

HOUSE BILL NO. 13

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

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

JANUARY 15, 1992                  RECEIVED FROM SENATE.

                                  SENT TO ENROLLING.



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) 1 2/3% to the Montana arts council, to be allocated  
13 as follows:

14 (i) 42 1/2% for operating costs; and

15 (ii) 57 1/2% to a nonexpendable trust fund for the  
16 purpose of protection of works of art in the state capitol  
17 and for other cultural and aesthetic projects. Income from  
18 this trust fund shall be appropriated for protection of  
19 works of art in the state capitol and for other cultural and  
20 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;

2 (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.  
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  
16 grants and the costs of the advisory committee established  
17 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 administered by the Montana arts council."

23 **NEW SECTION. Section 3. Effective date -- termination.**  
24 [This act] is effective on passage and approval, and  
25 [section 1] terminates June 30, 1993.

-End-

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:

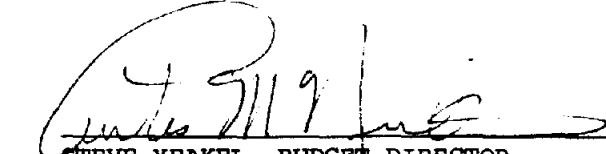
An act diverting to the Montana Arts Council, for operating expenses, a portion of the coal severance tax now dedicated to the nonexpendable trust fund for the purpose of protection of works of art in the state capitol and for other cultural and aesthetic projects; and providing an immediate effective 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      DATE 1/9/92  
Office of Budget and Program Planning

  
MARY ELLEN CONNELLY, PRIMARY SPONSOR      DATE 1/9/91

Fiscal Note for HB0013, as introduced.

**HB 13**

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 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:

12 (a) 17 1/2% 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 state special  
15 revenue fund for state equalization aid to public schools of  
16 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

1 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.

22 (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

1 stabilization and preservation of historic sites within the  
2 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.

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  
18 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."

24 **NEW SECTION. Section 3.** Effective date -- termination.  
25 [This act] is effective ~~on--passage-and-approval~~ JULY 1,

HB 0013/02

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

-End-

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 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:

12 (a) 17 1/2% 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 state special  
15 revenue fund for state equalization aid to public schools of  
16 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



1 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.

22 (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

1 stabilization and preservation of historic sites within the  
2 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.

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  
18 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."

24 **NEW SECTION. Section 3.** Effective date -- termination.

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

HB 0013/02

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

-End-

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 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:

12 (a) 17 1/2% 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 state special  
15 revenue fund for state equalization aid to public schools of  
16 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

1 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.

22 (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

1 stabilization and preservation of historic sites within the  
2 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.

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  
18 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."

24 **NEW SECTION. Section 3.** Effective date -- termination.  
25 [This act] is effective ~~on--passage-and-approval~~ JULY 1,

HB 0013/02

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

-End-