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*those* BILL NO. *528*

INTRODUCED BY *Taylor M. Hanson Storall* *et al Bergman*

*Neubork*

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A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE FUNDING OF HIGHWAYS IN THE COAL-IMPACTED AREAS OF THE STATE; APPROPRIATING MONEY FROM THE HIGHWAY SPECIAL REVENUE ACCOUNT AND THE LOCAL IMPACT ACCOUNT TO THE DEPARTMENT OF TRANSPORTATION FOR THE RECONSTRUCTION OF MONTANA HIGHWAY 314; ALLOCATING A PORTION OF THE COAL SEVERANCE TAX TO THE COAL AREA HIGHWAY IMPROVEMENT ACCOUNT; AMENDING SECTIONS 15-35-108 AND 90-6-202, MCA; AND PROVIDING AN EFFECTIVE DATE."

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WHEREAS, the Big Horn County Board of Commissioners, in a resolution adopted on December 22, 1994, urged the 54th Legislature to support a request from Big Horn County for the allocation of \$10.5 million to be used for the expeditious reconstruction of a portion of Montana Highway 314 between Decker and Busby, Montana.

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

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**NEW SECTION.** **Section 1. Appropriation.** (1) There is appropriated to the department of transportation for the biennium beginning July 1, 1995:

20

(a) \$5.5 million from the state highway account in the state special revenue fund; and

21

(b) \$5 million from the local impact account in the state special revenue fund.

22

(2) The department of transportation shall use the money to reconstruct 13 miles of Montana highway 314 between Decker and Busby, Montana.

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**Section 2.** Section 15-35-108, MCA, is amended to read:

26

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

28

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

29

30

1 investments as provided by law.

2 (2) Starting July 1, 1987, and ending June 30, 2003, ~~12%~~ 6% of coal severance tax collections  
3 are allocated to the highway reconstruction trust fund account in the state special revenue fund.

4 (3) Coal severance tax collections remaining after allocation to the trust fund under subsection (1)  
5 are allocated in the following percentages of the remaining balance:

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

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

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

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

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

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

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

19 (h) 1 1/4% to the debt service fund type to the credit of the renewable resource loan debt service  
20 fund;

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

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

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

28 (l) 6% to the state special revenue fund to the credit of the coal area highway improvement  
29 account;

30 ~~(l)(m)~~ all other ~~revenues~~ revenue from severance taxes collected under the provisions of this

1 chapter to the credit of the general fund of the state. (Terminates June 30, 1995--sec. 4, Ch. 536, L.  
2 1993.)

3 **15-35-108. (Effective July 1, 1995) Disposal of severance taxes.** Severance taxes collected under  
4 this chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

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

9 (2) Starting July 1, 1987, and ending June 30, 2003, ~~12%~~ 6% of coal severance tax collections  
10 are allocated to the highway reconstruction trust fund account in the state special revenue fund.

11 (3) Coal severance tax collections remaining after allocation to the trust fund under subsection (1)  
12 are allocated in the following percentages of the remaining balance:

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

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

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

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

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

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

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26 (h) 1 1/4% to the debt service fund type to the credit of the renewable resource loan debt service  
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30 capitol and for other cultural and aesthetic projects. Income from this trust fund ~~shall~~ must be appropriated

1 for protection of works of art in the state capitol and other cultural and aesthetic projects.

2 (k) 6% to the state special revenue fund to the credit of the coal area highway improvement  
3 account;

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

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

8 (1) ~~To Fifty percent of total coal severance tax collections are allocated to the trust fund created~~  
9 ~~by Article IX, section 5, of the Montana constitution, 50% of total coal severance tax collections.~~ The trust  
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11 investments as provided by law.

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

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

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

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

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

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

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

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

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

27 (h) 1 1/4% to the debt service fund type to the credit of the renewable resource loan debt service  
28 fund;

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

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

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

3 (k) 6% to the state special revenue fund to the credit of the coal area highway improvement  
4 account;

5 ~~(k)(l)~~ all other revenues revenue from severance taxes collected under the provisions of this chapter  
6 to the credit of the general fund of the state."

7  
8 **Section 3.** Section 90-6-202, MCA, is amended to read:

9 **"90-6-202. Accounts established.** (1) There is within the state special revenue fund a local impact  
10 account. ~~Moneys are~~ Money is payable into this account under 15-35-108. The state treasurer shall draw  
11 warrants from this account upon order of the coal board.

12 (2) There is within the state special revenue fund a coal area highway improvement account.  
13 Money is payable into this account under 15-35-108. Money in the account must be invested by the board  
14 of investments. Interest and earnings must be deposited in the account. The state treasurer shall draw  
15 warrants from this account upon order of the department of transportation."

16  
17 NEW SECTION. **Section 4. Effective date.** [This act] is effective July 1, 1995.

18 -END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0528, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act revising the funding of highways in the coal-impacted areas of the state; appropriating money from the highway special revenue account and the local impact account to the Department of Transportation for the reconstruction of Montana highway 314; and allocating a portion of the coal severance tax to the coal area highway improvement account.

ASSUMPTIONS:

1. Total coal severance tax collections are \$44,854,000 in FY96 and \$42,359,000 in FY97 (ROC).
2. The fiscal impact of HB528 is reflected relative to pending executive budget proposals or legislative actions to date.
3. HB19, by request of the Office of Budget and Program Planning, would reallocate 12% coal severance tax revenues from the reconstruction trust fund to the general fund in FY96 and to the long-range building program in FY97 and thereafter.
4. Actions on the general appropriations act by the joint subcommittee on natural resources have eliminated all revenues into the local impact account. Prior to this action, approximately \$4.2 million was available for projects at the discretion of the state coal board.
5. The Decker-Busby project would be in addition to the 1997 biennium construction plan as approved by the state transportation commission.
6. Expenditures would be equal to the lower of the appropriations provided by HB528 or revenues available in the affected accounts. There would be no revenues available in the local impact account for the appropriation provided in this bill.
7. Expenditures are equally split between the two fiscal years for presentation purposes only. It is unlikely that a construction project of this magnitude could be completed within the 1997 biennium.

