

HOUSE BILL NO. 350

INTRODUCED BY MASON, KOEHNKE, HARP,
CLARK, WEEDING, DRISCOLL

IN THE HOUSE

JANUARY 25, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON NATURAL RESOURCES.
	FIRST READING.
FEBRUARY 16, 1993	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 17, 1993	PRINTING REPORT.
	ON MOTION, CONSIDERATION PASSED FOR THE DAY.
FEBRUARY 18, 1993	SECOND READING, DO PASS AS AMENDED.
FEBRUARY 19, 1993	ENGROSSING REPORT.
FEBRUARY 20, 1993	THIRD READING, PASSED. AYES, 90; NOES, 5.
FEBRUARY 22, 1993	TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 22, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
APRIL 5, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
APRIL 8, 1993	SECOND READING, CONCURRED IN.
	ON MOTION, SEGREGATED FROM COMMITTEE OF THE WHOLE AND RETURNED TO SECOND READING.
APRIL 12, 1993	SECOND READING, CONCURRED IN AS AMENDED.
APRIL 13, 1993	THIRD READING, CONCURRED IN. AYES, 45; NOES, 4.

RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

APRIL 15, 1993

SECOND READING, AMENDMENTS
CONCURRED IN.

APRIL 16, 1993

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *House* BILL NO. 350
 2 INTRODUCED BY *Sen. Mark Feltner* *HART* *Clack*
 3 *Reading*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE
 5 DESIGNATION OF LOCAL GOVERNMENTS ELIGIBLE FOR COAL IMPACT
 6 GRANTS AND LOANS; PROVIDING THAT GRANTS AND LOANS MUST BE
 7 MADE ONLY TO DESIGNATED LOCAL GOVERNMENTS; TRANSFERRING THE
 8 UNEXPENDED BALANCE IN THE LOCAL IMPACT ACCOUNT TO SCHOOL
 9 EQUALIZATION AID AT THE END OF EACH FISCAL YEAR; AMENDING
 10 SECTIONS 90-6-207 AND 90-6-212, MCA; AND PROVIDING AN
 11 EFFECTIVE DATE."
 12

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

14 **Section 1.** Section 90-6-207, MCA, is amended to read:

15 "90-6-207. Priorities for impact grants. (1) The
 16 department of commerce shall annually designate:

17 (a) each county, incorporated city and town, school
 18 district, and other governmental unit which that has had or
 19 expects to have as a result of the impact of coal
 20 development a net increase in estimated population of at
 21 least 10% over one of the 3-year periods specified in
 22 subsection (4);

23 (b) each county and all local governmental units within
 24 each county in which:

25 (i) a mining permit in accordance with the Montana

1 Strip and Underground Mine Reclamation Act has been granted
 2 by the department of state lands for a project within the
 3 county that will establish a new coal mine to produce at
 4 least ~~1-million~~ 300,000 tons a year and that the department
 5 of commerce determines will commence production within 2
 6 years;

7 (ii) or that will increase the department of commerce
 8 has determined that the production of an existing mine will
 9 increase by at least 1 million tons a year and for which the
 10 department of commerce determines that the new or expanded
 11 production authorized by the permit will commence within 3 2
 12 years of the designation; or

13 ~~{++}~~ (iii) a certificate of environmental compatibility
 14 and public need in accordance with the Montana Major
 15 Facility Siting Act has been granted by the board of natural
 16 resources and conservation for a new steam-generating or
 17 other new coal-burning facility that will consume at least 1
 18 million tons a year of Montana-mined coal and for which the
 19 department of commerce determines the construction or
 20 operation will commence within 3 2 years of the designation;

21 (c) each local governmental unit located within 50
 22 miles, measured over the shortest all-weather public road,
 23 of a mine or facility qualifying under subsection (1)(b)(i),
 24 or (1)(b)(ii), or (1)(b)(iii); and

25 (d) each local governmental unit in which:

1 (i) a mine that has produced ~~1-million~~ 300,000 tons or
2 more of coal a year and has ceased all significant mining or
3 is scheduled to cease within 1 year; or

4 (ii) a steam-generating or other coal-burning facility
5 that has operated under a certificate of environmental
6 compatibility and public need in accordance with the Montana
7 Major Facility Siting Act and that has consumed at least 1
8 million tons of Montana-mined coal a year has closed or is
9 scheduled to close within 1 year.

10 (2) Designation under subsection (1) of:

11 (a) any local governmental unit extends to and includes
12 as a designated unit the county in which it is located; and

13 (b) a county extends to and includes as a designated
14 unit any local governmental unit in the county that contains
15 at least 10% of the total population of the county.

16 (3) Except as provided in 90-6-205(5)(b), the coal
17 board shall, subject to the appropriations of the
18 legislature, award ~~at least 50% of~~ all grants awarded and
19 loans to governmental units and state agencies for meeting
20 the needs caused by coal development each year only to these
21 designated governmental units.

