

HOUSE BILL 18

Introduced by Raney, et al.

7/07	Introduced
7/07	Referred to Judiciary
7/07	Fiscal Note Requested
7/08	First Reading
7/08	Fiscal Note Received
7/08	Fiscal Note Printed
7/09	Hearing
7/09	Tabled in Committee

1 HOUSE BILL NO. 18

2 INTRODUCED BY *Randy Forest, Kimberley McCallum*

3 *Gene Adair, Matthew Stinson, John Baker, Don Beard, Debbie Whalen*

4 A BILL FOR AN ACT ENTITLED: "AN ACT ABOLISHING THE 21ST

5 JUDICIAL DISTRICT; AMENDING SECTION 3-5-101, MCA; REPEALING

6 SECTION 2, CHAPTER 642, LAWS OF 1991; AND PROVIDING AN

7 IMMEDIATE EFFECTIVE DATE."

8

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

10 Section 1. Section 3-5-101, MCA, is amended to read:

11 "3-5-101. Judicial districts defined. In this state

12 there are ~~21~~ 20 judicial districts, distributed as follows:

13 (1) 1st district: Lewis and Clark and Broadwater

14 Counties;

15 (2) 2nd district: Silver Bow County;

16 (3) 3rd district: Deer Lodge, Granite, and Powell

17 Counties;

18 (4) 4th district: Missoula, and Mineral, and Ravalli

19 Counties;

20 (5) 5th district: Beaverhead, Jefferson, and Madison

21 Counties;

22 (6) 6th district: Park and Sweet Grass Counties;

23 (7) 7th district: Dawson, McCone, Richland, Prairie,

24 and Wibaux Counties;

25 (8) 8th district: Cascade County;

1 (9) 9th district: Teton, Pondera, Toole, and Glacier

2 Counties;

3 (10) 10th district: Fergus, Judith Basin, and Petroleum

4 Counties;

5 (11) 11th district: Flathead County;

6 (12) 12th district: Liberty, Hill, and Chouteau

7 Counties;

8 (13) 13th district: Yellowstone, Stillwater, Carbon, and

9 Big Horn Counties;

10 (14) 14th district: Meagher, Wheatland, Golden Valley,

11 and Musselshell Counties;

12 (15) 15th district: Roosevelt, Daniels, and Sheridan

13 Counties;

14 (16) 16th district: Custer, Carter, Fallon, Powder

15 River, Garfield, Treasure, and Rosebud Counties;

16 (17) 17th district: Phillips, Blaine, and Valley

17 Counties;

18 (18) 18th district: Gallatin County;

19 (19) 19th district: Lincoln County;

20 (20) 20th district: Lake and Sanders Counties;

21 ~~(21)-21st-district--Ravalli-County."~~

22 NEW SECTION. Section 2. Repealer. Section 2, Chapter

23 642, Laws of 1991, is repealed.

24 NEW SECTION. Section 3. Effective date. [This act] is

25 effective on passage and approval.



STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0018, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act abolishing the 21st Judicial District; and providing an immediate effective date.

FISCAL IMPACT:

	<u>FY93</u>	
	<u>Current Law</u>	<u>Proposed Law</u>
FTE		(.50)
Personal Services		(32,506)
Operating Costs		<u>(1,600)</u>
Total		(34,106)
		(34,106)
<u>Funding:</u>		
General Fund		(34,106)
		(34,106)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Local expenditures would decrease for judges' expenses other than salaries, travel and training.

Steve Yeakel 7/8/92
 STEVE YEAKEL, BUDGET DIRECTOR DATE
 Office of Budget and Program Planning

Bob Raney 7/8/92
 ROBERT H. RANEY, PRIMARY SPONSOR DATE
 Fiscal Note for HB0018, as introduced

HB 18

1 House BILL NO. 19
2 INTRODUCED BY Edlison
3 BY REQUEST OF THE DEPARTMENT OF REVENUE
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE VIDEO
6 GAMBLING MACHINE GROSS INCOME TAX FROM 15 PERCENT TO 35
7 PERCENT; PROVIDING FOR DISTRIBUTION OF THE INCREASED TAX
8 REVENUE TO THE GENERAL FUND AND TO LOCAL GOVERNMENTS;
9 AMENDING SECTIONS 17-7-502 AND 23-5-610, MCA; REPEALING
10 SECTION 15-1-111, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE
11 DATE AND A RETROACTIVE APPLICABILITY DATE."
12

13 STATEMENT OF INTENT

14 A statement of intent is required for this bill because
15 the department of revenue is granted authority to adopt
16 rules to implement its duty to distribute video gambling
17 machine tax proceeds to local governments. It is the intent
18 of the legislature that the department provide for the most
19 efficient and cost-effective method of distributing the
20 funds.
21

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

23 Section 1. Section 23-5-610, MCA, is amended to read:

24 "23-5-610. Video gambling machine gross income tax --
25 records -- distribution -- quarterly statement and payment.