FISCAL IMPACT:

Expenditures:

	<u>FY96</u>	<u>FY97</u>
	<u>Difference</u>	<u>Difference</u>
Local Impact Account (02)	0	0
Highway Special Revenues (02)	<u>2,750,000</u>	<u>2,750,000</u>
Total	2,750,000	2,750,000

Revenues:

General Fund (01)	(2,690,000)	0
Coal Area Impr. Account (02)	2,690,000	2,540,000
Long Range Building (05)	<u>0</u>	<u>(2,540,000)</u>
Total	0	0

Net Impact: (revenues less expenditures)

General Fund (01)	(2,690,000)	0
Highway Special Revenues (02)	(2,750,000)	(2,750,000)
Coal Area Impr. Account (02)	2,690,000	2,540,000
Long-Range Building (05)	<u>0</u>	<u>(2,540,000)</u>
Total	(2,750,000)	(2,750,000)

*Dave Lewis* 2-22-95  
 DAVE LEWIS, BUDGET DIRECTOR      DATE  
 Office of Budget and Program Planning

\_\_\_\_\_  
 LILA TAYLOR, PRIMARY SPONSOR      DATE

Fiscal Note for HB0528, as introduced  
HB 528

APPROVED BY COM ON  
APPROPRIATIONS

1 HOUSE BILL NO. 528

2 INTRODUCED BY TAYLOR, M. HANSON, STOVALL, JABS, BERGMAN, MURDOCK

3  
4 A BILL FOR AN ACT ENTITLED: "~~AN ACT REVISING THE FUNDING OF HIGHWAYS IN THE~~  
5 ~~GOAL IMPACTED AREAS OF THE STATE; APPROPRIATING MONEY FROM THE HIGHWAY SPECIAL~~  
6 ~~REVENUE ACCOUNT AND THE LOCAL IMPACT ACCOUNT RECEIVED FROM BIG HORN COUNTY TO THE~~  
7 DEPARTMENT OF TRANSPORTATION FOR THE RECONSTRUCTION OF MONTANA HIGHWAY 314;  
8 ~~ALLOCATING A PORTION OF THE COAL SEVERANCE TAX TO THE COAL AREA HIGHWAY~~  
9 ~~IMPROVEMENT ACCOUNT; AMENDING SECTIONS 15-35-108 AND 90-6-202, MCA; AND PROVIDING AN~~  
10 EFFECTIVE DATE."

11  
12 WHEREAS, the Big Horn County Board of Commissioners, in a resolution adopted on December 22,  
13 1994, urged the 54th Legislature to support a request from Big Horn County ~~for the allocation of \$10.5~~  
14 ~~million to be used~~ for the expeditious reconstruction of a portion of Montana Highway 314 between Decker  
15 and Busby, Montana.

16  
17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

18  
19 NEW SECTION. Section 1. Appropriation. (1) There ~~is~~ ARE appropriated to the department of  
20 transportation for the biennium beginning July 1, 1995~~+~~, ANY FUNDS RECEIVED FROM BIG HORN COUNTY  
21 FOR THE PURPOSE DESCRIBED IN SUBSECTION (2).

22 (a) ~~\$5.5 million from the state highway account in the state special revenue fund; and~~

23 (b) ~~\$5 million from the local impact account in the state special revenue fund.~~

24 (2) The department of transportation shall use ~~the money~~ ANY MONEY THAT BIG HORN COUNTY  
25 MAY MAKE AVAILABLE to reconstruct 13 miles of Montana highway 314 between Decker and Busby,  
26 Montana.

27  
28 ~~Section 2. Section 15-35-108, MCA, is amended to read:~~

29 ~~"15-35-108. (Temporary) Disposal of severance taxes. Severance taxes collected under this~~  
30 ~~chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:~~

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

5           ~~(2) Starting July 1, 1987, and ending June 30, 2003, 12% 6% of coal severance tax collections~~  
 6 ~~are allocated to the highway reconstruction trust fund account in the state special revenue fund.~~

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

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

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

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

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

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

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

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

22           ~~(h) 1 1/4% to the debt service fund type to the credit of the renewable resource loan debt service~~  
 23 ~~fund;~~

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

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

28           ~~(k) beginning July 1, 1983, and ending June 30, 1995, 3 1/3% to a special revenue account to~~  
 29 ~~be used by the department of fish, wildlife, and parks for the stabilization and preservation of historic and~~  
 30 ~~cultural sites within the state park system;~~



1 ~~(l) 6% to the state special revenue fund to the credit of the coal area highway improvement~~  
 2 ~~account;~~

3 ~~(l)(m) all other revenues revenue from severance taxes collected under the provisions of this~~  
 4 ~~chapter to the credit of the general fund of the state. (Terminates June 30, 1995 sec. 4, Ch. 536, L.~~  
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 15 ~~are allocated in the following percentages of the remaining balance:~~

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 17 ~~impact account at the end of each biennium are allocated to the state special revenue fund for state~~  
 18 ~~equalization aid to public schools of the state.~~

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

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

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

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

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 26 ~~purposes of providing basic library services for the residents of all counties through library federations and~~  
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29 ~~(h) 1-1/4% to the debt service fund type to the credit of the renewable resource loan debt service~~  
 30 ~~fund;~~

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

2 ~~(j) 1 2/3% to a nonexpendable trust fund for the purpose of protection of works of art in the state~~  
 3 ~~capitol and for other cultural and aesthetic projects. Income from this trust fund shall must be appropriated~~  
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8 ~~(k)(l) all other revenues revenue from severance taxes collected under the provisions of this chapter~~  
 9 ~~to the credit of the general fund of the state."~~

