

1 HOUSE BILL NO. 19

2 INTRODUCED BY BERGSAGEL

3 BY REQUEST OF THE GOVERNOR'S OFFICE OF BUDGET AND PROGRAM PLANNING

4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOCATING COAL TAX REVENUE TO THE LONG-RANGE
 6 BUILDING PROGRAM; ESTABLISHING A LONG-RANGE BUILDING PROGRAM ACCOUNT; TERMINATING
 7 THE ALLOCATION OF COAL TAX REVENUE TO HIGHWAY RECONSTRUCTION; TRANSFERRING FUNDS
 8 FROM THE LONG-RANGE BUILDING PROGRAM ACCOUNT TO THE GENERAL FUND UPON OCCURRENCE
 9 OF A CONTINGENCY; AMENDING SECTIONS 15-35-108 AND 16-11-119, MCA, AND SECTIONS 1 AND
 10 4, CHAPTER 191, LAWS OF 1991; AND PROVIDING AN EFFECTIVE DATE."

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

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

15 **"15-35-108. (Temporary) Disposal of severance taxes.** Severance taxes collected under this
 16 chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

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

21 (2) ~~Starting July 1, 1987, and ending June 30, 2003, 12%~~ Twelve percent of coal severance tax
 22 collections are allocated to the ~~highway reconstruction trust fund~~ long-range building program account in
 23 ~~the state special revenue fund~~ established in [section 3].

24 (3) Coal severance tax collections remaining after allocation ~~to the trust fund~~ under ~~subsection~~
 25 subsections (1) and (2) are allocated in the following percentages of the remaining balance:

26 (a) 17½ % to the credit of the local impact account. Unencumbered funds remaining in the local
 27 impact account at the end of each biennium are allocated to the state special revenue fund for state
 28 equalization aid to public schools of the state.

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

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

1 (d) 1¼ % to the credit of the renewable resource development bond fund;

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

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

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

9 (h) 1¼ % to the debt service fund type to the credit of the renewable resource loan debt service
10 fund;

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

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

15 (k) beginning July 1, 1993, and ending June 30, 1995, 3 1/3% to a special revenue account to
16 be used by the department of fish, wildlife, and parks for the stabilization and preservation of historic and
17 cultural sites within the state park system;

18 (l) all other ~~revenues~~ revenue from severance taxes collected under the provisions of this chapter
19 to the credit of the general fund of the state. (Terminates June 30, 1995--sec. 4, Ch. 536, L. 1993.)

20 **15-35-108. (Effective July 1, 1995) Disposal of severance taxes.** Severance taxes collected under
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2 impact account at the end of each biennium are allocated to the state special revenue fund for state
3 equalization aid to public schools of the state.

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

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

6 (d) 1¼% to the credit of the renewable resource development bond fund;

7 (e) 3 1/3% to a nonexpendable trust fund for the purpose of parks acquisition or management.

8 Income from this trust fund must be appropriated for the acquisition, development, operation, and
9 maintenance of any sites and areas described in 23-1-102.

10 (f) 1% to the state special revenue fund to the credit of the state library commission for the
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15 fund;

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

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18 capitol and for other cultural and aesthetic projects. Income from this trust fund shall must be appropriated
19 for protection of works of art in the state capitol and other cultural and aesthetic projects.

20 (k) all other ~~revenues~~ revenue from severance taxes collected under the provisions of this chapter
21 to the credit of the general fund of the state. (~~Terminates July 1, 2003 see. 4, Ch. 191, L. 1991.~~)

22 ~~15-35-108. (Effective July 1, 2003) Disposal of severance taxes. Severance taxes collected under~~
23 ~~this chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:~~

24 ~~(1) To the trust fund created by Article IX, section 5, of the Montana constitution, 50% of total~~
25 ~~coal severance tax collections. The trust fund money must be deposited in the fund established under~~
26 ~~17-6-203(6) and invested by the board of investments as provided by law.~~

