

HOUSE BILL NO. 46  
INTRODUCED BY J. JOHNSON

IN THE HOUSE

DECEMBER 23, 1992	INTRODUCED AND REFERRED TO COMMITTEE ON APPROPRIATIONS.
JANUARY 4, 1993	FIRST READING.
MARCH 12, 1993	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
MARCH 13, 1993	PRINTING REPORT.
MARCH 15, 1993	ON MOTION, CONSIDERATION PASSED FOR THE DAY.
MARCH 18, 1993	SECOND READING, DO PASS.
MARCH 19, 1993	ENGROSSING REPORT.
MARCH 24, 1993	THIRD READING, PASSED. AYES, 81; NOES, 18.
MARCH 25, 1993	TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 26, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON FINANCE & CLAIMS.
	FIRST READING.
APRIL 14, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
APRIL 15, 1993	SECOND READING, CONCURRED IN.  ON MOTION, RULES SUSPENDED AND BILL PLACED ON THIRD READING.  THIRD READING, CONCURRED IN. AYES, 49; NOES, 0.  RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

APRIL 16, 1993

ON MOTION, CONSIDERATION PASSED  
FOR THE DAY.

APRIL 19, 1993

SECOND READING, AMENDMENTS  
CONCURRED IN.

APRIL 20, 1993

THIRD READING, AMENDMENTS  
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

## HOUSE BILL NO. 46

INTRODUCED BY J. JOHNSON

A BILL FOR AN ACT ENTITLED: "AN ACT RESERVING 2 CENTS OF THE CIGARETTE TAX FOR THE OPERATION AND MAINTENANCE OF STATE VETERANS' NURSING HOMES; AMENDING SECTION 16-11-119, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

**Section 1.** Section 16-11-119, MCA, is amended to read:

"16-11-119. (Temporary) Disposition of taxes -- retirement of bonds. (1) Except as provided in subsection (2), all money collected under the provisions of 16-11-111, less the expense of collecting the taxes, must be paid to the state treasurer and deposited as follows: 72.79% in the long-range building program fund in the debt service fund type and 27.21% in the long-range building program fund in the capital projects fund type.

(2) In fiscal year 1993, \$1,133,624 is transferred from the long-range building program fund in the capital projects fund type to the general fund. (Terminates June 30, 1993--sec. 2, Ch. 3, Sp. L. July 1992.)

16-11-119. (Effective July 1, 1993) Disposition of taxes -- retirement of bonds. Two cents of the cigarette tax imposed under the provisions of 16-11-111 on each package of

cigarettes must be deposited in the state special revenue fund to the credit of the department of corrections and human services for the operation and maintenance of state veterans' nursing homes. All moneys remaining revenue collected under the provisions of 16-11-111, less the expense of collecting ~~all~~ the taxes ~~levied, imposed, and assessed by said section, shall~~ must be paid to the state treasurer and deposited as follows: 72.79% in the long-range building program fund in the debt service fund type and 27.21% in the long-range building program fund in the capital projects fund type.

16-11-119. (Effective August 15, 1993) Disposition of taxes -- retirement of bonds. Two cents of the cigarette tax imposed under the provisions of 16-11-111 on each package of cigarettes must be deposited in the state special revenue fund to the credit of the department of corrections and human services for the operation and maintenance of state veterans' nursing homes. All moneys remaining revenue collected under the provisions of 16-11-111, less the expense of collecting ~~all~~ the taxes ~~levied, imposed, and assessed by said section, shall~~ must be paid to the state treasurer and deposited as follows: 70.89% in the long-range building program fund in the debt service fund type and 29.11% in the long-range building program fund in the capital projects fund type."

HB 0046/01

1        NEW SECTION.   **Section 2.**   Effective date. [This act]   is  
2        effective 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 HB0046, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act reserving 2 cents of the cigarette tax for the operation and maintenance of state veterans' nursing homes; and providing an effective date.

