HOUSE BILL NO. 13

INTRODUCED BY CONNELLY, THOFT, BARDANOUVE, HOCKETT, HARDING, LYNCH BY REQUEST OF THE LONG-RANGE PLANNING SUBCOMMITTEE

IN THE HOUSE

		IN THE HOUSE
JANUARY	7, 1992	INTRODUCED AND REFERRED TO COMMITTEE ON APPROPRIATIONS.
JANUARY	8, 1992	FIRST READING.
JANUARY	9, 1992	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
		PRINTING REPORT.
JANUARY	10, 1992	SECOND READING, DO PASS.
		ENGROSSING REPORT.
		THIRD READING, PASSED. AYES, 89; NOES, 8.
JANUARY	13, 1992	TRANSMITTED TO SENATE.
		IN THE SENATE
JANUARY	13, 1992	INTRODUCED AND REFERRED TO COMMITTEE ON FINANCE & CLAIMS.
		FIRST READING.
JANUARY	14, 1992	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
		SECOND READING, CONCURRED IN.
		THIRD READING, CONCURRED IN. AYES, 40; NOES, 9.
		RETURNED TO HOUSE.
		IN THE HOUSE

RECEIVED FROM SENATE.

SENT TO ENROLLING.

JANUARY 15, 1992

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1 Aucse BILL NO. 3
2 INTRODUCED BY Connelly Half Bulance Harding By REQUEST OF THE LONG-RANGE Harding And PLANNING SUBCOMMITTEE

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A BILL FOR AN ACT ENTITLED: "AN ACT DIVERTING TO THE MONTANA ARTS COUNCIL, FOR OPERATING EXPENSES, A PORTION OF THE COAL SEVERANCE TAX NOW DEDICATED TO THE NONEXPENDABLE TRUST FUND FOR THE PURPOSE OF PROTECTION OF WORKS OF ART IN THE STATE CAPITOL AND FOR OTHER CULTURAL AND AESTHETIC PROJECTS; AMENDING SECTIONS 15-35-108 AND 22-2-304, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE."

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follows:

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

(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 money must be deposited in the

fund established under 17-6-203(6) and invested by the board of investments as provided by law.

3 (2) Starting July 1, 1987, and ending June 30, 2003, 4 12% of coal severance tax collections are allocated to the 5 highway reconstruction trust fund account in the state 6 special revenue fund.

7 (3) Coal severance tax collections remaining after the 8 allocations provided by subsections (1) and (2) are 9 allocated in the following percentages of the remaining 10 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.

16 (b) 30% to the state special revenue fund for state 17 equalization aid to public schools of the state;

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

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

22 (e) 0% to a nonexpendable trust fund for the purpose of 23 parks management. Income from this trust fund must be 24 appropriated for the development, operation, and maintenance

of any sites and areas described in 23-1-102.

Legislative Council

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INTRODUCED BILL

- (f) 1% to the state special revenue fund to the credit of the state library commission for the purposes of providing basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking:
- (g) 1/2 of 1% to the state special revenue fund for 7 conservation districts;
 - (h) 1 1/4% to the debt service fund type to the credit 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) 1 2/3% to the Montana arts council, to be allocated 13 as follows:
- 14 (i) 42 1/2% for operating costs; and

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- (ii) 57 1/2% to a nonexpendable trust fund for the purpose of protection of works of art in the state capitol and for other cultural and aesthetic projects. Income from this trust fund shall be appropriated for protection of works of art in the state capitol and for other cultural and aesthetic projects.
- 21 (k) beginning July 1, 1991, and ending June 30, 1993, 22 3 1/3% to a special revenue account to be used by the 23 department of fish, wildlife, and parks for the development, 24 operation, and maintenance of state parks and the 25 stabilization and preservation of historic sites within the

1 state park system;