27 ~~(2) Coal severance tax collections remaining after allocation to the trust fund under subsection (1)~~
28 ~~are allocated in the following percentages of the remaining balance:~~

29 ~~(a) 17½% to the credit of the local impact account. Unencumbered funds remaining in the local~~
30 ~~impact account at the end of each biennium are allocated to the state special revenue fund for state~~

- 1 equalization aid to public schools of the state.
- 2 ~~(b) 30% to the state special revenue fund for state equalization aid to public schools of the state;~~
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- 5 ~~(e) 3 1/3% to a nonexpendable trust fund for the purpose of parks acquisition or management.~~
- 6 ~~Income from this trust fund must be appropriated for the acquisition, development, operation, and~~
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- 9 ~~purposes of providing basic library services for the residents of all counties through library federations and~~
- 10 ~~for payment of the costs of participating in regional and national networking;~~
- 11 ~~(g) 1/2 of 1% to the state special revenue fund for conservation districts;~~
- 12 ~~(h) 1¼% to the debt service fund type to the credit of the renewable resource loan debt service~~
- 13 ~~fund;~~
- 14 ~~(i) 2% to the state special revenue fund for the Montana Growth Through Agriculture Act;~~
- 15 ~~(j) 1 2/3% to a nonexpendable trust fund for the purpose of protection of works of art in the state~~
- 16 ~~capitol and for other cultural and aesthetic projects. Income from this trust fund shall be appropriated for~~
- 17 ~~protection of works of art in the state capitol and other cultural and aesthetic projects.~~
- 18 ~~(k) all other revenues from severance taxes collected under the provisions of this chapter to the~~
- 19 ~~credit of the general fund of the state."~~

20

21 **Section 2.** Section 16-11-119, MCA, is amended to read:

22 **"16-11-119. Disposition of taxes -- retirement of bonds.** (1) The amount of 11.11% of the

23 cigarette tax collected under the provisions of 16-11-111 on each package of cigarettes must be deposited

24 in the state special revenue fund to the credit of the department of corrections and human services for the

25 operation and maintenance of state veterans' nursing homes.

26 (2) All remaining revenue collected under the provisions of 16-11-111, less the expense of

27 collecting the taxes, must, in accordance with the provisions of 15-1-501(6), be deposited as follows:

28 (a) ~~79.25%~~ 79.75% in the long-range building program fund in the debt service fund type; and

29 (b) 20.25% in the long-range building program ~~fund in the capital projects fund type~~ account

30 provided for in [section 3]."

1 **NEW SECTION. Section 3. Long-range building program account.** (1) There is a long-range
2 building program account in the capital projects fund type.

3 (2) Cigarette tax revenue deposited in the account pursuant to 16-11-119 must be obligated prior
4 to obligating other funds in the account.

5 (3) Coal severance taxes allocated to the account under 15-35-108 may be appropriated for the
6 long-range building program or debt service payments on building projects. Coal severance taxes required
7 for general obligation bond debt service may be transferred to the debt service fund.

8 (4) Interest earnings, project carryover funds, administrative fees, and miscellaneous revenue must
9 be retained in the account.

10

11 **Section 4.** Section 1, Chapter 191, Laws of 1991, is amended to read:

12 "Section 1. Section 7, Chapter 541, Laws of 1983, is amended to read:

13 "Section 7. **Effective date -- termination date.** Sections 1 through 5 are effective July 1, 1983,
14 and sections 1 through 4 terminate July 1, ~~1993~~ 2003 1995."

15

16 **Section 5.** Section 4, Chapter 191, Laws of 1991, is amended to read:

17 "Section 4. **Effective date -- applicability -- termination date.** (1) [This act] is effective on passage
18 and approval.

19 (2) [Section 1] applies retroactively, within the meaning of 1-2-109, to April 16, 1983.

20 (3) [Sections 1 through 3] terminate July 1, ~~2003~~ 1995."