ASSUMPTIONS:

1. This proposal would become effective July 1, 1993.
2. Under current law cigarette tax is allocated through August 14, 1993 as follows after expenses: 72.79% long range building debt service fund type; 27.21% long-range building capital projects fund type.
3. Under current law cigarette tax is allocated beginning August 15, 1993 as follows: 70.89% long-range building debt service fund type; 29.11% long-range building capital projects fund type.
4. Under the proposal, two cents of the cigarette tax on each package of cigarettes sold is allocated to the operation and maintenance of state veterans' nursing homes. The remainder, after expenses, is allocated as under current law.
5. There will be 67.676 million packs of cigarettes stamped in FY 94 and 66.827 million packs stamped in FY 95.
6. The monthly distribution of cigarette indicia purchases is constant throughout each year of the biennium.
7. Under current law and the proposal the cigarette tax is 19.26 cents per pack (effective rate 18.53 cents) through August 14, 1993 and is 18 cents per pack (effective rate 17.32 cents) beginning August 15, 1993.
8. There is a one month time lag in collections of the cigarette tax from the 44.3% of retailers and wholesalers who purchase stamps on credit. For these purchasers there is an additional month of collections at the 19.26 cent rate in FY 94.

FISCAL IMPACT:Revenues:

	FY '94			FY '95		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
Cigarette Tax	11,852,000	11,852,000	0	11,572,000	11,572,000	0
<u>Funding</u>						
Debt Service (General Fund)	8,431,000	7,469,000	(963,000)	8,203,000	7,256,000	(947,000)
Capital Projects (LRBP)	3,421,000	3,029,000	(391,000)	3,369,000	2,979,000	(389,000)
Veterans' Homes	0	1,354,000	1,354,000	0	1,337,000	1,337,000
Total	11,852,000	11,852,000	0	11,572,000	11,572,000	0

*David McLeary* 1-7-93  
 DAVID LEWIS, BUDGET DIRECTOR DATE  
 Office of Budget and Program Planning

*John Johnson* 1-7-93  
 JOHN JOHNSON, PRIMARY SPONSOR DATE  
 Fiscal Note for HB0046, as introduced

HB 46

TECHNICAL NOTES:

Because the veterans' homes share is based on the number of cigarette packs sold rather than as a percentage of revenue collected, there is a potential for significant delays in distribution of the tax. This is due to a delay in the reporting of the number of packs sold. If the veterans' homes share were written as a percentage of revenue collected this administrative problem could be avoided.

HB 46

APPROVED BY COMMITTEE  
ON APPROPRIATIONS

HOUSE BILL NO. 46

INTRODUCED BY J. JOHNSON

A BILL FOR AN ACT ENTITLED: "AN ACT RESERVING ~~2--CENTS~~ A  
PERCENTAGE OF THE CIGARETTE TAX FOR THE OPERATION AND  
MAINTENANCE OF STATE VETERANS' NURSING HOMES; THE  
DEVELOPMENT AND IMPLEMENTATION OF A BENEFITS PROGRAM FOR  
AGING VETERANS, AND THE ESTABLISHMENT OF A SPECIAL REVENUE  
ACCOUNT IN THE DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES;  
AMENDING ~~SECTION~~ SECTIONS 16-11-119 AND 17-5-408, MCA; AND  
PROVIDING AN EFFECTIVE DATE."

STATEMENT OF INTENT

A STATEMENT OF INTENT IS REQUIRED FOR THIS BILL BECAUSE  
THE DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES IS  
AUTHORIZED UNDER [SECTION 3] TO ADOPT RULES FOR THE  
ADMINISTRATION OF THE VETERANS' BENEFITS PROGRAM.

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

**Section 1.** Section 16-11-119, MCA, is amended to read:

"16-11-119. (Temporary) Disposition of taxes --  
retirement of bonds. (1) Except as provided in subsection  
(2), all money collected under the provisions of 16-11-111,  
less the expense of collecting the taxes, must be paid to  
the state treasurer and deposited as follows: 72.79% in the

long-range building program fund in the debt service fund  
type and 27.21% in the long-range building program fund in  
the capital projects fund type.