22 (4) For the purposes of subsection (1), the department
23 of commerce shall use five 3-year periods as follows:

24 (a) one consecutive 3-year period ending 2 calendar
25 years prior to the current calendar year;

1 (b) one consecutive 3-year period ending 1 calendar
2 year prior to the current calendar year;

3 (c) one consecutive 3-year period ending with the
4 current calendar year;

5 (d) one consecutive 3-year period ending 1 calendar
6 year after the current calendar year; and

7 (e) one consecutive 3-year period ending 2 calendar
8 years after the current calendar year.

9 (5) Attention should be given by the coal board to the
10 need for community planning before the full impact is
11 realized. Applicants should be able to show how their
12 request reasonably fits into an overall plan for the orderly
13 management of the existing or contemplated growth problems.

14 (6) All funds placed in the local impact account
15 established under this part ~~shall be~~ are subject to
16 appropriations by the legislature for use related to local
17 impact.

18 (7) All designations made under this section must be
19 for 1 year. A designation may not continue after the
20 department of commerce determines that the mine or facility
21 that provided the basis for a designation is contributing
22 sufficient tax revenue to the designated government unit to
23 meet the increased costs of providing the services
24 necessitated by the development of the mine or facility. A
25 designation under subsection (1)(d)(i) or (1)(d)(ii) may not

1 be made 2 years after the date of final closure of the mine
2 or facility."

3 **Section 2.** Section 90-6-212, MCA, is amended to read:

4 "90-6-212. Local impact account -- disposition of loan
5 repayments, interest, and unexpended balances. (1) The money
6 derived from loans made pursuant to this part, including
7 interest thereon, must be deposited to the credit of the
8 local impact account created in 90-6-202.

9 (2) The unexpended money in the local impact account
10 must be invested by the board of investments as provided by
11 statute. Interest and earnings must be deposited to the
12 credit of the state special revenue fund for state
13 equalization aid to public schools of the state.

14 (3) The unexpended balance in the local impact account
15 at the end of each biennium fiscal year must be deposited to
16 the credit of the state special revenue fund for state
17 equalization aid to public schools of the state."

18 NEW SECTION. **Section 3.** Effective date. [This act] is
19 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 HB0350, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION: An act revising the designation of local governments eligible for coal impact grants and loans, providing that grants and loans must be made only to designated local governments; transferring the unexpended balance in the local impact account to school equalization aid at the end of each fiscal year.

ASSUMPTIONS:

1. The Revenue Oversight Committee revenue estimates for the local impact account (Coal Board) are based on the statutory prescribed 6.65% of the coal severance tax collections.
2. The bill restricts the eligibility of which communities may apply for and receive impact assistance from the local impact account, thereby reducing the number of eligible projects available to be funded by the Coal Board.
3. The permitted Bull Mountain Coal mining project appears at this time to be the only new mine that is clearly within the new designation definition.
4. No publicly announced plans exist for: a) mines currently defining an expansion of production; b) new energy production facilities; c) pending mine closure, as defined under the designation section of this act.
5. There are limited means to project all real or potential eligible coal impacts/projects that will occur during the 1995 biennium. A review of the "Coal Country Impact Inventory" published in January of 1991 has been used to estimate projects/impacts in projected designated areas.
6. Those funds not expended during each fiscal year of the biennium will revert to the school equalization aid fund.

FISCAL IMPACT:

	FY '94			FY '95		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
Expenditures:						
Administration	115,919	115,919	- 0 -	121,006	121,006	- 0 -
Grants	2,622,054	488,000	(2,134,054)	2,615,708	895,000	(1,720,708)
Total	2,737,973	603,919	(2,134,054)	2,736,714	1,016,006	(1,720,708)
Revenues:						
Local Impact Account	2,737,973	2,737,973	- 0 -	2,736,774	2,736,774	- 0 -

Net Impact: Reversions to the school equalization aid fund will be \$2,134,054 in FY94 and \$1,720,708 in FY95.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES: The bill would cause funds awarded by the Coal Board to be more directly related to current and direct impacts. Funds would be awarded only to designated government units and many units that received funds from the account in the past would no longer be eligible.

David Lewis 1-29-93
 DAVID LEWIS, BUDGET DIRECTOR DATE
 Office of Budget & Program Planning

Gary B. Masqn 2-1-93
 GARY B. MASQN, PRIMARY SPONSOR DATE

Fiscal Note for HB0350, as introduced

HB 350

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Revised Fiscal Note for HB0350, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION: An act revising the designation of local governments eligible for coal impact grants and loans, providing that grants and loans must be made only to designated local governments; transferring the unexpended balance in the local impact account to school equalization aid at the end of each fiscal year.