21

22 **NEW SECTION. Section 6. Contingent fund transfer.** If prior to June 30, 1996, there is sufficient
23 money in the account, the state treasurer shall transfer \$5,200,000 from the long-range building program
24 account to the general fund.

25

26 **NEW SECTION. Section 7. Codification instruction.** [Section 3] is intended to be codified as an
27 integral part of Title 17, chapter 7, part 2, and the provisions of Title 17, chapter 7, part 2, apply to
28 [section 3].

29

30 **NEW SECTION. Section 8. Effective date.** [This act] is effective July 1, 1995.

1

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0019, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act allocating coal tax revenue to the Long-Range Building Program, establishing a building program account, terminating the allocation of coal tax revenue to the highway reconstruction trust fund, and transferring funds from the building program account to the general fund in FY96.

ASSUMPTIONS:

1. Total coal severance tax collections are \$44,854,000 in FY96 and \$42,359,000 in FY97 (ROC).
2. Twelve (12) percent of coal severance tax collections will be allocated to the long-range building program account effective July 1, 1995, that is, \$5,382,000 in FY96 and \$5,083,000 in FY97, rather than to the highway reconstruction trust fund.
3. Interest earnings will be retained in this account. Interest earnings will be .0529% in FY96 and .0559% in FY97 (ROC).
4. All funds in this account may be appropriated for long-range building program projects or for debt service payments on building projects.
5. In June 1996, there will be a transfer of \$5,200,000 from this account to the general fund.
6. The remaining funds will be used for debt service payments on building projects or for major maintenance projects as appropriated by the Legislature.

FISCAL IMPACT:

Revenues:

	<u>FY96</u> <u>Difference</u>	<u>FY97</u> <u>Difference</u>
LRBP Account		
CST	5,382,000	5,083,000
Transfer to General Fund	(5,200,000)	0
Interest Earnings	<u>156,710</u>	<u>175,440</u>
Total	338,710	5,258,440
Highway Trust	(5,382,000)	(5,083,000)
General Fund	5,200,000	0

Dave Lewis 1-6-95
 DAVE LEWIS, BUDGET DIRECTOR DATE
 Office of Budget and Program Planning

Ernest Bergsagel
 ERNEST BERGSAGEL, PRIMARY SPONSOR DATE

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19 ~~credit of the general fund of the state."~~

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21 **Section 2.** Section 16-11-119, MCA, is amended to read:

22 **"16-11-119. Disposition of taxes -- retirement of bonds.** (1) The amount of 11.11% of the

23 cigarette tax collected under the provisions of 16-11-111 on each package of cigarettes must be deposited

24 in the state special revenue fund to the credit of the department of corrections and human services for the

25 operation and maintenance of state veterans' nursing homes.

26 (2) All remaining revenue collected under the provisions of 16-11-111, less the expense of

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1 **NEW SECTION. Section 3. Long-range building program account.** (1) There is a long-range
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3 (2) Cigarette tax revenue deposited in the account pursuant to 16-11-119 must be obligated prior
4 to obligating other funds in the account.

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6 long-range building program or debt service payments on building projects. Coal severance taxes required
7 for general obligation bond debt service may be transferred to the debt service fund.

8 (4) Interest earnings, project carryover funds, administrative fees, and miscellaneous revenue must
9 be retained in the account.

10

11 **Section 4.** Section 1, Chapter 191, Laws of 1991, is amended to read:

12 "Section 1. Section 7, Chapter 541, Laws of 1983, is amended to read:

13 "Section 7. **Effective date -- termination date.** Sections 1 through 5 are effective July 1, 1983,
14 and sections 1 through 4 terminate July 1, ~~1993~~ 2003 1995."

15

16 **Section 5.** Section 4, Chapter 191, Laws of 1991, is amended to read:

17 "Section 4. **Effective date -- applicability -- termination date.** (1) [This act] is effective on passage
18 and approval.

