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## HOUSE BILL NO. 30

2

INTRODUCED BY HARPER

3

BY REQUEST OF THE BOARD OF INVESTMENTS

4

5 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE PORTION OF THE PERMANENT COAL TAX  
6 TRUST FUND AVAILABLE TO THE BOARD OF INVESTMENTS FOR THE IN-STATE INVESTMENT  
7 PROGRAM; AND AMENDING SECTION 17-6-305, MCA."

8

9 WHEREAS, state law authorizes the Board of Investments to invest up to 25% of the permanent  
10 coal tax trust fund established in section 17-6-203(6), MCA, in the Montana economy, with special  
11 emphasis on investments in new or expanding locally owned enterprises; and

12 WHEREAS, state law also authorizes the Montana Board of Science and Technology Development  
13 to invest \$23.6 million of the permanent coal tax trust fund established in section 17-6-203(6), MCA, in  
14 seed capital project loans and in research and development project loans; and

15 WHEREAS, the Legislature has established in section 17-5-703(1), MCA, several funds within the  
16 permanent coal tax trust fund; and

17 WHEREAS, it is unclear whether the Legislature intended these funds to be included in the total  
18 permanent coal tax trust fund for purposes of calculating the 25% available to the Board of Investments  
19 for the in-state investment program.

20

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

22

23 Section 1. Section 17-6-305, MCA, is amended to read:

24 **"17-6-305. Investment of up to twenty-five percent of coal tax trust fund in Montana economy**  
25 **-- report by board.** (1) Subject to the provisions of 17-6-201(1), the board shall endeavor to invest up  
26 to 25% of the permanent coal tax trust fund established in 17-6-203(6) in the Montana economy, with  
27 special emphasis on investments in new or expanding locally owned enterprises. For purposes of  
28 calculating the 25% of the permanent coal tax trust fund, the board shall include all funds listed in  
29 17-5-703(1). The portion of the permanent coal tax trust fund administered by the Montana board of  
30 science and technology development pursuant to 17-6-308(3) may not be included in the 25% of the trust

1 fund allocated to the board for in-state investment under this section.

(2) In determining the probable income to be derived from investment of this revenue, the long-term benefit to the Montana economy must be considered.

4 (3) The legislature may provide additional procedures to implement this section.

5 (4) The board shall include a report on the investments made under this section as a part of the  
6 information required by 17-7-111."

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0030, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act clarifying the portion of the permanent coal tax trust fund available to the Board of Investments for the in-state investment program.

ASSUMPTIONS:

1. All subfunds listed in 17-5-703(1), MCA, are included in the permanent coal tax trust fund, including: 1) the coal severance bond fund; 2) the coal severance tax school bond contingency loan fund; 3) the coal severance tax income fund; 4) the treasure state endowment fund; and 5) the coal severance tax permanent fund.
2. Although all subfunds within the trust fund will be used for purposes of calculating the 25% available for the in-state investment program, actual in-state investments will be made only from the permanent fund.
3. The \$23.6 million allocated to the Board of Science and Technology development in 17-6-308(3), MCA, is not included in the 25% of the coal severance tax trust fund available to the Board of Investments for the in-state investment program

FISCAL IMPACT:

Because this bill provides clarification, and the Board of Investments is currently making the calculations according to the amended section, there is no fiscal impact as a result of this bill.

*David Lewis* 12-5-95  
DAVE LEWIS, BUDGET DIRECTOR DATE  
Office of Budget and Program Planning

*Hal Harper* 12/3/95  
HAL HARPER, PRIMARY SPONSOR DATE

Fiscal Note for HB0030, as introduced

HB 30

APPROVED BY COMMITTEE  
ON BUSINESS AND LABOR

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