ASSUMPTIONS:

1. The Revenue Oversight Committee revenue estimates for the local impact account (Coal Board) are based on the statutory prescribed 6.65% of the coal severance tax collections.
2. The bill restricts the eligibility of which communities may apply for and receive impact assistance from the local impact account, thereby reducing the number of eligible projects available to be funded by the Coal Board.
3. The permitted Bull Mountain Coal mining project appears at this time to be the only new mine that is clearly within the new designation definition.
4. No publicly announced plans exist for: a) mines currently defining an expansion of production; b) new energy production facilities; c) pending mine closure, as defined under the designation section of this act.
5. There are limited means to project all real or potential eligible coal impacts/projects that will occur during the 1995 biennium. A review of the "Coal Country Impact Inventory" published in January of 1991 has been used to estimate projects/impacts in projected designated areas.
6. Those funds not expended during each fiscal year of the biennium will revert to the school equalization aid fund.
7. HB2 appropriates \$1,956,558 on a biennial, separate line item basis for grants. The revised fiscal impact will reflect the amendments to the bill and action by the Appropriations Committee.

FISCAL IMPACT:

	FY '94			FY '95		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
Expenditures:						
Administration	115,919	115,919	- 0 -	121,006	121,006	- 0 -
Grants	<u>2,628,279</u>	<u>1,956,558</u>	<u>(671,721)</u>	<u>2,628,279</u>	<u>0</u>	<u>(2,628,279)</u>
Total	2,744,198	2,072,477	(671,721)	2,749,285	121,006	(2,628,279)
Revenues:						
Local Impact Account	2,744,198	2,744,198	- 0 -	2,749,285	2,749,285	- 0 -

Net Impact: Reversions to the school equalization aid fund will be \$3,300,000 for the biennium.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES: The bill would cause funds awarded by the Coal Board to be more directly related to current and direct impacts. Funds would be awarded only to designated government units and many units that received funds from the account in the past would no longer be eligible.

David Lewis 3-15-93
DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget & Program Planning

Gary B. Mason 3-16-93
GARY B. MASON, PRIMARY SPONSOR DATE

Revised Fiscal Note for HB0350, as introduced

HB 350 #2

APPROVED BY COMM. ON
NATURAL RESOURCES

HOUSE BILL NO. 350

INTRODUCED BY MASON, KOEHNKE, HARP,

CLARK, WEEDING, DRISCOLL

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE DESIGNATION OF LOCAL GOVERNMENTS ELIGIBLE FOR COAL IMPACT GRANTS AND LOANS; PROVIDING--THAT LIMITING THE AMOUNT OF GRANTS AND LOANS MUST THAT MAY BE MADE ONLY TO DESIGNATED NONDESIGNATED LOCAL GOVERNMENTS; TRANSFERRING THE UNEXPENDED BALANCE IN THE LOCAL IMPACT ACCOUNT TO SCHOOL EQUALIZATION AID AT THE END OF EACH FISCAL YEAR; AMENDING SECTIONS 90-6-207 AND 90-6-212, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 90-6-207, MCA, is amended to read:

"90-6-207. Priorities for impact grants. (1) The department of commerce shall annually designate:

(a) each county, incorporated city and town, school district, and other governmental unit which that has had or expects to have as a result of the impact of coal development a net increase in estimated population of at least 10% over one of the 3-year periods specified in subsection (4);

(b) each county and all local governmental units within

each county in which:

(i) a mining permit in accordance with the Montana Strip and Underground Mine Reclamation Act has been granted by the department of state lands for a project within the county that will establish a new coal mine to produce at least ~~1-million~~ 300,000 tons a year and that the department of commerce determines will commence production within 2 years;

(ii) ~~or--that--will--increase~~ the department of commerce has determined that the production of an existing mine will increase by at least 1 million tons a year ~~and for which the department--of--commerce-determines~~ that the new or expanded production ~~authorized-by-the-permit~~ will commence within 3 2 years of the designation; or

~~(iii)~~ (iii) a certificate of environmental compatibility and public need in accordance with the Montana Major Facility Siting Act has been granted by the board of natural resources and conservation for a new steam-generating or other new coal-burning facility that will consume at least 1 million tons a year of Montana-mined coal and for which the department of commerce determines the construction or operation will commence within 3 2 years of the designation;

(c) each local governmental unit located within 50 miles, measured over the shortest all-weather public road, of a mine or facility qualifying under subsection (1)(b)(i),

or (1)(b)(ii), or (1)(b)(iii); and

(d) each local governmental unit in which:

(i) a mine that has produced ~~1-million~~ 300,000 tons or more of coal a year and has ceased all significant mining or is scheduled to cease within 1 year; or

(ii) a steam-generating or other coal-burning facility that has operated under a certificate of environmental compatibility and public need in accordance with the Montana Major Facility Siting Act and that has consumed at least 1 million tons of Montana-mined coal a year has closed or is scheduled to close within 1 year.

(2) Designation under subsection (1) of:

(a) any local governmental unit extends to and includes as a designated unit the county in which it is located; and

(b) a county extends to and includes as a designated unit any local governmental unit in the county that contains at least 10% of the total population of the county.

