

SENATE BILL 382

Introduced by Weeding

2/12	Introduced
2/12	Referred to Taxation
2/12	First Reading
2/12	Fiscal Note Requested
2/18	Fiscal Note Received
2/18	Fiscal Note Printed
3/04	Hearing
3/15	Tabled in Committee

1 Senate BILL NO. 382

2 INTRODUCED BY Wieding

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOCATING TO THE COAL  
5 BOARD, FOR THE EXCLUSIVE PURPOSE OF FUNDING ONGOING DRUG  
6 INVESTIGATION ACTIVITIES CONDUCTED BY THE DEPARTMENT OF  
7 JUSTICE AND THE EASTERN COAL COUNTIES TASK FORCE, A PORTION  
8 OF THE COAL SEVERANCE TAX CURRENTLY ALLOCATED TO THE LOCAL  
9 IMPACT ACCOUNT; AMENDING SECTION 15-35-108, MCA; AND  
10 PROVIDING AN EFFECTIVE DATE."

11  
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 **Section 1.** Section 15-35-108, MCA, is amended to read:

14 "15-35-108. (Temporary) Disposal of severance taxes.

15 Severance taxes collected under this chapter must be  
16 allocated according to the provisions in effect on the date  
17 the tax is due under 15-35-104. Severance taxes collected  
18 under the provisions of this chapter are allocated as  
19 follows:

20 (1) To the trust fund created by Article IX, section 5,  
21 of the Montana constitution, 50% of total coal severance tax  
22 collections. The trust fund money must be deposited in the  
23 fund established under 17-6-203(6) and invested by the board  
24 of investments as provided by law.

25 (2) Starting July 1, 1992, and ending June 30, 1993,

1 12% of coal severance tax collections are allocated to the  
2 general fund.

3 (3) Coal severance tax collections remaining after the  
4 allocations provided by subsections (1) and (2) are  
5 allocated in the following percentages of the remaining  
6 balance:

7 (a) 17 1/2% to the credit of the local impact account.  
8 Unencumbered funds remaining in the local impact account at  
9 the end of each biennium are allocated to the state special  
10 revenue fund for state equalization aid to public schools of  
11 the state.

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

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

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

18 (e) 0% to a nonexpendable trust fund for the purpose of  
19 parks management. Income from this trust fund must be  
20 appropriated for the development, operation, and maintenance  
21 of any sites and areas described in 23-1-102.

22 (f) 1% to the state special revenue fund to the credit  
23 of the state library commission for the purposes of  
24 providing basic library services for the residents of all  
25 counties through library federations and for payment of the

1 costs of participating in regional and national networking;  
 2 (g) 1/2 of 1% to the state special revenue fund for  
 3 conservation districts;  
 4 (h) 1 1/4% to the debt service fund type to the credit  
 5 of the water development debt service fund;  
 6 (i) 2% to the state special revenue fund for the  
 7 Montana Growth Through Agriculture Act;  
 8 (j) 1 2/3% to the Montana arts council, to be allocated  
 9 as follows:  
 10 (i) 42 1/2% for operating costs; and  
 11 (ii) 57 1/2% to a nonexpendable trust fund for the  
 12 purpose of protection of works of art in the state capitol  
 13 and for other cultural and aesthetic projects. Income from  
 14 this trust fund shall be appropriated for protection of  
 15 works of art in the state capitol and for other cultural and  
 16 aesthetic projects.  
 17 (k) beginning July 1, 1991, and ending June 30, 1993,  
 18 3 1/3% to a special revenue account to be used by the  
 19 department of fish, wildlife, and parks for the development,  
 20 operation, and maintenance of state parks and the  
 21 stabilization and preservation of historic sites within the  
 22 state park system;  
 23 (l) all other revenues from severance taxes collected  
 24 under the provisions of this chapter to the credit of the  
 25 general fund of the state. (Terminates June 30, 1993--sec.

1 3, Ch. 615, L. 1991, and sec. 3, Ch. 8, Sp. L. January  
 2 1992.)  
 3 15-35-108. (Effective July 1, 1993) Disposal of  
 4 severance taxes. Severance taxes collected under this  
 5 chapter must be allocated according to the provisions in  
 6 effect on the date the tax is due under 15-35-104. Severance  
 7 taxes collected under the provisions of this chapter are  
 8 allocated as follows:  
 9 (1) To the trust fund created by Article IX, section 5,  
 10 of the Montana constitution, 50% of total coal severance tax  
 11 collections. The trust fund money must be deposited in the  
 12 fund established under 17-6-203(6) and invested by the board  
 13 of investments as provided by law.  
 14 (2) Starting July 1, 1987, and ending June 30, 2003,  
 15 12% of coal severance tax collections are allocated to the  
 16 highway reconstruction trust fund account in the state  
 17 special revenue fund.  
 18 (3) Coal severance tax collections remaining after  
 19 allocation to the trust fund funds under subsection  
 20 subsections (1) and (2) are allocated in the following  
 21 percentages of the remaining balance:  
 22 (a) 17 1/2% to the credit of the local impact account.  
 23 Of the funds in the local impact account, 18 1/2% are  
 24 allocated to the coal board to be used exclusively to fund  
 25 ongoing drug investigation activities conducted by the

1 department of justice and the eastern coal counties task  
 2 force. Unencumbered funds remaining in the local impact  
 3 account at the end of each biennium are allocated to the  
 4 state special revenue fund for state equalization aid to  
 5 public schools of the state.