(2) In fiscal year 1993, \$1,133,624 is transferred from  
the long-range building program fund in the capital projects  
fund type to the general fund. (Terminates June 30,  
1993--sec. 2, Ch. 3, Sp. L. July 1992.)

16-11-119. (Effective July 1, 1993) Disposition of  
taxes -- retirement of bonds. Two-cents THE AMOUNT OF 10.38%  
of the cigarette tax imposed COLLECTED under the provisions  
of 16-11-111 on each package of cigarettes must be deposited  
in the state special revenue fund to the credit of the  
department of corrections and human services for the  
operation and maintenance of state veterans' nursing homes-  
AND THE DEVELOPMENT AND IMPLEMENTATION OF A BENEFITS PROGRAM  
FOR AGING VETERANS WHO NEED IN-HOME HEALTH OR NURSING CARE.

All moneys remaining revenue collected under the provisions  
of 16-11-111, less the expense of collecting all the taxes  
~~levied, imposed, and assessed by said section, shall~~ must be  
paid to the state treasurer and deposited as follows: ~~72.79%~~  
81.23% in the long-range building program fund in the debt  
service fund type and ~~27.21%~~ 18.77% in the long-range  
building program fund in the capital projects fund type.

16-11-119. (Effective August 15, 1993) Disposition of  
taxes -- retirement of bonds. Two-cents THE AMOUNT OF 11.11%

of the cigarette tax ~~imposed~~ COLLECTED under the provisions of 16-11-111 on each package of cigarettes must be deposited in the state special revenue fund to the credit of the department of corrections and human services for the operation and maintenance of state veterans' nursing homes. All ~~moneys~~ remaining revenue collected under the provisions of 16-11-111, less the expense of collecting ~~all~~ the taxes ~~levied, imposed, and assessed by said section, shall must~~ be paid to the state treasurer and deposited as follows: ~~70-89%~~ 79.25% in the long-range building program fund in the debt service fund type and ~~29-11%~~ 20.25% in the long-range building program fund in the capital projects fund type."

NEW SECTION. SECTION 2. USE OF FUNDS GENERATED BY TAXATION ON CIGARETTES. (1) REVENUE GENERATED BY 16-11-119 AND ALLOCATED TO THE DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES MUST BE USED TO SUPPORT THE OPERATION AND MAINTENANCE OF THE MONTANA VETERANS' HOMES PROGRAMS AND THE DEVELOPMENT AND IMPLEMENTATION OF A BENEFITS PROGRAM FOR AGING VETERANS WHO NEED IN-HOME HEALTH OR NURSING CARE.

(2) THE LEGISLATURE SHALL APPROPRIATE FROM THE ACCOUNT ESTABLISHED IN 16-11-119 THE FUNDS REQUIRED FOR THE OPERATION AND MAINTENANCE OF THE MONTANA VETERANS' HOMES AND THE DEVELOPMENT AND IMPLEMENTATION OF THE BENEFITS PROGRAM.

(3) OPERATION AND MAINTENANCE OF THE PROGRAMS MAY INCLUDE PERSONAL SERVICES, OPERATIONS, EQUIPMENT, AND

CONSTRUCTION OR REMODELING PROJECTS.

NEW SECTION. SECTION 3. RULEMAKING. THE DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES MAY ADOPT RULES FOR THE ADMINISTRATION OF THE VETERANS' BENEFITS PROGRAM REFERRED TO IN [SECTION 2].

SECTION 4. SECTION 17-5-408, MCA, IS AMENDED TO READ:

"17-5-408. Percentage of income, corporation license, and cigarette tax pledged. (1) (a) The state pledges and appropriates and directs to be credited as received to the debt service account 9-8% for fiscal year 1990 and 0-7% for fiscal year 1991 of all money received from the collection of the individual income tax and 11% for fiscal year 1990 and 10-5% for fiscal year 1991 of all money, except as provided in 15-31-702, money received from the collection of the corporation license and income tax, as provided in 15-1-501, and such additional amount of said taxes, if any, as may at any time be needed to comply with the principal and interest and reserve requirements stated in 17-5-405(4).

