



IN THE HOUSE

JANUARY 15, 1992

ON MOTION, CONSIDERATION PASSED  
FOR THE DAY.

JANUARY 16, 1992

SECOND READING, AMENDMENTS NOT  
CONCURRED IN.

ON MOTION, FREE CONFERENCE COMMITTEE  
REQUESTED AND APPOINTED.

IN THE SENATE

JANUARY 17, 1992

ON MOTION, FREE CONFERENCE COMMITTEE  
REQUESTED AND APPOINTED.

JANUARY 17, 1992

FREE CONFERENCE COMMITTEE REPORT ADOPTED.

IN THE HOUSE

JANUARY 17, 1992

SECOND READING, FREE CONFERENCE  
COMMITTEE REPORT ADOPTED.

THIRD READING, FREE CONFERENCE  
COMMITTEE REPORT ADOPTED.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.



1 costs of participating in regional and national networking;

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

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

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

8 (j) 1 2/3% to a nonexpendable trust fund for the  
9 purpose of protection of works of art in the state capitol  
10 and for other cultural and aesthetic projects. Income from  
11 this trust fund shall be appropriated for protection of  
12 works of art in the state capitol and for other cultural and  
13 aesthetic projects.

14 (k) beginning July 1, 1991, and ending June 30, 1993,  
15 3 1/3% to a special revenue account to be used by the  
16 department of fish, wildlife, and parks for the development,  
17 operation, and maintenance of state parks and the  
18 stabilization and preservation of historic sites within the  
19 state park system;

20 (l) all other revenues from severance taxes collected  
21 under the provisions of this chapter to the credit of the  
22 general fund of the state. (Terminates June 30, 1993--sec.  
23 3, Ch. 615, L. 1991.)

24 15-35-108. (Effective July 1, 1993) Disposal of  
25 severance taxes. Severance taxes collected under this

1 chapter must be allocated according to the provisions in  
2 effect on the date the tax is due under 15-35-104. Severance  
3 taxes collected under the provisions of this chapter are  
4 allocated as follows:

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

10 (2) Starting July 1, 1987, and ending June 30, 2003,  
11 12% of coal severance tax collections are allocated to the  
12 highway reconstruction trust fund account in the state  
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14 (3) Coal severance tax collections remaining after  
15 allocation to the trust fund under subsection (1) are  
16 allocated in the following percentages of the remaining  
17 balance:

18 (a) 17 1/2% to the credit of the local impact account.  
19 Unencumbered funds remaining in the local impact account at  
20 the end of each biennium are allocated to the state special  
21 revenue fund for state equalization aid to public schools of  
22 the state.

23 (b) 30% to the state special revenue fund for state  
24 equalization aid to public schools of the state;

25 (c) 1% to the state special revenue fund to the credit

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2 (d) 1 1/4% to the credit of the renewable resource  
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8 areas described in 23-1-102.

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5 general fund of the state."

6 NEW SECTION. **Section 2.** Effective date -- termination.  
7 [This act] is effective on passage and approval and  
8 terminates July 1, 1993.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

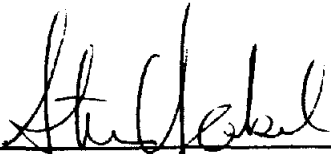
In compliance with a written request, there is hereby submitted a Fiscal Note for HB0010, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act diverting to the general fund coal severance tax funds that would otherwise be deposited in the highway reconstruction trust fund account.

FISCAL IMPACT:

The proposal diverts to the general fund in FY93 \$4,572,000 in coal severance tax funds that would otherwise be deposited in the highway reconstruction trust fund account. The diversion is temporary, and only applies to FY93. The new Federal Highway Transportation Act reduces state match requirements from 19% to 17%, so the diversion of coal severance tax revenue from the highway reconstruction trust fund will have no impact on state construction programs in the biennium.



STEVE YEAKEL, BUDGET DIRECTOR  
Office of Budget and Program Planning

1/7/92  
DATE



BOB THOFT, PRIMARY SPONSOR

1/8/92  
DATE

Fiscal Note for HB0010, as introduced

HB 10





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SENATE COMMITTEE OF THE WHOLE AMENDMENT

January 15, 1992 12:43 pm

Mr. Chairman: I move to amend House Bill No. 10 (third reading copy -- blue) as follows:

1. Page 1,, line 9.  
Following: "EFFECTIVE DATE"  
Insert: ",APPLICABILITY DATE,"
2. Page 1, line 24.  
Following: "Starting"  
Strike: "July"  
Insert: "January"
3. Page 8, line 6.  
Following: "Effective"  
Strike: "date"  
Insert: "and retroactive applicability dates"
4. Page 8, following line 7.  
Insert: "(1)"
5. Page 8, line 9.  
Following: "approval"  
Strike: "and"  
Insert: ".This [act] applies retroactively within the meaning of 1-2-109 to coal severance tax collections received and distributed after January 1, 1992.  
(2) This [act]"

ADOPT

REJECT

Signed: \_\_\_\_\_

*Van Valkenburg*  
Senator Van Valkenburg

*1/15/92*  
Am. Coord.