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- 2 (1) all other revenues from severance taxes collected under the provisions of this chapter to the credit of the general fund of the state. (Terminates June 30. 1993--sec.
- 5 3, Ch. 615, L. 1991.)"
- 6 Section 2. Section 22-2-304, MCA, is amended to read:
- 7 *22-2-304. Cultural and aesthetic project 8 appropriations -- administration. (1) The legislature must 9 appropriate funds from the income of the trust fund created 10 in 15-35-108(3)(e) for cultural and aesthetic projects 11 before any grant for a cultural or aesthetic project is 12 awarded.
- 13 (2) Costs incurred by the Montana arts council for 14 accounting, correspondence, project visits, and solicitation 15 of proposals related to cultural and aesthetic project grants and the costs of the advisory committee established 16 in 2-15-1521 shall be paid from appropriations from the 17 18 income of the trust fund.
- 19 are heard by a legislative (3) Grant proposals 20 appropriations subcommittee.
- 21 (4) Grant proposals approved by the legislature are 22 administered by the Montana arts council."
- 23 NEW SECTION. Section 3. Effective date -- termination. [This act] is effective on passage and approval, and 24 [section 1] terminates June 30, 1993.

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0013, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act diverting to the Montana Arts Council, for operating expenses, a portion of the coal severance tax now dedicated to the nonexpendable trust fund for the purpose of protection of works of art in the state capitol and for other cultural and aesthetic projects; and providing an immediate effective date and a termination date.

FISCAL IMPACT:

The proposal allocates 42.5% of the arts trust share of the coal severance tax allocation to the Montana Arts Council for operating costs. Assuming passage of this bill in January, 1992, and termination on June 30, 1993, it would affect one half of the coal severance tax allocation in FY92 and all of FY93. Based on coal severance tax revenue estimates in HJR1, as introduced, the proposal would make \$54,000 in FY92 and \$103,865 in FY93 available to the Montana Arts Council for operating expenses, freeing up the same amount of general fund. At an average interest rate of 9.604% on the diverted amount, \$640 in interest will be lost in FY92 and \$3,700 in FY93 from the arts trust earnings. Approximately \$10,000 in interest would be lost in each subsequent year.

TECHNICAL NOTE:

The House Appropriations Committee (on January 7, 1992) appropriated \$103,865 of the coal tax allocation in FY93 to the Montana Arts Council.

STEVE YEAKEL, BUDGET DIRECTOR

Office of Budget and Program Planning

MARY ELLEN CONNELLY DELANDY GOO

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MARY ELLEN CONNELLY, PRIMARY SPONSOR

DATE

Fiscal Note for HB0013, as introduced.

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APPROVED BY COMMITTEE ON APPROPRIATIONS

1	HOUSE BILL NO. 13
2	INTRODUCED BY CONNELLY, THOFT, BARDANOUVE, HOCKETT,
3	HARDING, LYNCH
4	BY REQUEST OF THE LONG-RANGE
5	PLANNING SUBCOMMITTEE
6	
7	A BILL FOR AN ACT ENTITLED: "AN ACT DIVERTING TO THE
8	MONTANA ARTS COUNCIL, FOR OPERATING EXPENSES, A PORTION OF
9	THE COAL SEVERANCE TAX NOW DEDICATED TO THE NONEXPENDABLE
10	TRUST FUND FOR THE PURPOSE OF PROTECTION OF WORKS OF ART IN
11	THE STATE CAPITOL AND FOR OTHER CULTURAL AND AESTHETIC
12	PROJECTS; AMENDING SECTIONS 15-35-108 AND 22-2-304, MCA; AND
13	PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION
14	DATE."
15	
16	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
17	Section 1. Section 15-35-108, MCA, is amended to read:
18	"15-35-108. (Temporary) Disposal of severance taxes.
19	Severance taxes collected under this chapter must be
20	allocated according to the provisions in effect on the date
21	the tax is due under 15-35-104. Severance taxes collected
22	under the provisions of this chapter are allocated as
23	follows:
24	(1) To the trust fund created by Article IX, section 5,
25	of the Montana constitution, 50% of total coal severance tax

1	collections.	The	trust	fund	money	must	þe	depo	sit	ed	in	the
2	fund establish	hed u	nder 1	7-6-20	03(6) 8	and i	nves	sted	bу	the	þc	ard

4 (2) Starting July 1, 1987, and ending June 30, 2003, 5 12% of coal severance tax collections are allocated to the 6 highway reconstruction trust fund account in the state 7 special revenue fund.

of investments as provided by law.

