

HOUSE BILL 12

Introduced by Kasten

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|-------|----------------------------|
| 11/23 | Introduced |
| 11/23 | Fiscal Note Requested |
| 11/24 | Referred to Appropriations |
| 11/29 | First Reading |
| 11/29 | Fiscal Note Received |
| 11/30 | Fiscal Note Printed |
| 11/30 | Hearing |
| 11/30 | Tabled in Committee |

HOUSE BILL NO. 12

INTRODUCED BY KASTEN

BY REQUEST OF THE GOVERNOR

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT REVENUE RECEIVED FROM THE SALE OF TIMBER ON STATE TRUST LANDS, EXCEPT LANDS GRANTED TO A STATE HIGHER EDUCATIONAL INSTITUTION, BE DEPOSITED TO THE CREDIT OF THE STATE SPECIAL REVENUE FUND; AMENDING SECTION 17-3-1003, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 17-3-1003, MCA, is amended to read:

"17-3-1003. (Temporary) Support of state institutions.

(1) For the support and endowment of each state institution, there is annually and perpetually appropriated, after any deductions made under Title 77, chapter 1, part 6, the income from all permanent endowments for the institution and from all land grants as provided by law. All money received or collected in connection with permanent endowments by all higher educational institutions, reformatory, custodial and penal institutions, state hospitals, and sanitariums, for any purpose whatever, except ~~revenues~~ revenue pledged to secure the payment of principal and interest of obligations incurred for the purchase, construction, equipment, or

improvement of facilities at units of the Montana university system and for the refunding of obligations or money that constitutes temporary deposits, all or part of which may be subject to withdrawal or repayment, must be paid over to the state treasurer who shall deposit the money to the credit of the proper fund.

(2) Except as provided in subsection (3), all money received from the investment of grants of a state institution and all money received from the leasing of lands granted to a state institution must be deposited with the state treasurer of Montana for each institution, to the credit of the state special revenue fund.

(3) All money received from the sale of timber from lands granted to a state higher educational institution must be deposited to the credit of the permanent trust fund for the support of the higher educational institution. (Terminates June 30, 1995--sec. 12, Ch. 533, L. 1993.)

17-3-1003. (Effective July 1, 1995) Support of state institutions. (1) For the support and endowment of each state institution, there is annually and perpetually appropriated the income from all permanent endowments ~~therefor~~ for the institution and from all land grants as provided by law. All ~~moneys~~ money received or collected in connection with ~~such~~ permanent endowments by all higher educational institutions, reformatory, custodial and penal

institutions, state hospitals, and sanitariums, for any purpose whatever, except ~~revenues~~ revenue pledged to secure the payment of principal and interest of obligations incurred for the purchase, construction, equipment, or improvement of facilities at units of the Montana university system and for the refunding of ~~such~~ obligations or ~~moneys~~ which---may---constitute money that constitutes temporary deposits, all or part of which may be subject to withdrawal or repayment, ~~shall~~ must be paid over to the state treasurer who shall deposit the ~~same~~ money to the credit of the proper fund.

(2) Except as provided in subsection (3), all money received from the investment of grants of a state institution and all money received from the leasing of lands granted to a state institution ~~shall~~ must be deposited with the state treasurer of Montana for each ~~of-such-institutions~~ institution, to the credit of the state special revenue fund.

(3) All money received from the sale of timber from lands granted to a state higher educational institution must be deposited to the credit of the permanent trust fund for the support of the higher educational institution."

NEW SECTION. **Section 2.** Effective date. [This act] is effective January 1, 1994.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0012, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act providing that revenue from the sale of timber on state trust lands, except lands granted to a higher educational institution, be deposited to the credit of the state special revenue fund; amending section 17-7-1003, MCA; and providing an effective date.

ASSUMPTIONS:

1. This bill will allow timber sale revenues on state trust lands designated for the Pine Hills school and the Montana School for the Deaf and Blind to be deposited in the state special revenue funds of these agencies.
2. Total timber sale revenues from non public school state trust lands will be \$910,000 in FY94 and \$1,660,000 in FY95.
3. The distribution of timber sale revenue on non public school trust lands is represented by the FY93 revenues, 5.6 percent to Pine Hills and .8 percent to the School for the Deaf and Blind.
4. Interest lost to the trust fund will be the difference between the short term rates received on funds in the state special account of 3.27% in FY94 and 3.78% in FY95 and long term rates received on funds in the trust fund of 6.99% in FY94 and 6.97% in FY95.

FISCAL IMPACT:Revenues:

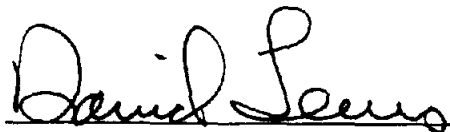
| | FY '94 | | | FY '95 | | |
|---------------------------|----------------|----------------|-----------------|----------------|----------------|------------------|
| | Current Law | Proposed Law | Difference | Current Law | Proposed Law | Difference |
| State Special Revenue | | | | | | |
| School for Deaf and Blind | 199,000 | 202,600 | 3,600 | 207,000 | 220,200 | 13,200 |
| Pine Hills | 234,600 | 260,100 | 25,500 | 234,600 | 327,500 | 92,900 |
| Trust Funds | <u>615,000</u> | <u>585,629</u> | <u>(29,371)</u> | <u>615,000</u> | <u>505,174</u> | <u>(109,826)</u> |
| Total | 0 | 0 | (271) | 0 | 0 | (3,726) |
| General Fund Savings | | | 29,100 | | | 106,100 |

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

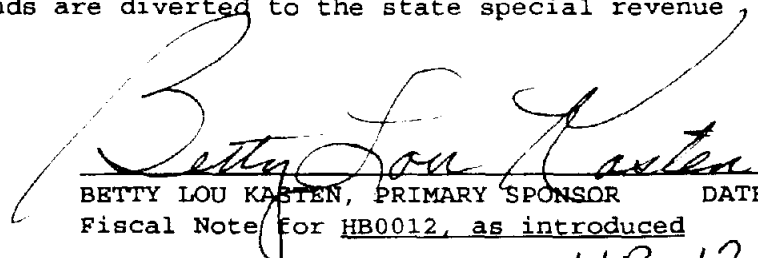
None

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Future trust fund interest revenues will be less as deposits of timber funds are diverted to the state special revenue account.



DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning



BETTY LOU KASTEN, PRIMARY SPONSOR DATE
Fiscal Note for HB0012, as introduced

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