(b) No more than the percentages described in subsection (1)(a) of such tax collections may be pledged for the purpose of 17-5-403(2). The pledge and appropriation herein made shall be and remain at all times by this section are a first and prior charge upon all money received from the collection of said the enumerated taxes.

(2) The Except for the amount credited to the veterans'



1 home maintenance and improvement account under 16-11-119,  
 2 the state pledges and appropriates and directs to be  
 3 credited to the debt service account 70-89% 79.75% of all  
 4 remaining money received from the collection of the excise  
 5 tax on cigarettes which that is levied, imposed, and  
 6 assessed by 16-11-111. The state also pledges and  
 7 appropriates and directs to be credited as received to the  
 8 debt service account all money received from the collection  
 9 of the taxes on other tobacco products which that are or may  
 10 hereafter be levied, imposed, and assessed by law for that  
 11 purpose, including the tax levied, imposed, and assessed by  
 12 16-11-202. Nothing herein shall This section does not impair  
 13 or otherwise affect the provisions and covenants contained  
 14 in the resolutions authorizing the presently outstanding  
 15 long-range building program bonds. Subject to the provisions  
 16 of the preceding sentence, the pledge and appropriation  
 17 herein made shall be and remain at all times by this section  
 18 are a first and prior charge upon all money received from  
 19 the collection of all taxes referred to in this subsection  
 20 {2}."

21 NEW SECTION. SECTION 5. CODIFICATION INSTRUCTION. (1)  
 22 [SECTION 2] IS INTENDED TO BE CODIFIED AS AN INTEGRAL PART  
 23 OF TITLE 10, CHAPTER 2, PART 4, AND THE PROVISIONS OF TITLE  
 24 10, CHAPTER 2, PART 4, APPLY TO [SECTION 2].  
 25 (2) [SECTION 3] IS INTENDED TO BE CODIFIED AS AN

1 INTEGRAL PART OF TITLE 10, CHAPTER 2, PART 1, AND THE  
 2 PROVISIONS OF TITLE 10, CHAPTER 2, PART 1, APPLY TO [SECTION  
 3 3].

4 NEW SECTION. Section 6. Effective date. [This act] is  
 5 effective July 1, 1993.

-End-

## HOUSE BILL NO. 46

INTRODUCED BY J. JOHNSON

A BILL FOR AN ACT ENTITLED: "AN ACT RESERVING ~~2--CENTS~~ A PERCENTAGE OF THE CIGARETTE TAX FOR THE OPERATION AND MAINTENANCE OF STATE VETERANS' NURSING HOMES; THE DEVELOPMENT AND IMPLEMENTATION OF A BENEFITS PROGRAM FOR AGING VETERANS, AND THE ESTABLISHMENT OF A SPECIAL REVENUE ACCOUNT IN THE DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES; AMENDING SECTION SECTIONS 16-11-119 AND 17-5-408, MCA; AND PROVIDING AN EFFECTIVE DATE."

STATEMENT OF INTENT

A STATEMENT OF INTENT IS REQUIRED FOR THIS BILL BECAUSE THE DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES IS AUTHORIZED UNDER [SECTION 3] TO ADOPT RULES FOR THE ADMINISTRATION OF THE VETERANS' BENEFITS PROGRAM.

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

**Section 1.** Section 16-11-119, MCA, is amended to read:

"16-11-119. (Temporary) Disposition of taxes -- retirement of bonds. (1) Except as provided in subsection (2), all money collected under the provisions of 16-11-111, less the expense of collecting the taxes, must be paid to the state treasurer and deposited as follows: 72.79% in the

long-range building program fund in the debt service fund type and 27.21% in the long-range building program fund in the capital projects fund type.