10

11 ~~Section 3. Section 90-6-202, MCA, is amended to read:~~

12 ~~"90-6-202. Accounts established. (1) There is within the state special revenue fund a local impact~~  
 13 ~~account. Moneys are Money is payable into this account under 15-35-108. The state treasurer shall draw~~  
 14 ~~warrants from this account upon order of the coal board.~~

15 ~~(2) There is within the state special revenue fund a coal area highway improvement account.~~  
 16 ~~Money is payable into this account under 15-35-108. Money in the account must be invested by the board~~  
 17 ~~of investments. Interest and earnings must be deposited in the account. The state treasurer shall draw~~  
 18 ~~warrants from this account upon order of the department of transportation."~~

19

20 NEW SECTION. Section 2. Effective date. [This act] is effective July 1, 1995.

21

-END-

## 1 HOUSE BILL NO. 528

2 INTRODUCED BY TAYLOR, M. HANSON, STOVALL, JABS, BERGMAN, MURDOCK

3  
4 A BILL FOR AN ACT ENTITLED: "~~AN ACT REVISING THE FUNDING OF HIGHWAYS IN THE~~  
5 ~~COAL IMPACTED AREAS OF THE STATE; APPROPRIATING MONEY FROM THE HIGHWAY SPECIAL~~  
6 ~~REVENUE ACCOUNT AND THE LOCAL IMPACT ACCOUNT RECEIVED FROM BIG HORN COUNTY~~ TO THE  
7 DEPARTMENT OF TRANSPORTATION FOR THE RECONSTRUCTION OF MONTANA HIGHWAY 314;  
8 ~~ALLOCATING A PORTION OF THE COAL SEVERANCE TAX TO THE COAL AREA HIGHWAY~~  
9 ~~IMPROVEMENT ACCOUNT; AMENDING SECTIONS 15-35-108 AND 90-6-202, MCA; AND PROVIDING AN~~  
10 EFFECTIVE DATE."

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13 1994, urged the 54th Legislature to support a request from Big Horn County ~~for the allocation of \$10.5~~  
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15 and Busby, Montana.

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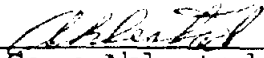
THERE ARE NO CHANGES IN THIS BILL AND IT WILL  
NOT BE REPRINTED. PLEASE REFER TO SECOND  
READING COPY (YELLOW) FOR COMPLETE TEXT.

SENATE STANDING COMMITTEE REPORT

Page 1 of 4  
April 4, 1995

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration HB 528 (third reading copy -- blue), respectfully report that HB 528 be amended as follows and as so amended be concurred in.

Signed:   
Senator Gary Aklestad, Chair

That such amendments read:

1. Title, line 9.

Following: "~~MCA,~~"

Insert: "APPROPRIATING FUNDS FROM THE COAL AREA HIGHWAY  
IMPROVEMENT ACCOUNT; AMENDING SECTION 15-35-108, MCA;"

2. Page 1.

Following: line 26

Insert: "(3) Funds deposited into the coal area highway improvement account provided for in 90-6-202 are appropriated to the department of transportation to reconstruct 13 miles of Montana highway 314 between Decker and Busby, Montana."

3. Page 5.

Following: line 18

Insert: "**Section 2.** Section 15-35-108, MCA, is amended to read:  
"**15-35-108. (Temporary) Disposal of severance taxes.**

Severance taxes collected under this chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:


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

(2) Starting July 1, 1987, and ending June 30, 2003, 12% of coal severance tax collections are allocated to the highway reconstruction trust fund account in the state special revenue fund.

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

(a) 17 1/2% to the credit of the local impact account.

Unencumbered funds remaining in the local impact account at the end of each biennium are allocated to the state special revenue

  
Amd. Coord.  
Sec. of Senate

  
Senator Carrying Bill

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fund for state equalization aid to public schools of the state.

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

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

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

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

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

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

(h) 1 1/4% to the debt service fund type to the credit of the renewable resource loan debt service fund;

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

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

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

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

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

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

(2) Starting July 1, 1987, and ending June 30, 2003, 12% of coal severance tax collections are allocated to the highway reconstruction trust fund account in the state special revenue fund.

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

- (a) 17 1/2% to the credit of the local impact account. Unencumbered funds remaining in the local impact account at the end of each biennium are allocated to the state special revenue fund for state equalization aid to public schools of the state.
- (b) 30% to the state special revenue fund for state equalization aid to public schools of the state;
- (c) 1% to the state special revenue fund to the credit of the county land planning account;
- (d) 1 1/4% to the credit of the renewable resource development bond fund;
- (e) 3 1/3% to a nonexpendable trust fund for the purpose of parks acquisition or management. Income from this trust fund must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.
- (f) 1% to the state special revenue fund to the credit of the state library commission for the purposes of providing basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking;
- (g) 1/2 of 1% to the state special revenue fund for conservation districts;
- (h) 1 1/4% to the debt service fund type to the credit of the renewable resource loan debt service fund;
- (i) 2% to the state special revenue fund for the Montana Growth Through Agriculture Act;
- (j) 1 2/3% to a nonexpendable trust fund for the purpose of protection of works of art in the state capitol and for other cultural and aesthetic projects. Income from this trust fund shall be appropriated for protection of works of art in the state capitol and other cultural and aesthetic projects.
- (k) all other revenues from severance taxes collected under the provisions of this chapter to the credit of the general fund of the state.

(4) From the amount allocated in subsection (3)(a) to the local impact account, \$1 million is transferred annually to the coal area highway improvement account provided for in 90-6-202.  
(Terminates July 1, 2003--sec. 4, Ch. 191, L. 1991.)

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

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investments as provided by law.

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

(a) 17 1/2% to the credit of the local impact account.

Unencumbered funds remaining in the local impact account at the end of each biennium are allocated to the state special revenue fund for state equalization aid to public schools of the state.

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

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

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

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

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

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

(h) 1 1/4% to the debt service fund type to the credit of the renewable resource loan debt service fund;

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

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

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

(4) From the amount allocated in subsection (2)(a) to the local impact account, \$1 million is transferred annually to the coal area highway improvement account provided for in 90-6-202."