*SB 1-15-92*  
Sec. of Senate

SENATE

HB 10



HOUSE BILL NO. 10

INTRODUCED BY THOFT

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT DIVERTING TO THE GENERAL FUND COAL SEVERANCE TAX FUNDS THAT WOULD OTHERWISE BE DEPOSITED IN THE HIGHWAY RECONSTRUCTION TRUST FUND ACCOUNT; AMENDING SECTION 15-35-108, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE, A RETROACTIVE APPLICABILITY DATE, AND A TERMINATION DATE."

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

**Section 1.** Section 15-35-108, MCA, is amended to read:

**"15-35-108. (Temporary) 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:

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(2) Starting July JANUARY 1, ~~1987~~ 1992, and ending June

30, ~~2003~~ 1993, 12% of coal severance tax collections are allocated to the ~~highway-reconstruction-trust-fund-account in-the-state-special-revenue~~ general 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) 17 1/2% 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 state special revenue fund for state equalization aid to public schools of the state.

(b) 30% to the state special revenue fund for state equalization aid to public schools of the state;

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

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11 of the state library commission for the purposes of  
12 providing basic library services for the residents of all  
13 counties through library federations and for payment of the  
14 costs of participating in regional and national networking;

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

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

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

21 (j) 1 2/3% to a nonexpendable trust fund for the  
22 purpose of protection of works of art in the state capitol  
23 and for other cultural and aesthetic projects. Income from  
24 this trust fund shall be appropriated for protection of  
25 works of art in the state capitol and other cultural and

1 aesthetic projects.

2 (k) all other revenues from severance taxes collected  
3 under the provisions of this chapter to the credit of the  
4 general fund of the state. (Terminates July 1, 2003--sec. 4,  
5 Ch. 191, L. 1991.)

6 15-35-108. (Effective July 1, 2003) Disposal of  
7 severance taxes. Severance taxes collected under this  
8 chapter must be allocated according to the provisions in  
9 effect on the date the tax is due under 15-35-104. Severance  
10 taxes collected under the provisions of this chapter are  
11 allocated as follows:

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

17 (2) Coal severance tax collections remaining after  
18 allocation to the trust fund under subsection (1) are  
19 allocated in the following percentages of the remaining  
20 balance:

21 (a) 17 1/2% to the credit of the local impact account.  
22 Unencumbered funds remaining in the local impact account at  
23 the end of each biennium are allocated to the state special  
24 revenue fund for state equalization aid to public schools of  
25 the state.

1 (b) 30% to the state special revenue fund for state  
2 equalization aid to public schools of the state;

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

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

7 (e) 3 1/3% to a nonexpendable trust fund for the  
8 purpose of parks acquisition or management. Income from this  
9 trust fund must be appropriated for the acquisition,  
10 development, operation, and maintenance of any sites and  
11 areas described in 23-1-102.

12 (f) 1% to the state special revenue fund to the credit  
13 of the state library commission for the purposes of  
14 providing basic library services for the residents of all  
15 counties through library federations and for payment of the  
16 costs of participating in regional and national networking;

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

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

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

23 (j) 1 2/3% to a nonexpendable trust fund for the  
24 purpose of protection of works of art in the state capitol  
25 and for other cultural and aesthetic projects. Income from

1 this trust fund shall be appropriated for protection of  
2 works of art in the state capitol and other cultural and  
3 aesthetic projects.

4 (k) all other revenues from severance taxes collected  
5 under the provisions of this chapter to the credit of the  
6 general fund of the state."

7 NEW SECTION. Section 2. Effective date -- RETROACTIVE  
8 APPLICABILITY -- termination. (1) [This act] is effective on  
9 passage and approval and. [THIS ACT] APPLIES RETROACTIVELY,  
10 WITHIN THE MEANING OF 1-2-109, TO COAL SEVERANCE TAX  
11 COLLECTIONS RECEIVED AND DISTRIBUTED AFTER JANUARY 1, 1992.