1 (1) A licensed operator issued a permit under this part
2 shall pay to the department a video gambling machine tax of
3 ~~15%~~ 35% of the gross income from each video gambling machine
4 licensed under this part. A licensed operator may deduct
5 from the gross income amounts equal to amounts stolen from
6 machines if the amounts are not repaid by insurance and if a
7 law enforcement agency investigated the theft.

8 (2) A licensed operator issued a permit under this part
9 shall keep a record of the gross income from each machine in
10 such form as the department may require. The records must at
11 all times during the business hours of the licensee be
12 subject to inspection by the department.

13 (3) A licensed operator issued a permit under this part
14 shall, within 15 days after the end of each quarter,
15 complete and deliver to the department a statement showing
16 the total gross income from each video gambling machine
17 licensed to him, together with the total amount due the
18 state as video gambling machine gross income tax for the
19 preceding quarter. The statement must contain other relevant
20 information as the department may require.

21 (4) (a) The department shall forward ~~one-third~~ 40% of
22 the tax collected under subsection (3) to the general fund.

23 (b) The department shall forward ~~the--remaining~~
24 ~~two-thirds~~ 30% of the tax collected under subsection (3) to
25 the treasurer of the county or the clerk, finance officer,

1 or treasurer of the city or town in which the licensed
 2 machine is located, for deposit to the county or municipal
 3 treasury. Counties are not entitled to proceeds from taxes
 4 on income from video gambling machines located in
 5 incorporated cities and towns. ~~The two-thirds local~~
 6 ~~government portion of tax collected under subsection (3) is~~
 7 ~~statutorily appropriated to the department as provided in~~
 8 ~~17-7-502 for deposit to the county or municipal treasury.~~

9 (c) There is a state special revenue fund account. The
 10 department shall deposit the remaining 30% of the tax
 11 collected under subsection (3) in the account for
 12 distribution by the department of revenue as provided in
 13 subsection (5).

14 (5) (a) On or before each February 1 and August 1, the
 15 department of revenue shall distribute to the county
 16 treasurers all the money then in the state special revenue
 17 fund account created in subsection (4). Each county
 18 treasurer shall receive that percentage of each distribution
 19 that equals the percentage of the state's population that
 20 lives in the county. Population must be based on the most
 21 recent population estimates published by the United States
 22 department of commerce, bureau of the census. Each county
 23 treasurer shall distribute the received amounts to the
 24 taxing jurisdictions in the county in the ratio that each
 25 taxing jurisdiction's taxable value for class eight

1 property, multiplied by the taxing jurisdiction's mill levy,
 2 is to the sum of the taxable value of all class eight
 3 property of all the taxing jurisdictions in the county
 4 multiplied by their respective mill levies.

5 (b) As used in this section, "taxing jurisdiction"
 6 means the county, a consolidated city-county government,
 7 cities and towns, school districts, and the state of
 8 Montana.

9 (6) The portions of the tax distributed to local
 10 governments and taxing jurisdictions are statutorily
 11 appropriated, as provided in 17-7-502, to the departments of
 12 justice and revenue for distribution as provided in this
 13 section.

14 (7) The department of revenue shall adopt rules to
 15 implement subsection (5)."

16 **Section 2.** Section 17-7-502, MCA, is amended to read:

17 "17-7-502. Statutory appropriations -- definition --
 18 requisites for validity. (1) A statutory appropriation is an
 19 appropriation made by permanent law that authorizes spending
 20 by a state agency without the need for a biennial
 21 legislative appropriation or budget amendment.

22 (2) Except as provided in subsection (4), to be
 23 effective, a statutory appropriation must comply with both
 24 of the following provisions:

25 (a) The law containing the statutory authority must be

1 listed in subsection (3).

2 (b) The law or portion of the law making a statutory
3 appropriation must specifically state that a statutory
4 appropriation is made as provided in this section.