Renumber: subsequent section.

-END-



SENATE COMMITTEE OF THE WHOLE AMENDMENT

April 6, 1995 11:59 am

Mr. Chairman: I move to amend HB 528 (third reading copy -- blue).

ADOPT

*Vote*

REJECT

Signed: \_\_\_\_\_

*Robert Aklestad*  
Senator Aklestad

That such amendments read:

THE SENATE FINANCE AND CLAIMS STANDING COMMITTEE REPORT DATED APRIL 4, 1995, IS AMENDED AS FOLLOWS:

1. Amendment No. 1, the insert is amended as follows:

Strike: "SECTION"

Insert: "SECTIONS"

Following: "15-35-108"

Insert: "AND 17-5-922"

AND THAT HOUSE BILL NO. 528, THIRD READING COPY, BE FURTHER AMENDED AS FOLLOWS:

2. Page 1, line 25.

Following: "AVAILABLE"

Insert: "for preconstruction work and"

3. Page 5, line 20.

Following: line 19

Insert: "**Section 3.** Section 17-5-922, MCA, is amended to read:

"**17-5-922. Form -- principal and interest -- fiscal agent -- bonds authorized.** (1) Each series of bonds may be issued by the board at public or private sale, in such denominations and form, whether payable to bearer or registered as to principal or both principal and interest, with such provisions for the conversion or exchange, bearing interest at such rate or rates or the method of determining such rate or rates, maturing at such times, not more than 40 years from date of issue, subject to redemption at such earlier times and prices and upon such notice, and payable at the office of a fiscal agency of the state as the board shall determine, subject to the limitations contained in this part. Any action taken by the board under this part must be approved by at least a majority vote of its members.

(2) In all other respects the board is authorized to prescribe the form and terms of the bonds and shall do whatever is lawful and necessary for their issuance and payment.

(3) Bonds and any interest coupons appurtenant thereto must

*AS*  
Amd. Coord.

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be signed by the members of the board, and the bonds must be issued under the great seal of the state of Montana. The bonds and coupons may be executed with facsimile signatures and seal in the manner and subject to the limitations prescribed by law. The state treasurer shall keep a record of all such bonds issued and sold.

(4) The board may employ a fiscal agent and a bond registrar and transfer agent to assist in the performance of its duties under this part.

(5) In connection with the issuance and sale of bonds, the board may arrange for lines of credit or letters of credit with any bank, firm, or person for the purpose of providing an additional source of repayment for bonds issued pursuant to this part. Amounts drawn on such lines of credit may be evidenced by negotiable or nonnegotiable notes or other evidences of indebtedness, containing such terms and conditions as the board may authorize in the resolution approving the same.

(6) No more than \$150 million of bonds issued under this part may be outstanding at any time. ~~No~~ Any additional bonds, other than refunding bonds, may not be issued until in an amount that will impair the pledge of highway revenue in favor of the any outstanding highway revenue bonds is satisfied and discharged. ""

Renumber: subsequent section

-END-

## 1 HOUSE BILL NO. 528

2 INTRODUCED BY TAYLOR, M. HANSON, STOVALL, JABS, BERGMAN, MURDOCK

3  
 4 A BILL FOR AN ACT ENTITLED: "~~AN ACT REVISING THE FUNDING OF HIGHWAYS IN THE~~  
 5 ~~COAL IMPACTED AREAS OF THE STATE; APPROPRIATING MONEY FROM THE HIGHWAY SPECIAL~~  
 6 ~~REVENUE ACCOUNT AND THE LOCAL IMPACT ACCOUNT RECEIVED FROM BIG HORN COUNTY TO THE~~  
 7 DEPARTMENT OF TRANSPORTATION FOR THE RECONSTRUCTION OF MONTANA HIGHWAY 314;  
 8 ~~ALLOCATING A PORTION OF THE COAL SEVERANCE TAX TO THE COAL AREA HIGHWAY~~  
 9 ~~IMPROVEMENT ACCOUNT; AMENDING SECTIONS 15-35-108 AND 90-6-202, MCA; APPROPRIATING~~  
 10 ~~FUNDS FROM THE COAL AREA HIGHWAY IMPROVEMENT ACCOUNT; AMENDING SECTION SECTIONS~~  
 11 ~~15-35-108 AND 17-5-922, MCA; AND PROVIDING AN EFFECTIVE DATE.~~"

12  
 13 WHEREAS, the Big Horn County Board of Commissioners, in a resolution adopted on December 22,  
 14 1994, urged the 54th Legislature to support a request from Big Horn County ~~for the allocation of \$10.5~~  
 15 ~~million to be used~~ for the expeditious reconstruction of a portion of Montana Highway 314 between Decker  
 16 and Busby, Montana.

17  
 18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

19  
 20 NEW SECTION. Section 1. Appropriation. (1) There ~~is~~ ARE appropriated to the department of  
 21 transportation for the biennium beginning July 1, 1995: ANY FUNDS RECEIVED FROM BIG HORN COUNTY  
 22 FOR THE PURPOSE DESCRIBED IN SUBSECTION (2).

23 (a) ~~\$5.5 million from the state highway account in the state special revenue fund; and~~

24 (b) ~~\$5 million from the local impact account in the state special revenue fund.~~

25 (2) The department of transportation shall use ~~the money~~ ANY MONEY THAT BIG HORN COUNTY  
 26 MAY MAKE AVAILABLE FOR PRECONSTRUCTION WORK AND to reconstruct 13 miles of Montana  
 27 highway 314 between Decker and Busby, Montana.

28 (3) FUNDS DEPOSITED INTO THE COAL AREA HIGHWAY IMPROVEMENT ACCOUNT PROVIDED  
 29 FOR IN 90-6-202 ARE APPROPRIATED TO THE DEPARTMENT OF TRANSPORTATION TO RECONSTRUCT  
 30 13 MILES OF MONTANA HIGHWAY 314 BETWEEN DECKER AND BUSBY, MONTANA.