~~(3) Except as provided in 90-6-205(5)(b), the coal board shall subject to the appropriations of the legislature, award at least 50% of all grants awarded and loans to governmental units and state agencies for meeting the needs caused by coal development each year only to these designated governmental units.~~

(3) EXCEPT AS PROVIDED IN 90-6-205(5)(B), EACH YEAR, THE COAL BOARD MAY NOT AWARD MORE THAN 10% OF THE FUNDS

APPROPRIATED TO IT FOR GRANTS AND LOANS TO GOVERNMENTAL UNITS AND STATE AGENCIES FOR MEETING THE NEEDS CAUSED BY COAL DEVELOPMENT TO LOCAL GOVERNMENTAL UNITS OTHER THAN THOSE GOVERNMENTAL UNITS DESIGNATED UNDER SUBSECTION (1).

(4) For the purposes of subsection (1), the department of commerce shall use five 3-year periods as follows:

(a) one consecutive 3-year period ending 2 calendar years prior to the current calendar year;

(b) one consecutive 3-year period ending 1 calendar year prior to the current calendar year;

(c) one consecutive 3-year period ending with the current calendar year;

(d) one consecutive 3-year period ending 1 calendar year after the current calendar year; and

(e) one consecutive 3-year period ending 2 calendar years after the current calendar year.

(5) Attention should be given by the coal board to the need for community planning before the full impact is realized. Applicants should be able to show how their request reasonably fits into an overall plan for the orderly management of the existing or contemplated growth problems.

(6) All funds placed in the local impact account established under this part ~~shall be~~ are subject to appropriations by the legislature for use related to local impact.

(7) All designations made under this section must be for 1 year. A designation may not continue after the department of commerce determines that the mine or facility that provided the basis for a designation is contributing sufficient tax revenue to the designated government unit to meet the increased costs of providing the services necessitated by the development of the mine or facility. HOWEVER, LOCAL GOVERNMENTAL UNITS CONTINUE TO BE ELIGIBLE FOR COAL IMPACT GRANTS AND LOANS IN CIRCUMSTANCES IN WHICH:

[A] AN IMPACT EXISTS IN A COMMUNITY OR AREA DIRECTLY AFFECTED BY THE OPERATION OF A COAL MINE OR MINES; AND

[B] TAX REVENUE IS NOT AVAILABLE TO MITIGATE THE IMPACT. A--designation--under---subsection---(i)(d)(i)--or (i)(d)(ii)--may--not--be--made--2--years--after--the--date--of--final closure-of-the-mine-or-facility--"

Section 2. Section 90-6-212, MCA, is amended to read:

"90-6-212. Local impact account -- disposition of loan repayments, interest, and unexpended balances. (1) The money derived from loans made pursuant to this part, including interest thereon, must be deposited to the credit of the local impact account created in 90-6-202.

(2) The unexpended money in the local impact account must be invested by the board of investments as provided by statute. Interest and earnings must be deposited to the credit of the state special revenue fund for state

equalization aid to public schools of the state.

(3) The unexpended balance in the local impact account at the end of each biennium fiscal year must be deposited to the credit of the state special revenue fund for state equalization aid to public schools of the state."

NEW SECTION. Section 3. Effective date. [This act] is effective July 1, 1993.

-End-

1 HOUSE BILL NO. 350

2 INTRODUCED BY MASON, KOEHNKE, HARP,

3 CLARK, WEEDING, DRISCOLL

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE
6 DESIGNATION OF LOCAL GOVERNMENTS ELIGIBLE FOR COAL IMPACT
7 GRANTS AND LOANS; PROVIDING--THAT LIMITING THE AMOUNT OF
8 GRANTS AND LOANS MUST THAT MAY BE MADE ONLY TO DESIGNATED
9 NONDESIGNATED LOCAL GOVERNMENTS; TRANSFERRING THE UNEXPENDED
10 BALANCE IN THE LOCAL IMPACT ACCOUNT TO SCHOOL EQUALIZATION
11 AID AT THE END OF EACH FISCAL YEAR; AMENDING SECTIONS
12 90-6-207 AND 90-6-212, MCA; AND PROVIDING AN EFFECTIVE
13 DATE."
14

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

16 Section 1. Section 90-6-207, MCA, is amended to read:

17 "90-6-207. Priorities for impact grants. (1) The
18 department of commerce shall annually designate:

19 (a) each county, incorporated city and town, school
20 district, and other governmental unit which that has had or
21 expects to have as a result of the impact of coal
22 development a net increase in estimated population of at
23 least 10% over one of the 3-year periods specified in
24 subsection (4);

25 (b) each county and all local governmental units within

1 each county in which:

2 (i) a mining permit in accordance with the Montana
3 Strip and Underground Mine Reclamation Act has been granted
4 by the department of state lands for a project within the
5 county that will establish a new coal mine to produce at
6 least ~~1-million~~ 300,000 tons a year and that the department
7 of commerce determines will commence production within 2
8 years;