- 8 (3) Coal severance tax collections remaining after the 9 allocations provided by subsections (1) and (2) are 10 allocated in the following percentages of the remaining 11 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.
- 17 (b) 30% to the state special revenue fund for state 18 equalization aid to public schools of the state;
- 19 (c) 1% to the state special revenue fund to the credit
 20 of the county land planning account;
- 21 (d) 1 1/4% to the credit of the renewable resource 22 development bond fund;
- 23 (e) 0% to a nonexpendable trust fund for the purpose of 24 parks management. Income from this trust fund must be 25 appropriated for the development, operation, and maintenance

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- of any sites and areas described in 23-1-102.
- 2 (f) 1% to the state special revenue fund to the credit
 3 of the state library commission for the purposes of
 4 providing basic library services for the residents of all
 5 counties through library federations and for payment of the
 6 costs of participating in regional and national networking;
 - (g) 1/2 of 1% to the state special revenue fund for conservation districts;
- 9 (h) 1 1/4% to the debt service fund type to the credit 10 of the water development debt service fund;
- 11 (i) 2% to the state special revenue fund for the
 12 Montana Growth Through Agriculture Act;
- 13 (j) 1 2/3% to the Montana arts council, to be allocated
 14 as follows:
- 15 (i) 42 1/2% for operating costs; and

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- (ii) 57 1/2% to a nonexpendable trust fund for the purpose of protection of works of art in the state capitol and for other cultural and aesthetic projects. Income from this trust fund shall be appropriated for protection of works of art in the state capitol and for other cultural and aesthetic projects.
- (k) beginning July 1, 1991, and ending June 30, 1993, 3 1/3% to a special revenue account to be used by the department of fish, wildlife, and parks for the development, operation, and maintenance of state parks and the

- stabilization and preservation of historic sites within the
 state park system;
- 3 (1) all other revenues from severance taxes collected 4 under the provisions of this chapter to the credit of the 5 general fund of the state. (Terminates June 30, 1993--sec. 6 3, Ch. 615, L. 1991.)"
- 7 Section 2. Section 22-2-304, MCA, is amended to read:
- 8 *22-2-304. Cultural and aesthetic project
 9 appropriations -- administration. (1) The legislature must
 10 appropriate funds from the income of the trust fund created
 11 in 15-35-108(3)(e) for cultural and aesthetic projects
 12 before any grant for a cultural or aesthetic project is
 13 awarded.
- (2) Costs incurred by the Montana arts council for accounting, correspondence, project visits, and solicitation of proposals related to cultural and aesthetic project grants and the costs of the advisory committee established in 2-15-1521 shall be paid from appropriations from the income of the trust fund.
- 20 (3) Grant proposals are heard by a legislative
 21 appropriations subcommittee.
- 22 (4) Grant proposals approved by the legislature are 23 administered by the Montana arts council."
- NEW SECTION. Section 3. Effective date -- termination.

 [This act] is effective on--passage-and-approval JULY 1,

-3- HB 13

-4- HB 13

1 1992, and [section 1] terminates June 30, 1993.

-End-

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2	INTRODUCED BY CONNELLY, THOFT, BARDANOUVE, HOCKETT,
3	HARDING, LYNCH
4	BY REQUEST OF THE LONG-RANGE
5	PLANNING SUBCOMMITTEE
6	
7	A BILL FOR AN ACT ENTITLED: "AN ACT DIVERTING TO THE
8	MONTANA ARTS COUNCIL, FOR OPERATING EXPENSES, A PORTION OF
9	THE COAL SEVERANCE TAX NOW DEDICATED TO THE NONEXPENDABLE
10	TRUST FUND FOR THE PURPOSE OF PROTECTION OF WORKS OF ART IN
11	THE STATE CAPITOL AND FOR OTHER CULTURAL AND AESTHETIC
12	PROJECTS; AMENDING SECTIONS 15-35-108 AND 22-2-304, MCA; AND
13	PROVIDING AN #MMED#ATE EFFECTIVE DATE AND A TERMINATION
14	DATE."
15	
16	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
17	Section 1. Section 15-35-108, MCA, is amended to read:
18	*15-35-108. (Temporary) Disposal of severance taxes.
19	Severance taxes collected under this chapter must be
20	allocated according to the provisions in effect on the date
21	the tax is due under 15-35-104. Severance taxes collected
22	under the provisions of this chapter are allocated as
23	follows:
24	(1) To the trust fund created by Article IX, section 5,
25	of the Montana constitution, 50% of total coal severance tax

HOUSE BILL NO. 13

1	collections. The trust fund money must be deposited in the
2	fund established under 17-6-203(6) and invested by the board
3	of investments as provided by law.