1        ~~Section 2. Section 15-35-108, MCA, is amended to read:~~

2        ~~"15-35-108. (Temporary) Disposal of severance taxes. Severance taxes collected under this~~  
 3 ~~chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:~~

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

8        ~~(2) Starting July 1, 1987, and ending June 30, 2003, 12% 6% of coal severance tax collections~~  
 9 ~~are allocated to the highway reconstruction trust fund account in the state special revenue fund.~~

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

12        ~~(a) 17 1/2% to the credit of the local impact account. Unencumbered funds remaining in the local~~  
 13 ~~impact account at the end of each biennium are allocated to the state special revenue fund for state~~  
 14 ~~equalization aid to public schools of the state.~~

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

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

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

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

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

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

25        ~~(h) 1 1/4% to the debt service fund type to the credit of the renewable resource loan debt service~~  
 26 ~~fund;~~

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

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

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

4 ~~(l) 6% to the state special revenue fund to the credit of the coal area highway improvement~~  
 5 ~~account;~~

6 ~~((l)(m) all other revenues revenue from severance taxes collected under the provisions of this~~  
 7 ~~chapter to the credit of the general fund of the state. (Terminates June 30, 1995 sec. 4, Ch. 536, L.~~  
 8 ~~1993.)~~

9 ~~15 35 108. (Effective July 1, 1995) Disposal of severance taxes.~~ Severance taxes collected under  
 10 this chapter must, in accordance with the provisions of 15 1 501(6), be allocated as follows:

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

15 ~~(2) Starting July 1, 1987, and ending June 30, 2003, 12% 6% of coal severance tax collections~~  
 16 ~~are allocated to the highway reconstruction trust fund account in the state special revenue fund.~~

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

19 ~~(a) 17 1/2% to the credit of the local impact account. Unencumbered funds remaining in the local~~  
 20 ~~impact account at the end of each biennium are allocated to the state special revenue fund for state~~  
 21 ~~equalization aid to public schools of the state.~~

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

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

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

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

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

- 1           ~~(g) 1/2 of 1% to the state special revenue fund for conservation districts;~~
- 2           ~~(h) 1 1/4% to the debt service fund type to the credit of the renewable resource loan debt service~~
- 3 ~~fund;~~
- 4           ~~(i) 2% to the state special revenue fund for the Montana Growth Through Agriculture Act;~~
- 5           ~~(j) 1 2/3% to a nonexpendable trust fund for the purpose of protection of works of art in the state~~
- 6 ~~capitol and for other cultural and aesthetic projects. Income from this trust fund shall must be appropriated~~
- 7 ~~for protection of works of art in the state capitol and other cultural and aesthetic projects.~~
- 8           ~~(k) 6% to the state special revenue fund to the credit of the coal area highway improvement~~
- 9 ~~account;~~
- 10           ~~(k)(l) all other revenues revenue from severance taxes collected under the provisions of this chapter~~
- 11 ~~to the credit of the general fund of the state. (Terminates July 1, 2003 sec. 4, Ch. 191, L. 1991.)~~
- 12           ~~**15-35-108. (Effective July 1, 2003) Disposal of severance taxes.** Severance taxes collected under~~
- 13 ~~this chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:~~
- 14           ~~(1) To Fifty percent of total coal severance tax collections are allocated to the trust fund created~~
- 15 ~~by Article IX, section 5, of the Montana constitution, 50% of total coal severance tax collections. The trust~~
- 16 ~~fund money must be deposited in the fund established under 17-6-203(6) and invested by the board of~~
- 17 ~~investments as provided by law.~~
- 18           ~~(2) Coal severance tax collections remaining after allocation to the trust fund under subsection (1)~~
- 19 ~~are allocated in the following percentages of the remaining balance:~~
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- 21 ~~impact account at the end of each biennium are allocated to the state special revenue fund for state~~
- 22 ~~equalization aid to public schools of the state.~~
- 23           ~~(b) 30% to the state special revenue fund for state equalization aid to public schools of the state;~~
- 24           ~~(c) 1% to the state special revenue fund to the credit of the county land planning account;~~
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8 ~~for protection of works of art in the state capitol and other cultural and aesthetic projects.~~

9 ~~(k) 6% to the state special revenue fund to the credit of the coal area highway improvement~~  
10 ~~account;~~

11 ~~(k)(l) all other revenues revenue from severance taxes collected under the provisions of this chapter~~  
12 ~~to the credit of the general fund of the state."~~

13  
14 ~~Section 3. Section 90-6-202, MCA, is amended to read:~~

15 ~~"90-6-202. Accounts established. (1) There is within the state special revenue fund a local impact~~  
16 ~~account. Moneys are Money is payable into this account under 15-35-108. The state treasurer shall draw~~  
17 ~~warrants from this account upon order of the coal board.~~

18 ~~(2) There is within the state special revenue fund a coal area highway improvement account.~~  
19 ~~Money is payable into this account under 15-35-108. Money in the account must be invested by the board~~  
20 ~~of investments. Interest and earnings must be deposited in the account. The state treasurer shall draw~~  
21 ~~warrants from this account upon order of the department of transportation."~~

22  
23 ~~**SECTION 2. SECTION 15-35-108, MCA, IS AMENDED TO READ:**~~

24 ~~"15-35-108. (Temporary) Disposal of severance taxes. Severance taxes collected under this~~  
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28 17-6-203(6) and invested by the board of investments as provided by law.

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30 allocated to the highway reconstruction trust fund account in the state special revenue fund.

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

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

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

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

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

12 (f) 1% to the state special revenue fund to the credit of the state library commission for the  
13 purposes of providing basic library services for the residents of all counties through library federations and  
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20 fund;

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

25 (k) all other revenues from severance taxes collected under the provisions of this chapter to the  
26 credit of the general fund of the state.