9 (ii) or--that--will--increase the department of commerce
10 has determined that the production of an existing mine will
11 increase by at least 1 million tons a year and for which the
12 department--of--commerce--determines that the new or expanded
13 production authorized by the permit will commence within 3 2
14 years of the designation; or

15 ~~(iii)~~ (iii) a certificate of environmental compatibility
16 and public need in accordance with the Montana Major
17 Facility Siting Act has been granted by the board of natural
18 resources and conservation for a new steam-generating or
19 other new coal-burning facility that will consume at least 1
20 million tons a year of Montana-mined coal and for which the
21 department of commerce determines the construction or
22 operation will commence within 3 2 years of the designation;

23 (c) each local governmental unit located within 50
24 miles, measured over the shortest all-weather public road,
25 of a mine or facility qualifying under subsection (1)(b)(i),

1 or (1)(b)(ii), or (1)(b)(iii); and

2 (d) each local governmental unit in which:

3 (i) a mine that has produced ~~1-million~~ 300,000 tons or
4 more of coal a year and has ceased all significant mining or
5 is scheduled to cease within 1 year; or

6 (ii) a steam-generating or other coal-burning facility
7 that has operated under a certificate of environmental
8 compatibility and public need in accordance with the Montana
9 Major Facility Siting Act and that has consumed at least 1
10 million tons of Montana-mined coal a year has closed or is
11 scheduled to close within 1 year.

12 (2) Designation under subsection (1) of:

13 (a) any local governmental unit extends to and includes
14 as a designated unit the county in which it is located; and

15 (b) a county extends to and includes as a designated
16 unit any local governmental unit in the county that contains
17 at least 10% of the total population of the county.

18 ~~{3}--Except-as--provided--in--90-6-205(5){b}7--the--coal~~
19 ~~board---shall,---subject---to---the--appropriations--of--the~~
20 ~~legislature, award-at-least-50%--of--all--grants--awarded and~~
21 ~~loans to--governmental-units-and-state-agencies-for-meeting~~
22 ~~the-needs-caused-by-coal-development-each-year only to-these~~
23 ~~designated-governmental-units.~~

24 (3) EXCEPT AS PROVIDED IN 90-6-205(5)(B), EACH YEAR,
25 THE COAL BOARD MAY NOT AWARD MORE THAN 10% OF THE FUNDS

1 APPROPRIATED TO IT FOR GRANTS AND LOANS TO GOVERNMENTAL
2 UNITS AND STATE AGENCIES FOR MEETING THE NEEDS CAUSED BY
3 COAL DEVELOPMENT TO LOCAL GOVERNMENTAL UNITS OTHER THAN
4 THOSE GOVERNMENTAL UNITS DESIGNATED UNDER SUBSECTION (1).

5 (4) For the purposes of subsection (1), the department
6 of commerce shall use five 3-year periods as follows:

7 (a) one consecutive 3-year period ending 2 calendar
8 years prior to the current calendar year;

9 (b) one consecutive 3-year period ending 1 calendar
10 year prior to the current calendar year;

11 (c) one consecutive 3-year period ending with the
12 current calendar year;

13 (d) one consecutive 3-year period ending 1 calendar
14 year after the current calendar year; and

15 (e) one consecutive 3-year period ending 2 calendar
16 years after the current calendar year.

17 (5) Attention should be given by the coal board to the
18 need for community planning before the full impact is
19 realized. Applicants should be able to show how their
20 request reasonably fits into an overall plan for the orderly
21 management of the existing or contemplated growth problems.

22 (6) All funds placed in the local impact account
23 established under this part shall--be are subject to
24 appropriations by the legislature for use related to local
25 impact.

(7) All designations made under this section must be for 1 year. A designation may not continue after the department of commerce determines that the mine or facility that provided the basis for a designation is contributing sufficient tax revenue to the designated government unit to meet the increased costs of providing the services necessitated by the development of the mine or facility. HOWEVER, NONDESIGNATED LOCAL GOVERNMENTAL UNITS CONTINUE TO BE ELIGIBLE FOR COAL IMPACT GRANTS AND LOANS OF UP TO 10% OF THE FUNDS APPROPRIATED TO THE COAL BOARD FOR GRANTS AND LOANS IN CIRCUMSTANCES IN WHICH:

(A) AN IMPACT EXISTS IN A COMMUNITY OR AREA DIRECTLY AFFECTED BY THE OPERATION OF A COAL MINE OR MINES; AND OR

(B) TAX REVENUE IS NOT AVAILABLE TO MITIGATE THE IMPACT DUE TO THE CLOSURE OF A MINE OR FACILITY. A designation under subsection (1)(d)(i) or (1)(d)(ii) may not be made 2 years after the date of final closure of the mine or facility."

Section 2. Section 90-6-212, MCA, is amended to read:

"90-6-212. Local impact account -- disposition of loan repayments, interest, and unexpended balances. (1) The money derived from loans made pursuant to this part, including interest thereon, must be deposited to the credit of the local impact account created in 90-6-202.