(2) In fiscal year 1993, \$1,133,624 is transferred from the long-range building program fund in the capital projects fund type to the general fund. (Terminates June 30, 1993--sec. 2, Ch. 3, Sp. L. July 1992.)

16-11-119. (Effective July 1, 1993) Disposition of taxes -- retirement of bonds. ~~Two-cents~~ THE AMOUNT OF 10.38% of the cigarette tax imposed COLLECTED under the provisions of 16-11-111 on each package of cigarettes must be deposited in the state special revenue fund to the credit of the department of corrections and human services for the operation and maintenance of state veterans' nursing homes; AND THE DEVELOPMENT AND IMPLEMENTATION OF A BENEFITS PROGRAM FOR AGING VETERANS WHO NEED IN-HOME HEALTH OR NURSING CARE.

All ~~money~~ remaining revenue collected under the provisions of 16-11-111, less the expense of collecting ~~all~~ the taxes ~~levied, imposed, and assessed by said section, shall~~ must be paid to the state treasurer and deposited as follows: ~~72.79%~~ 81.23% in the long-range building program fund in the debt service fund type and ~~27.21%~~ 18.77% in the long-range building program fund in the capital projects fund type.

16-11-119. (Effective August 15, 1993) Disposition of taxes -- retirement of bonds. ~~Two-cents~~ THE AMOUNT OF 11.11%

of the cigarette tax ~~imposed~~ COLLECTED under the provisions of 16-11-111 on each package of cigarettes must be deposited in the state special revenue fund to the credit of the department of corrections and human services for the operation and maintenance of state veterans' nursing homes. All moneys remaining revenue collected under the provisions of 16-11-111, less the expense of collecting all the taxes ~~levied, imposed, and assessed by said section, shall must be~~ paid to the state treasurer and deposited as follows: ~~70.89%~~ 79.25% in the long-range building program fund in the debt service fund type and ~~29.11%~~ 20.25% in the long-range building program fund in the capital projects fund type."

NEW SECTION. SECTION 2. USE OF FUNDS GENERATED BY TAXATION ON CIGARETTES. (1) REVENUE GENERATED BY 16-11-119 AND ALLOCATED TO THE DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES MUST BE USED TO SUPPORT THE OPERATION AND MAINTENANCE OF THE MONTANA VETERANS' HOMES PROGRAMS AND THE DEVELOPMENT AND IMPLEMENTATION OF A BENEFITS PROGRAM FOR AGING VETERANS WHO NEED IN-HOME HEALTH OR NURSING CARE.

(2) THE LEGISLATURE SHALL APPROPRIATE FROM THE ACCOUNT ESTABLISHED IN 16-11-119 THE FUNDS REQUIRED FOR THE OPERATION AND MAINTENANCE OF THE MONTANA VETERANS' HOMES AND THE DEVELOPMENT AND IMPLEMENTATION OF THE BENEFITS PROGRAM.

(3) OPERATION AND MAINTENANCE OF THE PROGRAMS MAY INCLUDE PERSONAL SERVICES, OPERATIONS, EQUIPMENT, AND

# CONSTRUCTION OR REMODELING PROJECTS.

NEW SECTION. SECTION 3. RULEMAKING. THE DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES MAY ADOPT RULES FOR THE ADMINISTRATION OF THE VETERANS' BENEFITS PROGRAM REFERRED TO IN [SECTION 2].

## SECTION 4. SECTION 17-5-408, MCA, IS AMENDED TO READ:

"17-5-408. Percentage of income, corporation license, and cigarette tax pledged. (1) (a) The state pledges and appropriates and directs to be credited as received to the debt service account ~~9.8% for fiscal year 1998 and 8.7% for fiscal year 1991 of all money received from the collection of the individual income tax and 11% for fiscal year 1990 and 10.5% for fiscal year 1991 of all money, except as provided in 15-31-702, money received from the collection of the corporation license and income tax, as provided in 15-1-501, and such additional amount of said taxes, if any, as may at any time be needed to comply with the principal and interest and reserve requirements stated in 17-5-405(4).~~

(b) ~~No more than the percentages described in subsection (1)(a) of such tax collections may be pledged for the purpose of 17-5-403(2).~~ The pledge and appropriation herein made ~~shall be and remain at all times by this section~~ are a first and prior charge upon all money received from the collection of ~~said the enumerated~~ taxes.