12 (2) [THIS ACT] terminates July 1, 1993.

-End-

Free Conference Committee  
on House Bill No. 10  
Report No. 1, January 17, 1992

Page 1 of 1

Mr. President and Mr. Speaker:

We, your Free Conference Committee on House Bill No. 10,  
considered and recommend House Bill No. 10 (reference copy -  
salmon) be amended as follows:

1. Title, line 9.

Following: "EFFECTIVE DATE"

Strike: "A RETROACTIVE APPLICABILITY DATE."

2. Page 1, line 25.

Strike: "JANUARY"

Insert: "July"

3. Page 8, lines 7 and 8.

Following: "date" on line 7

Strike: "-- RETROACTIVE APPLICABILITY"

4. Page 8, line 8.

Strike: "(1)"

5. Page 8, lines 9 through 12.

Following: "and" on line 9

Strike: the remainder of line 9 through "ACT]" on line 12

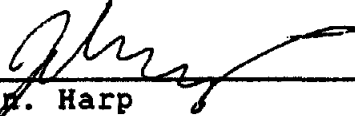
Insert: "and"

And that this Free Conference Committee report be adopted.

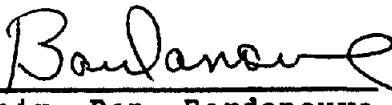
For the Senate:

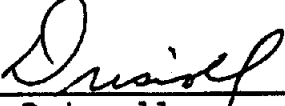
  
Chair, Sen. Van Valkenburg

  
Sen. Weeding

  
Sen. Harp

For the House:

  
Chair, Rep. Bardanoue

  
Rep. Driscoll

  
Rep. Thoft

Amd. Coord.

Sec. of Senate

ADOPT

REJECT

**HB 10**  
100802CC.Sj1

1 HOUSE BILL NO. 10  
2 INTRODUCED BY THOFT  
3 BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING  
4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT DIVERTING TO THE  
6 GENERAL FUND COAL SEVERANCE TAX FUNDS THAT WOULD OTHERWISE  
7 BE DEPOSITED IN THE HIGHWAY RECONSTRUCTION TRUST FUND  
8 ACCOUNT; AMENDING SECTION 15-35-108, MCA; AND PROVIDING AN  
9 IMMEDIATE EFFECTIVE DATE, ~~A RETROACTIVE APPLICABILITY DATE,~~  
10 AND A TERMINATION DATE."

11  
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 **Section 1.** Section 15-35-108, MCA, is amended to read:  
14 **"15-35-108. (Temporary) Disposal of severance taxes.**  
15 Severance taxes collected under this chapter must be  
16 allocated according to the provisions in effect on the date  
17 the tax is due under 15-35-104. Severance taxes collected  
18 under the provisions of this chapter are allocated as  
19 follows:

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

25 (2) Starting July ~~JANUARY~~ JULY 1, ~~1987~~ 1992, and ending

1 June 30, ~~2003~~ 1993, 12% of coal severance tax collections  
2 are allocated to the ~~highway--reconstruction--trust-fund~~  
3 ~~account-in-the-state-special-revenue~~ general fund.

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

8 (a) 17 1/2% to the credit of the local impact account.  
9 Unencumbered funds remaining in the local impact account at  
10 the end of each biennium are allocated to the state special  
11 revenue fund for state equalization aid to public schools of  
12 the state.

13 (b) 30% to the state special revenue fund for state  
14 equalization aid to public schools of the state;

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

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

19 (e) 0% to a nonexpendable trust fund for the purpose of  
20 parks management. Income from this trust fund must be  
21 appropriated for the development, operation, and maintenance  
22 of any sites and areas described in 23-1-102.

23 (f) 1% to the state special revenue fund to the credit  
24 of the state library commission for the purposes of  
25 providing basic library services for the residents of all

1 counties through library federations and for payment of the  
2 costs of participating in regional and national networking;

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

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

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

9 (j) 1 2/3% to a nonexpendable trust fund for the  
10 purpose of protection of works of art in the state capitol  
11 and for other cultural and aesthetic projects. Income from  
12 this trust fund shall be appropriated for protection of  
13 works of art in the state capitol and for other cultural and  
14 aesthetic projects.

15 (k) beginning July 1, 1991, and ending June 30, 1993,  
16 3 1/3% to a special revenue account to be used by the  
17 department of fish, wildlife, and parks for the development,  
18 operation, and maintenance of state parks and the  
19 stabilization and preservation of historic sites within the  
20 state park system;

21 (l) all other revenues from severance taxes collected  
22 under the provisions of this chapter to the credit of the  
23 general fund of the state. (Terminates June 30, 1993--sec.  
24 3, Ch. 615, L. 1991.)