27 (4) From the amount allocated in subsection (3)(a) to the local impact account, \$1 million is  
28 transferred annually to the coal area highway improvement account provided for in 90-6-202. (Terminates  
29 July 1, 2003--sec. 4, Ch. 191, L. 1991.)

30 **15-35-108. (Effective July 1, 2003) Disposal of severance taxes.** Severance taxes collected under

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

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

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

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

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14 Income from this trust fund must be appropriated for the acquisition, development, operation, and  
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17 purposes of providing basic library services for the residents of all counties through library federations and  
18 for payment of the costs of participating in regional and national networking;

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

20 (h) 1 1/4% to the debt service fund type to the credit of the renewable resource loan debt service  
21 fund;

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

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

26 (k) all other revenues from severance taxes collected under the provisions of this chapter to the  
27 credit of the general fund of the state.

28 (4) From the amount allocated in subsection (2)(a) to the local impact account, \$1 million is  
29 transferred annually to the coal area highway improvement account provided for in 90-6-202."

30

1           **SECTION 3. SECTION 17-5-922, MCA, IS AMENDED TO READ:**

2           **"17-5-922. Form -- principal and interest -- fiscal agent -- bonds authorized.** (1) Each series of  
3 bonds may be issued by the board at public or private sale, in such denominations and form, whether  
4 payable to bearer or registered as to principal or both principal and interest, with such provisions for the  
5 conversion or exchange, bearing interest at such rate or rates or the method of determining such rate or  
6 rates, maturing at such times, not more than 40 years from date of issue, subject to redemption at such  
7 earlier times and prices and upon such notice, and payable at the office of a fiscal agency of the state as  
8 the board shall determine, subject to the limitations contained in this part. Any action taken by the board  
9 under this part must be approved by at least a majority vote of its members.

10           (2) In all other respects the board is authorized to prescribe the form and terms of the bonds and  
11 shall do whatever is lawful and necessary for their issuance and payment.

12           (3) Bonds and any interest coupons appurtenant thereto must be signed by the members of the  
13 board, and the bonds must be issued under the great seal of the state of Montana. The bonds and coupons  
14 may be executed with facsimile signatures and seal in the manner and subject to the limitations prescribed  
15 by law. The state treasurer shall keep a record of all such bonds issued and sold.

16           (4) The board may employ a fiscal agent and a bond registrar and transfer agent to assist in the  
17 performance of its duties under this part.

18           (5) In connection with the issuance and sale of bonds, the board may arrange for lines of credit  
19 or letters of credit with any bank, firm, or person for the purpose of providing an additional source of  
20 repayment for bonds issued pursuant to this part. Amounts drawn on such lines of credit may be evidenced  
21 by negotiable or nonnegotiable notes or other evidences of indebtedness, containing such terms and  
22 conditions as the board may authorize in the resolution approving the same.

23           (6) No more than \$150 million of bonds issued under this part may be outstanding at any time. ~~No~~  
24 Any additional bonds, other than refunding bonds, may not be issued until in an amount that will impair the  
25 pledge of highway revenue in favor of ~~the any outstanding highway revenue bonds is satisfied and~~  
26 ~~discharged."~~

27  
28           **NEW SECTION. Section 4. Effective date.** [This act] is effective July 1, 1995.

29                           -END-



## FREE CONFERENCE COMMITTEE

on House Bill 528

Report No. 1, April 12, 1995

Page 1 of 2

Mr. Speaker and Mr. President:

We, your Free Conference Committee met and considered **House Bill 528** and recommend as following amendments:

1. Title, line 10.

Following: "FUNDS FROM THE".

Strike: "COAL AREA HIGHWAY IMPROVEMENT"

Insert: "HIGHWAY SPECIAL REVENUE"

2. Title, lines 10 and 11.

Following: "AMENDING"

Strike: "SECTIONS 15-35-108 AND"

Insert: "SECTION"

3. Page 1, lines 20 through 30.

Strike: Section 1 in its entirety.

Insert: "NEW SECTION. Section 1. Appropriation. (1) There are appropriated to the department of transportation for the biennium beginning July 1, 1995, for the purpose described in subsection (2):

(a) Any funds received from Big Horn County, the bureau of indian affairs; and

(b) \$2 million from the state highway account in the state special revenue fund.

(2) The department of transportation shall use the money appropriated in subsection

(1) for preconstruction work and to reconstruct 13 miles of Montana highway between Decker and Busby, Montana.

(3) It is the intent of the legislature that up to \$2 million per biennium be dedicated to the construction project described in subsection (2) until the project is completed."

4. Page 5, line 23 through page 8, line 29.

Strike: section 2 in its entirety

Renumber: subsequent sections

ADOPT

REJECT

HB 528

FCCR #1

840928CC.Hbk

We recommend that the amendments to House Bill 528 be acceded to by the senate.

And this FREE Conference Committee report be adopted.

For the House:  
M. Hanson

Marion Hanson  
Chair  
Taylor

Lisa Taylor  
J. Johnson

John Johnson

For the Senate:  
Swysgood

Sen. Swysgood  
Chair  
Mohl

David C. Mohl  
Stang

\_\_\_\_\_

## 1 HOUSE BILL NO. 528

2 INTRODUCED BY TAYLOR, M. HANSON, STOVALL, JABS, BERGMAN, MURDOCK

3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT ~~REVISING THE FUNDING OF HIGHWAYS IN THE~~  
 5 ~~COAL-IMPACTED AREAS OF THE STATE;~~ APPROPRIATING MONEY FROM THE HIGHWAY SPECIAL  
 6 ~~REVENUE ACCOUNT AND THE LOCAL IMPACT ACCOUNT RECEIVED FROM BIG HORN COUNTY~~ TO THE  
 7 DEPARTMENT OF TRANSPORTATION FOR THE RECONSTRUCTION OF MONTANA HIGHWAY 314;  
 8 ~~ALLOCATING A PORTION OF THE COAL SEVERANCE TAX TO THE COAL AREA HIGHWAY~~  
 9 ~~IMPROVEMENT ACCOUNT; AMENDING SECTIONS 15-35-108 AND 90-6-202, MGA; APPROPRIATING~~  
 10 ~~FUNDS FROM THE COAL AREA HIGHWAY IMPROVEMENT HIGHWAY SPECIAL REVENUE ACCOUNT;~~  
 11 ~~AMENDING SECTION SECTIONS 15-35-108 AND SECTION 17-5-922, MCA; AND PROVIDING AN~~  
 12 EFFECTIVE DATE."