(2) The unexpended money in the local impact account

must be invested by the board of investments as provided by statute. Interest and earnings must be deposited to the credit of the state special revenue fund for state equalization aid to public schools of the state.

(3) The unexpended balance in the local impact account at the end of each biennium fiscal year must be deposited to the credit of the state special revenue fund for state equalization aid to public schools of the state."

NEW SECTION. Section 3. Effective date. [This act] is effective July 1, 1993.

-End-

SENATE STANDING COMMITTEE REPORT

Page 1 of 3
April 5, 1993

Page 2 of 3
April 5, 1993

MR. PRESIDENT:

We, your committee on Taxation having had under consideration House Bill No. 350 (third reading copy -- blue), respectfully report that House Bill No. 350 be amended as follows and as so amended be concurred in.

Signed: 
Senator Mike Halligan, Chair

That such amendments read:

1. Title, line 7.
Following: "LOANS;"
Insert: "INCLUDING CERTAIN NEWLY CONSTRUCTED RAILROADS IN THE DESIGNATION FOR COAL IMPACT GRANTS; INCLUDING COAL-RELATED AQUIFER AND GROUND WATER IMPACTS IN THE DESIGNATION FOR COAL IMPACT GRANTS;"
2. Page 1, line 22.
Following: "development"
Insert: ":"
(i)"
3. Page 1, line 24.
Following: ";"
Insert: "or"
(ii) changes to aquifers or ground water conditions;"
4. Page 2, line 14.
Strike: "or"
Following: line 14
Insert: "(iii) a newly constructed railroad serves a new, existing, or expanding coal mine;
Re-number: subsequent subsection
5. Page 2, line 22.
Following: ";"
Insert: "or"
(v) an existing mine continues to affect aquifers or ground water conditions;"
6. Page 2, line 23.
Strike: "50"
Insert: "100"
7. Page 3, line 1.
Strike: "or (1)(b)(iii)"
Insert: "(1)(b)(iv), or (1)(b)(v)"

8. Page 3, line 5.
Strike: "or"

9. Page 3, line 11.
Following: "year"
Insert: "; or"

(iii) aquifers or ground water conditions may be affected by a mine or coal-burning facility located in an adjacent Canadian province or in an adjacent state"

10. Page 3, line 24.
Following: "(3)"
Insert: "(a)"
Strike: "EACH YEAR"
Insert: "beginning July 1, 1993, and ending June 30, 1995"

11. Page 3, line 25.
Strike: "10%"
Insert: "20%"


12. Page 4, line 1.
Following: "IT"
Insert: "each year"

13. Page 4.
Following: line 4
Insert: "(b) Except as provided in 90-6-205(5)(b), beginning July 1, 1995, and thereafter, the coal board may not award more than 10% of the funds appropriated to it each year for grants and loans to governmental units and state agencies for meeting the needs caused by coal development to local governmental units other than those governmental units designated under subsection (1)."

14. Page 4, line 5.
Strike: "For"
Insert: "Except as provided in subsection (8), for"

15. Page 5, line 1.
Strike: "All"
Insert: "Except as provided in subsection (8), all"

16. Page 5, lines 3 and 7.
Following: "mine"
Insert: ", railroad,"

 Amd. Coord.
Sec. of Senate

Weeding
Senator Carrying Bill

761303SC.San

SENATE

HB 350
761303SC.San

Page 3 of 3
April 5, 1993

17. Page 5, line 9.

Strike: "UP TO 10%

Insert: "not more than 20% and beginning July 1, 1995, not more than 10%"

18. Page 5, line 19.

Following: line 18

Insert: "(8) A designation determined for aquifer and ground water purposes under subsection (1)(a)(ii), (1)(b)(iv), or (1)(d)(iii) is not limited by time or availability of local tax revenue because of the need for long-term evaluation of aquifer and ground water conditions affected by coal mining."

-END-


SENATE COMMITTEE OF THE WHOLE AMENDMENT

April 12, 1993 8:47 am

Mr. Chairman: I move to amend House Bill No. 350 (third reading copy -- blue).

(ADOPT)

REJECT

Signed: 

Senator Thomas Towe

That such amendments read:

The Senate Standing Committee report dated April 5, 1993, is amended as follows:

Strike: amendments 2, 3, 5, 8, 9, 14, 15, and 18 in their entirety

Amendment #1 is amended as follows:

In the insert

Strike: "INCLUDING COAL-RELATED AQUIFER AND GROUND WATER IMPACTS IN THE DESIGNATION FOR COAL IMPACT GRANTS;"

Amendment #4 is amended as follows:

In the insert

Following: ";

Insert: "or"

Amendment #7 is amended as follows:

Strike: the insert

Insert: "or (1)(b)(iv)"