(2) ~~The~~ Except for the amount credited to the veterans'

1 home maintenance and improvement account under 16-11-119,  
 2 the state pledges and appropriates and directs to be  
 3 credited to the debt service account 70-89% 79.75% of all  
 4 remaining money received from the collection of the excise  
 5 tax on cigarettes which that is levied, imposed, and  
 6 assessed by 16-11-111. The state also pledges and  
 7 appropriates and directs to be credited as received to the  
 8 debt service account all money received from the collection  
 9 of the taxes on other tobacco products which that are or may  
 10 hereafter be levied, imposed, and assessed by law for that  
 11 purpose, including the tax levied, imposed, and assessed by  
 12 16-11-202. Nothing herein shall This section does not impair  
 13 or otherwise affect the provisions and covenants contained  
 14 in the resolutions authorizing the presently outstanding  
 15 long-range building program bonds. Subject to the provisions  
 16 of the preceding sentence, the pledge and appropriation  
 17 herein made shall be and remain at all times by this section  
 18 are a first and prior charge upon all money received from  
 19 the collection of all taxes referred to in this subsection  
 20 (2)."

21 NEW SECTION. SECTION 5. CODIFICATION INSTRUCTION. (1)  
 22 [SECTION 2] IS INTENDED TO BE CODIFIED AS AN INTEGRAL PART  
 23 OF TITLE 10, CHAPTER 2, PART 4, AND THE PROVISIONS OF TITLE  
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1 INTEGRAL PART OF TITLE 10, CHAPTER 2, PART 1, AND THE  
 2 PROVISIONS OF TITLE 10, CHAPTER 2, PART 1, APPLY TO [SECTION  
 3 3].

4 NEW SECTION. Section 6. Effective date. [This act] is  
 5 effective July 1, 1993.

-End-

SENATE STANDING COMMITTEE REPORT

Page 1 of 2  
April 14, 1993

Page 2 of 2  
April 14, 1993

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration House Bill No. 46 (third reading copy -- blue), respectfully report that House Bill No. 46 be amended as follows and as so amended be concurred in.

Signed: Judy H. Jacobson  
Senator, Judy H. Jacobson, Chair

That such amendments read:

1. Title, line 6.  
Following: "HOMES"  
Insert: ";

2. Title, lines 6 through 8.  
Strike: ", THE DEVELOPMENT AND IMPLEMENTATION OF A BENEFITS  
PROGRAM FOR AGING VETERANS, AND"  
Insert: "PROVIDING FOR"

3. Page 1, lines 13 through 17.  
Strike: lines 13 through 17 in their entirety

4. Page 2, line 14.  
Following: "homes"  
Insert: ".

5. Page 2, lines 15 and 16.  
Strike: line 15 and 16 in their entirety

6. Page 3, line 17.  
Following: "PROGRAMS"  
Insert: ".

7. Page 3, lines 17 through 19.  
Strike: "AND" on line 17 through "CARE." on line 19

8. Page 3, line 22.  
Following: "HOMES"  
Insert: ".

9. Page 3, line 22 through line 5 on page 4.  
Strike: "AND" on line 22 through line 5 on page 4  
Renumber: subsequent sections