25 15-35-108. (Effective July 1, 1993) Disposal of

1 severance taxes. Severance taxes collected under this  
2 chapter must be allocated according to the provisions in  
3 effect on the date the tax is due under 15-35-104. Severance  
4 taxes collected under the provisions of this chapter are  
5 allocated as follows:

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

11 (2) Starting July 1, 1987, and ending June 30, 2003,  
12 12% of coal severance tax collections are allocated to the  
13 highway reconstruction trust fund account in the state  
14 special revenue fund.

15 (3) Coal severance tax collections remaining after  
16 allocation to the trust fund under subsection (1) are  
17 allocated in the following percentages of the remaining  
18 balance:

19 (a) 17 1/2% to the credit of the local impact account.  
20 Unencumbered funds remaining in the local impact account at  
21 the end of each biennium are allocated to the state special  
22 revenue fund for state equalization aid to public schools of  
23 the state.

24 (b) 30% to the state special revenue fund for state  
25 equalization aid to public schools of the state;

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

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

5 (e) 3 1/3% to a nonexpendable trust fund for the  
6 purpose of parks acquisition or management. Income from this  
7 trust fund must be appropriated for the acquisition,  
8 development, operation, and maintenance of any sites and  
9 areas described in 23-1-102.

10 (f) 1% to the state special revenue fund to the credit  
11 of the state library commission for the purposes of  
12 providing basic library services for the residents of all  
13 counties through library federations and for payment of the  
14 costs of participating in regional and national networking;

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

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

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

21 (j) 1 2/3% to a nonexpendable trust fund for the  
22 purpose of protection of works of art in the state capitol  
23 and for other cultural and aesthetic projects. Income from  
24 this trust fund shall be appropriated for protection of  
25 works of art in the state capitol and other cultural and

1 aesthetic projects.

2 (k) all other revenues from severance taxes collected  
3 under the provisions of this chapter to the credit of the  
4 general fund of the state. (Terminates July 1, 2003--sec. 4,  
5 Ch. 191, L. 1991.)

6 15-35-108. (Effective July 1, 2003) Disposal of  
7 severance taxes. Severance taxes collected under this  
8 chapter must be allocated according to the provisions in  
9 effect on the date the tax is due under 15-35-104. Severance  
10 taxes collected under the provisions of this chapter are  
11 allocated as follows:

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

17 (2) Coal severance tax collections remaining after  
18 allocation to the trust fund under subsection (1) are  
19 allocated in the following percentages of the remaining  
20 balance:

21 (a) 17 1/2% to the credit of the local impact account.  
22 Unencumbered funds remaining in the local impact account at  
23 the end of each biennium are allocated to the state special  
24 revenue fund for state equalization aid to public schools of  
25 the state.



1 (b) 30% to the state special revenue fund for state  
2 equalization aid to public schools of the state;

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

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

7 (e) 3 1/3% to a nonexpendable trust fund for the  
8 purpose of parks acquisition or management. Income from this  
9 trust fund must be appropriated for the acquisition,  
10 development, operation, and maintenance of any sites and  
11 areas described in 23-1-102.

12 (f) 1% to the state special revenue fund to the credit  
13 of the state library commission for the purposes of  
14 providing basic library services for the residents of all  
15 counties through library federations and for payment of the  
16 costs of participating in regional and national networking;

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

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

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

23 (j) 1 2/3% to a nonexpendable trust fund for the  
24 purpose of protection of works of art in the state capitol  
25 and for other cultural and aesthetic projects. Income from

1 this trust fund shall be appropriated for protection of  
2 works of art in the state capitol and other cultural and  
3 aesthetic projects.

4 (k) all other revenues from severance taxes collected  
5 under the provisions of this chapter to the credit of the  
6 general fund of the state."

7 NEW SECTION. Section 2. Effective date ~~---~~ RETROACTIVE  
8 APPLICABILITY -- termination. ~~(1)~~ [This act] is effective on  
9 passage and approval ~~and~~ ~~---~~ ~~THIS ACT~~ ~~---~~ ~~APPLIES RETROACTIVELY~~  
10 ~~WITHIN THE MEANING OF 1-2-109 TO COAL SEVERANCE TAX~~  
11 ~~COLLECTIONS RECEIVED AND DISTRIBUTED AFTER JANUARY 17 1992~~  
12 ~~(2)~~ ~~---~~ ~~THIS ACT~~ AND terminates July 1, 1993.

-End-