13  
 14 WHEREAS, the Big Horn County Board of Commissioners, in a resolution adopted on December 22,  
 15 1994, urged the 54th Legislature to support a request from Big Horn County for the allocation of \$10.5  
 16 million to be used for the expeditious reconstruction of a portion of Montana Highway 314 between Decker  
 17 and Busby, Montana.

18  
 19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

20  
 21 ~~NEW SECTION. Section 1. Appropriation. (1) There is ARE appropriated to the department of~~  
 22 ~~transportation for the biennium beginning July 1, 1995; ANY FUNDS RECEIVED FROM BIG HORN COUNTY~~  
 23 ~~FOR THE PURPOSE DESCRIBED IN SUBSECTION (2).~~

24 (a) ~~\$5.5 million from the state highway account in the state special revenue fund; and~~

25 (b) ~~\$5 million from the local impact account in the state special revenue fund.~~

26 (2) ~~The department of transportation shall use the money ANY MONEY THAT BIG HORN COUNTY~~  
 27 ~~MAY MAKE AVAILABLE FOR PRECONSTRUCTION WORK AND to reconstruct 13 miles of Montana~~  
 28 ~~highway 314 between Decker and Busby, Montana.~~

29 (3) ~~FUNDS DEPOSITED INTO THE COAL AREA HIGHWAY IMPROVEMENT ACCOUNT PROVIDED~~  
 30 ~~FOR IN 90-6-202 ARE APPROPRIATED TO THE DEPARTMENT OF TRANSPORTATION TO RECONSTRUCT~~

1 ~~13 MILES OF MONTANA HIGHWAY 314 BETWEEN DECKER AND BUSBY, MONTANA.~~

2  
3 NEW SECTION. **Section 1. Appropriation.** (1) There are appropriated to the department of  
4 transportation for the biennium beginning July 1, 1995, for the purpose described in subsection (2):

- 5 (a) any funds received from Big Horn County, the bureau of Indian affairs; and  
6 (b) \$2 million from the state highway account in the state special revenue fund.

7 (2) The department of transportation shall use the money appropriated in subsection (1) for  
8 preconstruction work and to reconstruct 13 miles of Montana highway between Decker and Busby,  
9 Montana.

10 (3) It is the intent of the legislature that up to \$2 million per biennium be dedicated to the  
11 construction project described in subsection (2) until the project is completed.

12  
13 ~~Section 2. Section 15-35-108, MCA, is amended to read:~~

14 ~~"15-35-108. (Temporary) Disposal of severance taxes. Severance taxes collected under this~~  
15 ~~chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:~~

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

20 ~~(2) Starting July 1, 1987, and ending June 30, 2003, 12% 6% of coal severance tax collections~~  
21 ~~are allocated to the highway reconstruction trust fund account in the state special revenue fund.~~

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

24 ~~(a) 17 1/2% to the credit of the local impact account. Unencumbered funds remaining in the local~~  
25 ~~impact account at the end of each biennium are allocated to the state special revenue fund for state~~  
26 ~~equalization aid to public schools of the state.~~

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

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

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

30 ~~(e) 0% to a nonexpendable trust fund for the purpose of parks acquisition or management. Income~~

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

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

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

7 ~~(h) 1 1/4% to the debt service fund type to the credit of the renewable resource loan debt service~~  
 8 ~~fund;~~

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

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

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

16 ~~(l) 6% to the state special revenue fund to the credit of the coal area highway improvement~~  
 17 ~~account;~~

18 ~~(l)(m) all other revenues revenue from severance taxes collected under the provisions of this~~  
 19 ~~chapter to the credit of the general fund of the state. (Terminates June 30, 1995 sec. 4, Ch. 536, L.~~  
 20 ~~1993.)~~

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

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

27 ~~(2) Starting July 1, 1987, and ending June 30, 2003, 12% 6% of coal severance tax collections~~  
 28 ~~are allocated to the highway reconstruction trust fund account in the state special revenue fund.~~

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



1           ~~(a) 17 1/2% 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) 1 1/4% 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) 1 1/4% 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) 6% to the state special revenue fund to the credit of the coal area highway improvement~~  
21 ~~account;~~

22           ~~(k)(l) all other revenues revenue from severance taxes collected under the provisions of this chapter~~  
23 ~~to the credit of the general fund of the state. (Terminates July 1, 2003 sec. 4, Ch. 101, L. 1991.)~~

24           ~~15-35-108. (Effective July 1, 2003) Disposal of severance taxes. Severance taxes collected under~~  
25 ~~this chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:~~

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

30           ~~(2) Coal severance tax collections remaining after allocation to the trust fund under subsection (1)~~

1 ~~are allocated in the following percentages of the remaining balance:~~

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

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

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

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

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

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

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

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

15 ~~(h) 1 1/4% to the debt service fund type to the credit of the renewable resource loan debt service~~  
 16 ~~fund;~~

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

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

21 ~~(k) 6% to the state special revenue fund to the credit of the coal area highway improvement~~  
 22 ~~account;~~

23 ~~(k)(l) all other revenues revenue from severance taxes collected under the provisions of this chapter~~  
 24 ~~to the credit of the general fund of the state."~~

25

26 ~~Section 3. Section 90-6-202, MCA, is amended to read:~~

27 ~~"90-6-202. Accounts established. (1) There is within the state special revenue fund a local impact~~  
 28 ~~account. Money is payable into this account under 15-35-108. The state treasurer shall draw~~  
 29 ~~warrants from this account upon order of the coal board.~~