19 (2) [Section 1] applies retroactively, within the meaning of 1-2-109, to April 16, 1983.

20 (3) [Sections 1 through 3] terminate July 1, ~~2003~~ 1995."

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22 **NEW SECTION. Section 6. Contingent fund transfer.** If prior to June 30, 1996, there is sufficient
23 money in the account, the state treasurer shall transfer \$5,200,000 from the long-range building program
24 account to the general fund.

25

26 **NEW SECTION. Section 7. Codification instruction.** [Section 3] is intended to be codified as an
27 integral part of Title 17, chapter 7, part 2, and the provisions of Title 17, chapter 7, part 2, apply to
28 [section 3].

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30 **NEW SECTION. Section 8. Effective date.** [This act] is effective July 1, 1995.

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THERE ARE NO CHANGES IN THIS BILL AND IT WILL NOT BE REPRINTED. PLEASE REFER TO SECOND READING COPY (YELLOW) FOR COMPLETE TEXT.

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

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

9 (h) 1 ¼ % to the debt service fund type to the credit of the renewable resource loan debt service
10 fund;

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

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

15 (k) beginning July 1, 1993, and ending June 30, 1995, 3 1/3% to a special revenue account to
16 be used by the department of fish, wildlife, and parks for the stabilization and preservation of historic and
17 cultural sites within the state park system;

18 (l) all other ~~revenues~~ revenue from severance taxes collected under the provisions of this chapter
19 to the credit of the general fund of the state. (Terminates June 30, 1995--sec. 4, Ch. 536, L. 1993.)

20 **15-35-108. (Effective July 1, 1995) Disposal of severance taxes.** Severance taxes collected under
21 this chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

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

26 (2) ~~Starting July 1, 1987, and ending June 30, 2003, 12% Twelve percent~~ of coal severance tax
27 collections are allocated to the ~~highway reconstruction trust fund~~ long-range building program account ~~in~~
28 ~~the state special revenue fund~~ established in [section 3].

29 (3) Coal severance tax collections remaining after allocation ~~to the trust fund~~ under ~~subsection~~
30 subsections (1) and (2) are allocated in the following percentages of the remaining balance:

1 (a) 17½% to the credit of the local impact account. Unencumbered funds remaining in the local
2 impact account at the end of each biennium are allocated to the state special revenue fund for state
3 equalization aid to public schools of the state.

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

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

6 (d) 1¼% to the credit of the renewable resource development bond fund;

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

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

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

14 (h) 1¼% to the debt service fund type to the credit of the renewable resource loan debt service
15 fund;

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

17 (j) 1 2/3% to a nonexpendable trust fund for the purpose of protection of works of art in the state
18 capitol and for other cultural and aesthetic projects. Income from this trust fund shall must be appropriated
19 for protection of works of art in the state capitol and other cultural and aesthetic projects.

20 (k) all other ~~revenuee~~ revenue from severance taxes collected under the provisions of this chapter
21 to the credit of the general fund of the state. ~~(Terminates July 1, 2003 see 4, Ch. 191, L. 1991.)~~

22 ~~15-35-108. (Effective July 1, 2003) Disposal of severance taxes. Severance taxes collected under~~
23 ~~this chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:~~

24 ~~(1) To the trust fund created by Article IX, section 5, of the Montana constitution, 50% of total~~
25 ~~coal severance tax collections. The trust fund money must be deposited in the fund established under~~
26 ~~17-6-203(6) and invested by the board of investments as provided by law.~~

27 ~~(2) Coal severance tax collections remaining after allocation to the trust fund under subsection (1)~~
28 ~~are allocated in the following percentages of the remaining balance:~~

29 ~~(a) 17½% to the credit of the local impact account. Unencumbered funds remaining in the local~~
30 ~~impact account at the end of each biennium are allocated to the state special revenue fund for state~~