-END-

SENATE

HB 350

HOUSE BILL NO. 350
INTRODUCED BY MASON, KOEHNKE, HARP,
CLARK, WEEDING, DRISCOLL

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE DESIGNATION OF LOCAL GOVERNMENTS ELIGIBLE FOR COAL IMPACT GRANTS AND LOANS; INCLUDING CERTAIN NEWLY CONSTRUCTED RAILROADS IN THE DESIGNATION FOR COAL IMPACT GRANTS; ~~INCLUDING COAL-RELATED AQUIFER AND GROUND-WATER IMPACTS IN THE DESIGNATION FOR COAL IMPACT GRANTS;~~ PROVIDING THAT LIMITING THE AMOUNT OF GRANTS AND LOANS MUST THAT MAY BE MADE ONLY TO DESIGNATED NONDESIGNATED LOCAL GOVERNMENTS; TRANSFERRING THE UNEXPENDED BALANCE IN THE LOCAL IMPACT ACCOUNT TO SCHOOL EQUALIZATION AID AT THE END OF EACH FISCAL YEAR; AMENDING SECTIONS 90-6-207 AND 90-6-212, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 90-6-207, MCA, is amended to read:
"90-6-207. Priorities for impact grants. (1) The department of commerce shall annually designate:

(a) each county, incorporated city and town, school district, and other governmental unit which that has had or expects to have as a result of the impact of coal development;

~~(i)~~ a net increase in estimated population of at least 10% over one of the 3-year periods specified in subsection (4); OR

~~(ii) CHANGES TO AQUIFERS OR GROUND-WATER CONDITIONS;~~

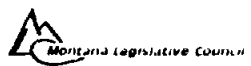
(b) each county and all local governmental units within each county in which:

(i) a mining permit in accordance with the Montana Strip and Underground Mine Reclamation Act has been granted by the department of state lands for a project within the county that will establish a new coal mine to produce at least 1-million 300,000 tons a year and that the department of commerce determines will commence production within 2 years;

(ii) or that will increase the department of commerce has determined that the production of an existing mine will increase by at least 1 million tons a year and for which the department of commerce determines that the new or expanded production authorized by the permit will commence within 3 2 years of the designation; or

(III) A NEWLY CONSTRUCTED RAILROAD SERVES A NEW, EXISTING, OR EXPANDING COAL MINE; OR

~~(iii)(iii)(iv)~~ a certificate of environmental compatibility and public need in accordance with the Montana Major Facility Siting Act has been granted by the board of natural resources and conservation for a new



steam-generating or other new coal-burning facility that will consume at least 1 million tons a year of Montana-mined coal and for which the department of commerce determines the construction or operation will commence within 3 2 years of the designation; OR

~~(V)--AN-EXISTING-MINE-CONTINUES-TO--AFFECT--AQUIPERS--OR--GROUND-WATER-CONDITIONS;~~

(c) each local governmental unit located within 50 100 miles, measured over the shortest all-weather public road, of a mine or facility qualifying under subsection (1)(b)(i), or (1)(b)(ii), or--(1)(b)(iii) (1)(B)(IV), OR--(1)(B)(V) OR (1)(B)(IV); and

(d) each local governmental unit in which:

(i) a mine that has produced 1-million 300,000 tons or more of coal a year and has ceased all significant mining or is scheduled to cease within 1 year; or OR

(ii) a steam-generating or other coal-burning facility that has operated under a certificate of environmental compatibility and public need in accordance with the Montana Major Facility Siting Act and that has consumed at least 1 million tons of Montana-mined coal a year has closed or is scheduled to close within 1 year or

~~(iii)--AQUIPERS--OR--GROUND--WATER--CONDITIONS--MAY--BE AFFECTED-BY-A-MINE-OR-COAL-BURNING-FACILITY--LOCATED--IN--AN ADJACENT-CANADIAN-PROVINCE-OR-IN-AN-ADJACENT-STATE.~~

(2) Designation under subsection (1) of:

(a) any local governmental unit extends to and includes as a designated unit the county in which it is located; and

(b) a county extends to and includes as a designated unit any local governmental unit in the county that contains at least 10% of the total population of the county.

~~(3)--Except-as--provided--in--90-6-205(5)(b),--the--coal board--shall--subject--to--the--appropriations--of--the legislature, award-at-least-50%--of--all--grants--awarded and loans to--governmental-units-and-state-agencies-for-meeting the-needs-caused-by-coal-development-each-year only to-these designated-governmental-units.~~

(3) (A) EXCEPT AS PROVIDED IN 90-6-205(5)(B), EACH-YEAR BEGINNING JULY 1, 1993, AND ENDING JUNE 30, 1995, THE COAL BOARD MAY NOT AWARD MORE THAN 10% 20% OF THE FUNDS APPROPRIATED TO IT EACH YEAR FOR GRANTS AND LOANS TO GOVERNMENTAL UNITS AND STATE AGENCIES FOR MEETING THE NEEDS CAUSED BY COAL DEVELOPMENT TO LOCAL GOVERNMENTAL UNITS OTHER THAN THOSE GOVERNMENTAL UNITS DESIGNATED UNDER SUBSECTION (1).