- 4 (2) Starting July 1, 1987, and ending June 30, 2003,
 5 12% of coal severance tax collections are allocated to the
 6 highway reconstruction trust fund account in the state
 7 special revenue fund.
- 8 (3) Coal severance tax collections remaining after the 9 allocations provided by subsections (1) and (2) are 10 allocated in the following percentages of the remaining 11 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.
- 17 (b) 30% to the state special revenue fund for state 18 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;
- 21 (d) 1 1/4% to the credit of the renewable resource 22 development bond fund;
 - (e) 0% to a nonexpendable trust fund for the purpose of parks management. Income from this trust fund must be appropriated for the development, operation, and maintenance

- of any sites and areas described in 23-1-102. 1
- 2 (f) 1% to the state special revenue fund to the credit
- 3 of the state library commission for the purposes of
- 4 providing basic library services for the residents of all
- 5 counties through library federations and for payment of the
 - costs of participating in regional and national networking;
- 7 (q) 1/2 of 1% to the state special revenue fund for
- 8 conservation districts:
- 9 (h) 1 1/4% to the debt service fund type to the credit
- 10 of the water development debt service fund:
- 11 (i) 2% to the state special revenue fund for the
- Montana Growth Through Agriculture Act; 12
 - (j) 1 2/3% to the Montana arts council, to be allocated
- 14 as follows:

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- (i) 42 1/2% for operating costs; and 15
- 16 (ii) 57 1/2% to a nonexpendable trust fund for the
 - purpose of protection of works of art in the state capitol
- 18 and for other cultural and aesthetic projects. Income from
- 19 this trust fund shall be appropriated for protection of
- works of art in the state capitol and for other cultural and 20
- 21 aesthetic projects.
- (k) beginning July 1, 1991, and ending June 30, 1993, 22
- 23 3 1/3% to a special revenue account to be used by the
- department of fish, wildlife, and parks for the development, 24
- 25 operation, and maintenance of state parks and

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stabilization and preservation of historic sites within the state park system;

- (1) 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 June 30, 1993--sec.
 - 3, Ch. 615, L. 1991.)"
 - Section 2. Section 22-2-304, MCA, is amended to read:
- project aesthetic *22-2-304. Cultural and
- appropriations -- administration. (1) The legislature must 9
- appropriate funds from the income of the trust fund created 10
- in 15-35-108(3)(e) for cultural and aesthetic projects 11
- before any grant for a cultural or aesthetic project is 12
- 1.3 awarded.

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- (2) Costs incurred by the Montana arts council for 14
- accounting, correspondence, project visits, and solicitation 15
- of proposals related to cultural and aesthetic project 16
- grants and the costs of the advisory committee established
- in 2-15-1521 shall be paid from appropriations from the 18
- income of the trust fund. 19
- (3) Grant proposals are heard by a legislative 20
- appropriations subcommittee. 21
- (4) Grant proposals approved by the legislature are 22
- 23 administered by the Montana arts council."
- NEW SECTION. Section 3. Effective date -- termination. 24
- [This act] is effective on--passage-and-approval JULY 1, 25

1 1992, and [section 1] terminates June 30, 1993.

-End-

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24

follows:

1	HOUSE BILL NO. 13	1	collections. The trust fund money must be deposited in the
2	INTRODUCED BY CONNELLY, THOFT, BARDANOUVE, HOCKETT,	2	fund established under 17-6-203(6) and invested by the board
3	HARDING, LYNCH	3	of investments as provided by law.
4	BY REQUEST OF THE LONG-RANGE	4	(2) Starting July 1, 1987, and ending June 30, 2003,
5	PLANNING SUBCOMMITTEE	5	12% of coal severance tax collections are allocated to the
6		6	highway reconstruction trust fund account in the state
7	A BILL FOR AN ACT ENTITLED: "AN ACT DIVERTING TO THE	7	special revenue fund.
8	MONTANA ARTS COUNCIL, FOR OPERATING EXPENSES, A PORTION OF	8	(3) Coal severance tax collections remaining after the
9	THE COAL SEVERANCE TAX NOW DEDICATED TO THE NONEXPENDABLE	9	allocations provided by subsections (1) and (2) are
10	TRUST FUND FOR THE PURPOSE OF PROTECTION OF WORKS OF ART IN	10	allocated in the following percentages of the remaining
11	THE STATE CAPITOL AND FOR OTHER CULTURAL AND AESTHETIC	11	balance:
12	PROJECTS; AMENDING SECTIONS 15-35-108 AND 22-2-304, MCA; AND	12	(a) 17 1/2% to the credit of the local impact account.
13	PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION	13	Unencumbered funds remaining in the local impact account at
14	DATE."	14	the end of each biennium are allocated to the state special
15		15	revenue fund for state equalization aid to public schools of
16	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	16	the state.
17	Section 1. Section 15-35-108, MCA, is amended to read:	17	(b) 30% to the state special revenue fund for state
18	"15-35-108. (Temporary) Disposal of severance taxes.	18	equalization aid to public schools of the state;
19	Severance taxes collected under this chapter must be	19	(c) 1% to the state special revenue fund to the credit
20	allocated according to the provisions in effect on the date	20	of the county land planning account;
21	the tax is due under 15-35-104. Severance taxes collected	21	(d) 1 1/4% to the credit of the renewable resource
22	under the provisions of this chapter are allocated as	22	development bond fund;
	ander the provisions of this chapter are attocated as	~ ~	weveropment conditaine,

(1) To the trust fund created by Article IX, section 5,

of the Montana constitution, 50% of total coal severance tax

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parks management. Income from this trust fund must be

appropriated for the development, operation, and maintenance

(e) 0% to a nonexpendable trust fund for the purpose of

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- of any sites and areas described in 23-1-102.
- 2 (f) 1% to the state special revenue fund to the credit
- 3 of the state library commission for the purposes of
- 4 providing basic library services for the residents of all
- 5 counties through library federations and for payment of the
- 6 costs of participating in regional and national networking;
- 7 (g) 1/2 of 1% to the state special revenue fund for
- 8 conservation districts;
- 9 (h) 1 1/4% to the debt service fund type to the credit
- 10 of the water development debt service fund;
- 11 (i) 2% to the state special revenue fund for the
- 12 Montana Growth Through Agriculture Act;
- 13 (j) 1 2/3% to the Montana arts council, to be allocated
- 14 as follows:
- 15 (i) 42 1/2% for operating costs; and
- 16 (ii) 57 1/2% to a nonexpendable trust fund for the
- 17 purpose of protection of works of art in the state capitol
- 18 and for other cultural and aesthetic projects. Income from
- 19 this trust fund shall be appropriated for protection of
- 20 works of art in the state capitol and for other cultural and
- 21 aesthetic projects.
- (k) beginning July 1, 1991, and ending June 30, 1993,
- 23 3 1/3% to a special revenue account to be used by the
- 24 department of fish, wildlife, and parks for the development,
- 25 operation, and maintenance of state parks and the

- stabilization and preservation of historic sites within the
- 2 state park system;
- 3 (1) all other revenues from severance taxes collected
- under the provisions of this chapter to the credit of the
- 5 general fund of the state. (Terminates June 30, 1993--sec.
 - 3. Ch. 615. L. 1991.1"
- 7 Section 2. Section 22-2-304, MCA, is amended to read:
- 8 "22-2-304. Cultural and aesthetic project
- 9 appropriations -- administration. (1) The legislature must
- 10 appropriate funds from the income of the trust fund created
- in 15-35-108(3)(e) for cultural and aesthetic projects
- 12 before any grant for a cultural or aesthetic project is
- 13 awarded.

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- 14 (2) Costs incurred by the Montana arts council for
- 15 accounting, correspondence, project visits, and solicitation
- 16 of proposals related to cultural and aesthetic project
- 17 grants and the costs of the advisory committee established
- in gramma and the control of the con

in 2-15-1521 shall be paid from appropriations from the

- 19 income of the trust fund.
- 20 (3) Grant proposals are heard by a legislative
- 21 appropriations subcommittee.
- 22 (4) Grant proposals approved by the legislature are
- 23 administered by the Montana arts council."
- NEW SECTION. Section 3. Effective date -- termination.
- 25 [This act] is effective on--passage-and-approval JULY 1,

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1 1992, and [section 1] terminates June 30, 1993.

-End-

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