1 ~~equalization aid to public schools of the state.~~

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

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

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

5 ~~(e) 3 1/3% to a nonexpendable trust fund for the purpose of parks acquisition or management.~~

6 ~~Income from this trust fund must be appropriated for the acquisition, development, operation, and~~

7 ~~maintenance of any sites and areas described in 23-1-102.~~

8 ~~(f) 1% to the state special revenue fund to the credit of the state library commission for the~~

9 ~~purposes of providing basic library services for the residents of all counties through library federations and~~

10 ~~for payment of the costs of participating in regional and national networking;~~

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

12 ~~(h) 1% to the debt service fund type to the credit of the renewable resource loan debt service~~

13 ~~fund;~~

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

15 ~~(j) 1 2/3% to a nonexpendable trust fund for the purpose of protection of works of art in the state~~

16 ~~capitol and for other cultural and aesthetic projects. Income from this trust fund shall be appropriated for~~

17 ~~protection of works of art in the state capitol and other cultural and aesthetic projects.~~

18 ~~(k) all other revenues from severance taxes collected under the provisions of this chapter to the~~

19 ~~credit of the general fund of the state."~~

20

21 **Section 2.** Section 16-11-119, MCA, is amended to read:

22 **"16-11-119. Disposition of taxes -- retirement of bonds.** (1) The amount of 11.11% of the

23 cigarette tax collected under the provisions of 16-11-111 on each package of cigarettes must be deposited

24 in the state special revenue fund to the credit of the department of corrections and human services for the

25 operation and maintenance of state veterans' nursing homes.

26 (2) All remaining revenue collected under the provisions of 16-11-111, less the expense of

27 collecting the taxes, must, in accordance with the provisions of 15-1-501(6), be deposited as follows:

28 (a) ~~79.25%~~ 79.75% in the long-range building program fund in the debt service fund type; and

29 (b) 20.25% in the long-range building program fund ~~in the capital projects fund type~~ account

30 provided for in [section 3]."

1 **NEW SECTION. Section 3. Long-range building program account.** (1) There is a long-range
2 building program account in the capital projects fund type.

3 (2) Cigarette tax revenue deposited in the account pursuant to 16-11-119 must be obligated prior
4 to obligating other funds in the account.

5 (3) Coal severance taxes allocated to the account under 15-35-108 may be appropriated for the
6 long-range building program or debt service payments on building projects. Coal severance taxes required
7 for general obligation bond debt service may be transferred to the debt service fund.

8 (4) Interest earnings, project carryover funds, administrative fees, and miscellaneous revenue must
9 be retained in the account.

10
11 **Section 4.** Section 1, Chapter 191, Laws of 1991, is amended to read:

12 "Section 1. Section 7, Chapter 541, Laws of 1983, is amended to read:

13 "Section 7. **Effective date -- termination date.** Sections 1 through 5 are effective July 1, 1983,
14 and sections 1 through 4 terminate July 1, ~~1993~~ 2003 1995."

15
16 **Section 5.** Section 4, Chapter 191, Laws of 1991, is amended to read:

17 "Section 4. **Effective date -- applicability -- termination date.** (1) [This act] is effective on passage
18 and approval.

19 (2) [Section 1] applies retroactively, within the meaning of 1-2-109, to April 16, 1983.

20 (3) [Sections 1 through 3] terminate July 1, ~~2003~~ 1995."

21
22 **NEW SECTION. Section 6. Contingent fund transfer.** If prior to June 30, 1996, there is sufficient
23 money in the account, the state treasurer shall transfer \$5,200,000 from the long-range building program
24 account to the general fund.

25
26 **NEW SECTION. Section 7. Codification instruction.** [Section 3] is intended to be codified as an
27 integral part of Title 17, chapter 7, part 2, and the provisions of Title 17, chapter 7, part 2, apply to
28 [section 3].

29
30 **NEW SECTION. Section 8. Effective date.** [This act] is effective July 1, 1995.

-END-