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

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

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

12 (e) 3 1/3% to a nonexpendable trust fund for the  
 13 purpose of parks acquisition or management. Income from this  
 14 trust fund must be appropriated for the acquisition,  
 15 development, operation, and maintenance of any sites and  
 16 areas described in 23-1-102.

17 (f) 1% to the state special revenue fund to the credit  
 18 of the state library commission for the purposes of  
 19 providing basic library services for the residents of all  
 20 counties through library federations and for payment of the  
 21 costs of participating in regional and national networking;

22 (g) 1/2 of 1% to the state special revenue fund for  
 23 conservation districts;

24 (h) 1 1/4% to the debt service fund type to the credit  
 25 of the water development debt service fund;

1 (i) 2% to the state special revenue fund for the  
 2 Montana Growth Through Agriculture Act;

3 (j) 1 2/3% to a nonexpendable trust fund for the  
 4 purpose of protection of works of art in the state capitol  
 5 and for other cultural and aesthetic projects. Income from  
 6 this trust fund shall be appropriated for protection of  
 7 works of art in the state capitol and other cultural and  
 8 aesthetic projects.

9 (k) all other revenues from severance taxes collected  
 10 under the provisions of this chapter to the credit of the  
 11 general fund of the state. (Terminates July 1, 2003--sec. 4,  
 12 Ch. 191, L. 1991.)

13 15-35-108. (Effective July 1, 2003) Disposal of  
 14 severance taxes. Severance taxes collected under this  
 15 chapter must be allocated according to the provisions in  
 16 effect on the date the tax is due under 15-35-104. Severance  
 17 taxes collected under the provisions of this chapter are  
 18 allocated as follows:

19 (1) To the trust fund created by Article IX, section 5,  
 20 of the Montana constitution, 50% of total coal severance tax  
 21 collections. The trust fund money must be deposited in the  
 22 fund established under 17-6-203(6) and invested by the board  
 23 of investments as provided by law.

24 (2) Coal severance tax collections remaining after  
 25 allocation to the trust fund under subsection (1) are

1 allocated in the following percentages of the remaining  
2 balance:

3 (a) 17 1/2% to the credit of the local impact account.  
4 Of the funds in the local impact account, 18 1/2% are  
5 allocated to the coal board to be used exclusively to fund  
6 ongoing drug investigation activities conducted by the  
7 department of justice and the eastern coal counties task  
8 force. Unencumbered funds remaining in the local impact  
9 account at the end of each biennium are allocated to the  
10 state special revenue fund for state equalization aid to  
11 public schools of the state.

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

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

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

18 (e) 3 1/3% to a nonexpendable trust fund for the  
19 purpose of parks acquisition or management. Income from this  
20 trust fund must be appropriated for the acquisition,  
21 development, operation, and maintenance of any sites and  
22 areas described in 23-1-102.

23 (f) 1% to the state special revenue fund to the credit  
24 of the state library commission for the purposes of  
25 providing basic library services for the residents of all

1 counties through library federations and for payment of the  
2 costs of participating in regional and national networking;

3 (g) 1/2 of 1% to the state special revenue fund for  
4 conservation districts;

5 (h) 1 1/4% to the debt service fund type to the credit  
6 of the water development debt service fund;

7 (i) 2% to the state special revenue fund for the  
8 Montana Growth Through Agriculture Act;

9 (j) 1 2/3% to a nonexpendable trust fund for the  
10 purpose of protection of works of art in the state capitol  
11 and for other cultural and aesthetic projects. Income from  
12 this trust fund shall be appropriated for protection of  
13 works of art in the state capitol and other cultural and  
14 aesthetic projects.

15 (k) all other revenues from severance taxes collected  
16 under the provisions of this chapter to the credit of the  
17 general fund of the state."

18 NEW SECTION. Section 2. 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 SB0382, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act allocating to the Coal Board, for the exclusive purpose of funding ongoing drug investigation activities conducted by the Department of Justice and Eastern Coal Counties Task Force, a portion of the coal severance tax currently allocated to the local impact account; and providing an effective date.

ASSUMPTIONS:

1. The proposed legislation is applicable to revenues received from production occurring after June 30, 1993 (MDOR).
2. Current law coal severance tax collections are \$40,396,000 in FY94 and \$40,286,000 in FY95 (ROC).
3. Current law coal severance tax allocations to the local impact account are \$2,686,000 in FY94 and \$2,679,000 in FY95 (MDOR).

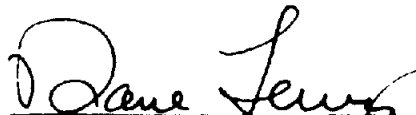
FISCAL IMPACT:

The proposed legislation would allocate approximately \$497,000 in FY94 and \$496,000 in FY95 from the local impact account to the Department of Justice and Eastern Coal Counties Task Force for ongoing drug investigations.

If HB350 is passed, distributions to the local impact account would revert to the school equalization account (SEA). The proposal, therefore, would reduce amounts flowing to the SEA by \$497,000 in FY94 and \$496,000 in FY95. Further reductions are possible if these activities were funded by the coal board under the discretionary grant language in HB350.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

The proposed legislation annually allocates approximately \$500,000 from the local impact account to be used by the Department of Justice and Eastern Coal Counties Task Force for ongoing drug investigations.

 2-17-93  
DAVID LEWIS, BUDGET DIRECTOR      DATE  
Office of Budget and Program Planning

 2/18/93  
CECIL WEEDING, PRIMARY SPONSOR      DATE

Fiscal Note for SB0382, as introduced

SB 382