5 (3) The following laws are the only laws containing
6 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;
7 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; ~~15-1-111~~;
8 15-23-706; 15-25-123; 15-31-702; 15-36-112; 15-37-117;
9 15-65-121; 15-70-101; 16-1-404; 16-1-410; 16-1-411;
10 17-3-212; 17-5-404; 17-5-424; 17-5-704; 17-5-804; 17-6-409;
11 17-7-304; 19-5-404; 19-6-709; 19-8-504; 19-9-702; 19-9-1007;
12 19-10-205; 19-10-305; 19-10-506; 19-11-512; 19-11-513;
13 19-11-606; 19-12-301; 19-13-604; 19-15-101; 20-4-109;
14 20-6-406; 20-8-111; 20-9-361; 20-26-1503; 22-3-811;
15 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631;
16 23-7-301; 23-7-402; 27-12-206; 37-43-204; 37-51-501;
17 39-71-2504; 44-12-206; 44-13-102; 53-6-150; 53-24-206;
18 61-5-121; 67-3-205; 75-1-1101; 75-5-507; 75-5-1108;
19 75-11-313; 76-12-123; 77-1-808; 80-2-103; 80-11-310;
20 82-11-136; 82-11-161; 85-1-220; 90-3-301; 90-4-215;
21 90-6-331; 90-7-220; and 90-9-306.

22 (4) There is a statutory appropriation to pay the
23 principal, interest, premiums, and costs of issuing, paying,
24 and securing all bonds, notes, or other obligations, as due,
25 that have been authorized and issued pursuant to the laws of

1 Montana. Agencies that have entered into agreements
2 authorized by the laws of Montana to pay the state
3 treasurer, for deposit in accordance with 17-2-101 through
4 17-2-107, as determined by the state treasurer, an amount
5 sufficient to pay the principal and interest as due on the
6 bonds or notes have statutory appropriation authority for
7 the payments. (In subsection (3): pursuant to sec. 7, Ch.
8 567, L. 1991, the inclusion of 19-6-709 terminates upon
9 death of last recipient eligible for supplemental benefit;
10 and pursuant to sec. 18, Ch. 748, L. 1991, the inclusion of
11 22-3-811 terminates June 30, 1993.)"

12 NEW SECTION. **Section 3.** Repealer. Section 15-1-111,
13 MCA, is repealed.

14 NEW SECTION. **Section 4.** Effective date -- retroactive
15 applicability. [This act] is effective on passage and
16 approval and applies retroactively, within the meaning of
17 1-2-109, to gross income, as that term is defined in
18 23-5-602, earned after June 30, 1992.

-End-

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0019, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act increasing the video gambling machine gross income tax from 15 percent to 35 percent; providing for distribution of the increased tax revenue to the general fund and to local governments; and providing an immediate effective date and a retroactive applicability date.

ASSUMPTIONS:

1. Total gross machine income will be \$184,548,000 in FY93 and \$209,020,000 in FY94 (MDOR).
2. Video gambling revenues under current law are estimated to be \$27,682,000 in FY93 and \$31,353,000 in FY94 (MDOR).
3. HB20 (personal property) reimbursements to local governments in FY92 were \$19,100,000 and will increase at an annual rate of 3.8% from FY92 (MDOR).
4. All revenue impacts include accrual of revenues received by the state in the first quarter of FY94 back to FY93, and revenues received in the first quarter of FY95 are accrued back to FY94 (MDOR).

FISCAL IMPACT:

Revenues:

	FY '93			FY '94		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
Video Gaming Tax	28,485,000	66,464,000	37,979,000	33,161,000	77,377,000	44,216,000

Fund Distribution:

	FY '93			FY '94		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
General Fund	9,400,000	26,586,000	17,186,000	11,043,000	30,951,000	19,908,000
Local Governments	19,085,000	19,939,000	854,000	22,118,000	23,213,000	1,095,000
State Special Rev. Fund	0	19,939,000	19,939,000	0	23,213,000	23,213,000
Total	28,485,000	66,464,000	37,979,000	33,161,000	77,377,000	44,216,000

Steve Yeakel

7/8/92

STEVE YEAKEL, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

Orval S. Ellison

ORVAL S. ELLISON, PRIMARY SPONSOR DATE
Fiscal Note for HB0019, as introduced.

EFFECTS ON LOCAL GOVERNMENT REVENUE:

	<u>FY '93</u>			<u>FY '94</u>		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
HB20 Reimbursements	19,826,000	0	(19,826,000)	20,579,000	0	(20,579,000)
Video Gambling Revenue	<u>19,085,000</u>	<u>39,878,000</u>	<u>20,793,000</u>	<u>22,118,000</u>	<u>46,426,000</u>	<u>24,308,000</u>
Total	38,911,000	39,878,000	967,000	42,697,000	46,426,000	3,729,000

TECHNICAL NOTE:

Both the current and proposed law impacts shown above assume that revenues received by the state in July of fiscal year 1994 will be accrued back to fiscal year 1993, and revenues received in first quarter of FY95 are accrued to FY94. While the state will realize the revenue as shown, local governments will not receive all cash until the first quarter of FY94, and again in the first quarter of FY95.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

If video gambling gross machine income continues to increase at its current growth rates, the absolute increase in local government revenues would be substantial in future years.