACCOUNT; AMENDING  
7 SECTION 15-35-108, MCA; AND PROVIDING AN APPLICABILITY  
8 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~~ must be  
20 deposited in the fund established under 17-6-203(5) and  
21 invested by 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) 20% to the state special revenue fund to the  
6 credit of the education trust fund account and 17.5% to the  
7 credit of the local impact account. Unencumbered funds  
8 remaining in the local impact account at the end of each  
9 biennium are allocated to the education trust fund account.

10        (b) 10% to the state special revenue fund for state  
11 equalization aid to public schools of the state;

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

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

16        (e) 5% to a nonexpendable trust fund for the purpose  
17 of parks acquisition or management, protection of works of  
18 art in the state capitol, and other cultural and aesthetic  
19 projects. Income from this trust fund ~~shall~~ must be  
20 appropriated as follows:

21        (i) 1/3 for protection of works of art in the state  
22 capitol and other cultural and aesthetic projects; and

23        (ii) 2/3 for the acquisition, development, operation,  
24 and maintenance of any sites and areas described in  
25 23-1-102;

1 (f) 1% to the state special revenue fund to the credit  
2 of the state library commission for the purposes of  
3 providing basic library services for the residents of all  
4 counties through library federations and for payment of the  
5 costs of participating in regional and national networking;

6 (g) 1/2 of 1% to the state special revenue fund for  
7 conservation districts;

8 (h) 1 1/4% to the debt service fund type to the credit  
9 of the water development debt service fund;

10 (i) 2% to the state special revenue fund for the  
11 Montana Growth Through Agriculture Act;

12 (j) all other revenues from severance taxes collected  
13 under the provisions of this chapter to the credit of the  
14 general fund of the state until June 30, 1990, and  
15 thereafter to the state special revenue fund for state  
16 equalization aid to public schools of the state."

17 NEW SECTION. Section 2. Applicability. [This act]  
18 applies to coal severance tax paid after June 30, 1990, on  
19 coal produced and sold after March 31, 1990.

-End-

## STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB12, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act requiring that all coal severance tax revenue not allocated to another purpose be deposited in the state equalization aid account; and providing an applicability date.

ASSUMPTIONS:

1. The proposal applies to revenue received in FY91.
2. Coal severance tax revenue is estimated to be \$46,871,000 in FY91. (HJR 13)
3. The portion of revenue deposited into the general fund for FY91 is 15.39% (Including legislation enacted in the 51st legislative session.)
4. There is no impact on Department of Revenue expenditures.

FISCAL IMPACT:Revenue Impact:

	FY90			FY91		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
Coal Severance Tax		No impact		\$46,871,000	\$46,871,000	\$0

Fund Information:

Coal Tax Trust Fund			\$23,435,500	\$23,435,500	\$0
Highway Recons.			5,624,520	5,624,520	\$0
Local Impact			3,116,922	3,116,922	\$0
Education Trust		No Impact	3,562,196	3,562,196	\$0
School Equalization			1,781,098	8,994,545	\$7,213,447
County Land Planning			178,110	178,110	\$0
Renewable Resource			222,637	222,637	\$0
Cultural/Aesthetic			890,549	890,549	\$0
State Library Comm.			178,110	178,110	\$0

*W. David Darby* DATE 6/21/89  
 W. DAVID DARBY, BUDGET DIRECTOR  
 Office of Budget and Program Planning

*J. Cobb* DATE 6/24/89  
 JOHN COBB, PRIMARY SPONSOR

Fiscal Note for HB12, as introduced

**HB 12**

Fiscal Note Request HB12, as introduced

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Revenue Impact:

	FY90			FY91		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
Conservation Dist.				\$ 89,055	\$ 89,055	\$ 0
Water Development				222,637	222,637	0
MGTA Act		No Impact		356,220	356,220	0
General Fund				7,213,447	0	(\$7,213,447)
TOTAL				\$46,871,000	\$46,871,000	0

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