10. Page 5, line 21.  
Strike: "(1)"

11. Page 5, line 25 through line 3 on page 6.  
Strike: line 25 on page 5 through line 3 on page 6 in their entirety

-END-

AM Amd. Coord.  
W Sec. of Senate

Wesley  
Senator Carrying Bill

821526SC.San

HB 46  
SENATE

821526SC.San

## HOUSE BILL NO. 46

INTRODUCED BY J. JOHNSON

A BILL FOR AN ACT ENTITLED: "AN ACT RESERVING ~~2--CENTS~~ A PERCENTAGE OF THE CIGARETTE TAX FOR THE OPERATION AND MAINTENANCE OF STATE VETERANS' NURSING HOMES; ~~THE DEVELOPMENT--AND--IMPLEMENTATION--OF--A--BENEFITS--PROGRAM--FOR AGING-VETERANS--AND PROVIDING FOR THE ESTABLISHMENT OF A SPECIAL REVENUE ACCOUNT IN THE DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES; AMENDING SECTION SECTIONS 16-11-119 AND 17-5-408, MCA; AND PROVIDING AN EFFECTIVE DATE."~~

STATEMENT-OF-INTENT

~~A-STATEMENT-OF-INTENT-IS-REQUIRED-FOR-THIS-BILL--BECAUSE THE--DEPARTMENT--OF--CORRECTIONS--AND--HUMAN--SERVICES--IS AUTHORIZED--UNDER--(SECTION--3)--TO--ADOPT--RULES--FOR--THE ADMINISTRATION-OF-THE-VETERANS'-BENEFITS-PROGRAM.~~

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

Section 1. Section 16-11-119, MCA, is amended to read:

"16-11-119. (Temporary) Disposition of taxes -- retirement of bonds. (1) Except as provided in subsection (2), all money collected under the provisions of 16-11-111, less the expense of collecting the taxes, must be paid to the state treasurer and deposited as follows: 72.79% in the

long-range building program fund in the debt service fund type and 27.21% in the long-range building program fund in the capital projects fund type.

(2) In fiscal year 1993, \$1,133,624 is transferred from the long-range building program fund in the capital projects fund type to the general fund. (Terminates June 30, 1993--sec. 2, Ch. 3, Sp. L. July 1992.)

16-11-119. (Effective July 1, 1993) Disposition of taxes -- retirement of bonds. Two-cents THE AMOUNT OF 10.38% of the cigarette tax imposed COLLECTED under the provisions of 16-11-111 on each package of cigarettes must be deposited in the state special revenue fund to the credit of the department of corrections and human services for the operation and maintenance of state veterans' nursing homes. ~~AND-THE-DEVELOPMENT-AND-IMPLEMENTATION-OF-A-BENEFITS-PROGRAM FOR--AGING-VETERANS-WHO-NEED-IN-HOME-HEALTH-OR-NURSING-CARE.~~

All moneys remaining revenue collected under the provisions of 16-11-111, less the expense of collecting all the taxes levied, imposed, and assessed by said section, shall must be paid to the state treasurer and deposited as follows: 72-79% 81.23% in the long-range building program fund in the debt service fund type and 27-21% 18.77% in the long-range building program fund in the capital projects fund type.

16-11-119. (Effective August 15, 1993) Disposition of taxes -- retirement of bonds. Two-cents THE AMOUNT OF 11.11%

of the cigarette tax imposed COLLECTED under the provisions of 16-11-111 on each package of cigarettes must be deposited in the state special revenue fund to the credit of the department of corrections and human services for the operation and maintenance of state veterans' nursing homes. All moneys remaining revenue collected under the provisions of 16-11-111, less the expense of collecting all the taxes levied, imposed, and assessed by said section, shall must be paid to the state treasurer and deposited as follows: 79.89% 79.25% in the long-range building program fund in the debt service fund type and 29.11% 20.25% in the long-range building program fund in the capital projects fund type."

NEW SECTION. SECTION 2. USE OF FUNDS GENERATED BY TAXATION ON CIGARETTES. (1) REVENUE GENERATED BY 16-11-119 AND ALLOCATED TO THE DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES MUST BE USED TO SUPPORT THE OPERATION AND MAINTENANCE OF THE MONTANA VETERANS' HOMES PROGRAMS. AND THE DEVELOPMENT--AND--IMPLEMENTATION--OF--A--BENEFITS--PROGRAM--FOR AGING--VETERANS--WHO--NEED--IN--HOME--HEALTH--OR--NURSING--CARE.