30 ~~(2) There is within the state special revenue fund a coal area highway improvement account.~~

~~Money is payable into this account under 15-35-108. Money in the account must be invested by the board of investments. Interest and earnings must be deposited in the account. The state treasurer shall draw warrants from this account upon order of the department of transportation."~~

~~**SECTION 2. SECTION 15-35-108, MCA, IS AMENDED TO READ:**~~

~~"15-35-108. (Temporary) Disposal of severance taxes. Severance taxes collected under this chapter must, in accordance with the provisions of 15-1-601(6), be allocated as follows:~~

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

~~(2) Starting July 1, 1987, and ending June 30, 2003, 12% of coal severance tax collections are allocated to the highway reconstruction trust fund account in the state special revenue fund.~~

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

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

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

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

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

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

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

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

~~(h) 1 1/4% to the debt service fund type to the credit of the renewable resource loan debt service fund;~~

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

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

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

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

9           **15-35-108. (Effective July 1, 1995) Disposal of severance taxes.** Severance taxes collected under  
 10 this chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

11           ~~(1) To the trust fund created by Article IX, section 5, of the Montana constitution, 50% of total~~  
 12 ~~coal severance tax collections. The trust fund money must be deposited in the fund established under~~  
 13 ~~17-6-203(6) and invested by the board of investments as provided by law.~~

14           ~~(2) Starting July 1, 1987, and ending June 30, 2003, 12% of coal severance tax collections are~~  
 15 ~~allocated to the highway reconstruction trust fund account in the state special revenue fund.~~

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

18           ~~(a) 17 1/2% to the credit of the local impact account. Unnumbered funds remaining in the local~~  
 19 ~~impact account at the end of each biennium are allocated to the state special revenue fund for state~~  
 20 ~~equalization aid to public schools of the state.~~

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

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

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

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

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

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

1 ~~(h) 1 1/4% to the debt service fund type to the credit of the renewable resource loan debt service~~  
 2 ~~fund;~~

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

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

7 ~~(k) all other revenues from severance taxes collected under the provisions of this chapter to the~~  
 8 ~~credit of the general fund of the state.~~

9 ~~(4) From the amount allocated in subsection (3)(a) to the local impact account, \$1 million is~~  
 10 ~~transferred annually to the coal area highway improvement account provided for in 90-6-202. (Terminates~~  
 11 ~~July 1, 2003 sec. 4, Ch. 191, L. 1991.)~~

12 ~~15-35-108. (Effective July 1, 2003) Disposal of severance taxes. Severance taxes collected under~~  
 13 ~~this chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:~~

14 ~~(1) To the trust fund created by Article IX, section 5, of the Montana constitution, 50% of total~~  
 15 ~~coal severance tax collections. The trust fund money must be deposited in the fund established under~~  
 16 ~~17-6-203(6) and invested by the board of investments as provided by law.~~

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

19 ~~(a) 17 1/2% to the credit of the local impact account. Unencumbered funds remaining in the local~~  
 20 ~~impact account at the end of each biennium are allocated to the state special revenue fund for state~~  
 21 ~~equalization aid to public schools of the state.~~

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

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

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

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

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

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

2 ~~(h) 1 1/4% to the debt service fund type to the credit of the renewable resource loan debt service~~  
3 ~~fund;~~

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

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

8 ~~(k) all other revenues from severance taxes collected under the provisions of this chapter to the~~  
9 ~~credit of the general fund of the state.~~

10 ~~(4) From the amount allocated in subsection (2)(a) to the local impact account, \$1 million is~~  
11 ~~transferred annually to the coal area highway improvement account provided for in 90-6-202."~~

12  
13 **SECTION 2. SECTION 17-5-922, MCA, IS AMENDED TO READ:**

14 **"17-5-922. Form -- principal and interest -- fiscal agent -- bonds authorized.** (1) Each series of  
15 bonds may be issued by the board at public or private sale, in such denominations and form, whether  
16 payable to bearer or registered as to principal or both principal and interest, with such provisions for the  
17 conversion or exchange, bearing interest at such rate or rates or the method of determining such rate or  
18 rates, maturing at such times, not more than 40 years from date of issue, subject to redemption at such  
19 earlier times and prices and upon such notice, and payable at the office of a fiscal agency of the state as  
20 the board shall determine, subject to the limitations contained in this part. Any action taken by the board  
21 under this part must be approved by at least a majority vote of its members.

22 (2) In all other respects the board is authorized to prescribe the form and terms of the bonds and  
23 shall do whatever is lawful and necessary for their issuance and payment.

24 (3) Bonds and any interest coupons appurtenant thereto must be signed by the members of the  
25 board, and the bonds must be issued under the great seal of the state of Montana. The bonds and coupons  
26 may be executed with facsimile signatures and seal in the manner and subject to the limitations prescribed  
27 by law. The state treasurer shall keep a record of all such bonds issued and sold.

28 (4) The board may employ a fiscal agent and a bond registrar and transfer agent to assist in the  
29 performance of its duties under this part.

30 (5) In connection with the issuance and sale of bonds, the board may arrange for lines of credit

1 or letters of credit with any bank, firm, or person for the purpose of providing an additional source of  
2 repayment for bonds issued pursuant to this part. Amounts drawn on such lines of credit may be evidenced  
3 by negotiable or nonnegotiable notes or other evidences of indebtedness, containing such terms and  
4 conditions as the board may authorize in the resolution approving the same.

5 (6) No more than \$150 million of bonds issued under this part may be outstanding at any time. ~~No~~  
6 Any additional bonds, other than refunding bonds, may not be issued until in an amount that will impair the  
7 pledge of highway revenue in favor of ~~the~~ any outstanding highway revenue bonds ~~is satisfied and~~  
8 ~~discharged.~~"

9

10 NEW SECTION. Section 3. Effective date. [This act] is effective July 1, 1995.

11

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