(B) EXCEPT AS PROVIDED IN 90-6-205(5)(B), BEGINNING JULY 1, 1995, AND THEREAFTER, THE COAL BOARD MAY NOT AWARD MORE THAN 10% OF THE FUNDS APPROPRIATED TO IT EACH YEAR FOR GRANTS AND LOANS TO GOVERNMENTAL UNITS AND STATE AGENCIES FOR MEETING THE NEEDS CAUSED BY COAL DEVELOPMENT TO LOCAL

1 GOVERNMENTAL UNITS OTHER THAN THOSE GOVERNMENTAL UNITS
 2 DESIGNATED UNDER SUBSECTION (1).

3 (4) ~~For EXCEPT--AS-PROVIDED-IN-SUBSECTION-(8),--FOR~~ FOR
 4 the purposes of subsection (1), the department of commerce
 5 shall use five 3-year periods as follows:

6 (a) one consecutive 3-year period ending 2 calendar
 7 years prior to the current calendar year;

8 (b) one consecutive 3-year period ending 1 calendar
 9 year prior to the current calendar year;

10 (c) one consecutive 3-year period ending with the
 11 current calendar year;

12 (d) one consecutive 3-year period ending 1 calendar
 13 year after the current calendar year; and

14 (e) one consecutive 3-year period ending 2 calendar
 15 years after the current calendar year.

16 (5) Attention should be given by the coal board to the
 17 need for community planning before the full impact is
 18 realized. Applicants should be able to show how their
 19 request reasonably fits into an overall plan for the orderly
 20 management of the existing or contemplated growth problems.

21 (6) All funds placed in the local impact account
 22 established under this part shall--be are subject to
 23 appropriations by the legislature for use related to local
 24 impact.

25 (7) ~~All EXCEPT-AS-PROVIDED-IN-SUBSECTION-(8),--AND~~ ALL

1 designations made under this section must be for 1 year. A
 2 designation may not continue after the department of
 3 commerce determines that the mine, RAILROAD, or facility
 4 that provided the basis for a designation is contributing
 5 sufficient tax revenue to the designated government unit to
 6 meet the increased costs of providing the services
 7 necessitated by the development of the mine, RAILROAD, or
 8 facility. HOWEVER, NONDESIGNATED LOCAL GOVERNMENTAL UNITS
 9 CONTINUE TO BE ELIGIBLE FOR COAL IMPACT GRANTS AND LOANS OF
 10 UP-TO-10% NOT MORE THAN 20% AND BEGINNING JULY 1, 1995, NOT
 11 MORE THAN 10% OF THE FUNDS APPROPRIATED TO THE COAL BOARD
 12 FOR GRANTS AND LOANS IN CIRCUMSTANCES IN WHICH:

13 (A) AN IMPACT EXISTS IN A COMMUNITY OR AREA DIRECTLY
 14 AFFECTED BY THE OPERATION OF A COAL MINE OR MINES; AND OR

15 (B) TAX REVENUE IS NOT AVAILABLE TO MITIGATE THE IMPACT
 16 DUE TO THE CLOSURE OF A MINE OR FACILITY. A-designation
 17 under-subsection-(1)(d)(i)-or-(1)(d)(ii)-may-not-be--made--2
 18 years--after--the--date--of--final--closure--of--the-mine-or
 19 facility-

20 (8) --A-DESIGNATION-DETERMINED--FOR--AQUIFER--AND--GROUND
 21 WATER--PURPOSES--UNDER-SUBSECTION-(1)(A)(ii)--(1)(B)(iv)--OR
 22 (1)(B)(iii)--IS-NOT-LIMITED-BY-TIME-OR-AVAILABILITY-OF--LOCAL
 23 TAX--REVENUE-BECAUSE-OF-THE-NEED-FOR-LONG-TERM-EVALUATION-OF
 24 AQUIFER--AND--GROUND--WATER--CONDITIONS--AFFECTED--BY--COAL
 25 MINING."

1 **Section 2.** Section 90-6-212, MCA, is amended to read:

2 "90-6-212. Local impact account -- disposition of loan
3 repayments, interest, and unexpended balances. (1) The money
4 derived from loans made pursuant to this part, including
5 interest thereon, must be deposited to the credit of the
6 local impact account created in 90-6-202.

7 (2) The unexpended money in the local impact account
8 must be invested by the board of investments as provided by
9 statute. Interest and earnings must be deposited to the
10 credit of the state special revenue fund for state
11 equalization aid to public schools of the state.

12 (3) The unexpended balance in the local impact account
13 at the end of each biennium fiscal year must be deposited to
14 the credit of the state special revenue fund for state
15 equalization aid to public schools of the state."

16 NEW SECTION. **Section 3.** Effective date. [This act] is
17 effective July 1, 1993.

-End-