(2) THE LEGISLATURE SHALL APPROPRIATE FROM THE ACCOUNT ESTABLISHED IN 16-11-119 THE FUNDS REQUIRED FOR THE OPERATION AND MAINTENANCE OF THE MONTANA VETERANS' HOMES. AND--THE--DEVELOPMENT--AND--IMPLEMENTATION--OF--THE--BENEFITS PROGRAM.

{3}--OPERATION--AND--MAINTENANCE--OF--THE--PROGRAMS--MAY

INCLUDE--PERSONAL--SERVICES,--OPERATIONS,--EQUIPMENT,--AND CONSTRUCTION--OR--REMODELING--PROJECTS.

NEW SECTION. SECTION 3. RULEMAKING. THE DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES MAY ADOPT RULES FOR THE ADMINISTRATION OF THE VETERANS' BENEFITS PROGRAM REFERRED TO IN {SECTION 2}.

SECTION 3. SECTION 17-5-408, MCA, IS AMENDED TO READ:

"17-5-408. Percentage of income, corporation license, and cigarette tax pledged. (1) (a) The state pledges and appropriates and directs to be credited as received to the debt service account 9.84% for fiscal year 1990 and 8.74% for fiscal year 1991 of all money received from the collection of the individual income tax and 11% for fiscal year 1990 and 10.54% for fiscal year 1991 of all money, except as provided in 15-31-702, money received from the collection of the corporation license and income tax, as provided in 15-1-501, and such additional amount of said taxes, if any, as may at any time be needed to comply with the principal and interest and reserve requirements stated in 17-5-405(4).

(b) No more than the percentages described in subsection (1)(a) of such tax collections may be pledged for the purpose of 17-5-403(2). The pledge and appropriation herein made shall be and remain at all times by this section are a first and prior charge upon all money received from the collection of said the enumerated taxes.

1       (2) The Except for the amount credited to the veterans'  
 2 home maintenance and improvement account under 16-11-119,  
 3 the state pledges and appropriates and directs to be  
 4 credited to the debt service account 78.89% 79.75% of all  
 5 remaining money received from the collection of the excise  
 6 tax on cigarettes which that is levied, imposed, and  
 7 assessed by 16-11-111. The state also pledges and  
 8 appropriates and directs to be credited as received to the  
 9 debt service account all money received from the collection  
 10 of the taxes on other tobacco products which that are or may  
 11 hereafter be levied, imposed, and assessed by law for that  
 12 purpose, including the tax levied, imposed, and assessed by  
 13 16-11-202. Nothing herein shall This section does not impair  
 14 or otherwise affect the provisions and covenants contained  
 15 in the resolutions authorizing the presently outstanding  
 16 long-range building program bonds. Subject to the provisions  
 17 of the preceding sentence, the pledge and appropriation  
 18 herein made shall be and remain at all times by this section  
 19 are a first and prior charge upon all money received from  
 20 the collection of all taxes referred to in this subsection  
 21 (2)."

22       NEW SECTION. SECTION 4. CODIFICATION INSTRUCTION. (1)  
 23 [SECTION 2] IS INTENDED TO BE CODIFIED AS AN INTEGRAL PART  
 24 OF TITLE 10, CHAPTER 2, PART 4, AND THE PROVISIONS OF TITLE  
 25 10, CHAPTER 2, PART 4, APPLY TO [SECTION 2].

1       ~~(2) [SECTION 3] IS INTENDED TO BE CODIFIED AS AN~~  
 2 ~~INTEGRAL PART OF TITLE 10, CHAPTER 2, PART 4, AND THE~~  
 3 ~~PROVISIONS OF TITLE 10, CHAPTER 2, PART 4, APPLY TO [SECTION~~  
 4 ~~3].~~  
 5       NEW SECTION. Section 5. Effective date. [This act] is  
 6 effective July 1, 1993.

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