

## SENATE BILL NO. 27

INTRODUCED BY GROSFIELD, PECK

BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING CERTAIN REVENUE ALLOCATIONS; AMENDING SECTIONS 15-35-108, 15-65-121, 17-5-704, 17-7-502, 60-3-201, AND 85-1-603, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

**Section 1.** 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 must be allocated. 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) 17½% to~~ To the credit of the local impact account, 6.65% must be allocated. 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)(4) 30% to~~ To the state special revenue fund for state equalization aid to public schools of the state, 11.4% must be allocated.

~~(c)(5) 4% to~~ To the state special revenue fund to the credit of the county land planning account, 0.38% must be allocated.

~~(d)(6) 1¼% to~~ To the credit of the renewable resource development bond fund, 0.475% must be allocated.

~~(e)(7) 0% to~~ To a nonexpendable trust fund for the purpose of parks acquisition or management,

1 0% must be allocated. Income from this trust fund must be appropriated for the acquisition, development,  
2 operation, and maintenance of any sites and areas described in 23-1-102.

3 ~~((8))~~ 1% to 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, 0.38% must be allocated.

6 ~~((9))~~ 1/2 of 1% to To the state special revenue fund for conservation districts, 0.19% must be  
7 allocated.

8 ~~((10))~~ 1 1/4% to To the debt service fund type to the credit of the renewable resource loan debt  
9 service fund, 0.475% must be allocated.

10 ~~((11))~~ 2% to To the state special revenue fund for the Montana Growth Through Agriculture Act,  
11 0.76% must be allocated.

12 ~~((12))~~ 1 2/3% to To a nonexpendable trust fund for the purpose of protection of works of art in  
13 the state capitol and for other cultural and aesthetic projects, 0.63% must be allocated. Income from this  
14 trust fund ~~shall~~ must be appropriated for protection of works of art in the state capitol and other cultural  
15 and aesthetic projects.

16 ~~((13))~~ beginning Beginning July 1, 1993, and ending June 30, 1995, ~~3 1/3%~~ 1.27% must be  
17 allocated to a special revenue account to be used by the department of fish, wildlife, and parks for the  
18 stabilization and preservation of historic and cultural sites within the state park system.

19 ~~((14))~~ all All other ~~revenues~~ revenue from severance taxes collected under the provisions of this  
20 chapter ~~to the credit of~~ must be credited to the general fund of the state. (Terminates June 30, 1995--sec.  
21 4, Ch. 536, L. 1993.)

22 **15-35-108. (Effective July 1, 1995) 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 must be allocated. The trust fund money must be deposited in the fund  
26 established under 17-6-203(6) and invested by the board of investments as provided by law.

27 (2) Starting July 1, 1987, and ending June 30, 2003, 12% of coal severance tax collections are  
28 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) 17½% to~~ To the credit of the local impact account, 6.65% must be allocated. Unencumbered  
 2 funds remaining in the local impact account at the end of each biennium are allocated to the state special  
 3 revenue fund for state equalization aid to public schools of the state.

4 ~~(b)(4) 30% to~~ To the state special revenue fund for state equalization aid to public schools of the  
 5 state, 11.4% must be allocated;

6 ~~(c)(5) 1% to~~ To the state special revenue fund to the credit of the county land planning account,  
 7 0.38% must be allocated;

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

9 ~~(e)(6) 3 1/3% to~~ To a nonexpendable trust fund for the purpose of parks acquisition or  
 10 management, 1.27% must be allocated. Income from this trust fund must be appropriated for the  
 11 acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.

12 ~~(f)(7) 1% to~~ 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  
 14 for payment of the costs of participating in regional and national networking, 0.38% must be allocated;

15 ~~(g)(8) 1/2 of 1% to~~ To the state special revenue fund for conservation districts, 0.19% must be  
 16 allocated;

17 ~~(h)(9) 1¼% to~~ To the debt service fund type to the credit of the renewable resource loan debt  
 18 service fund, 0.95% must be allocated;

19 ~~(i)(10) 2% to~~ To the state special revenue fund for the Montana Growth Through Agriculture Act,  
 20 0.76% must be allocated;

21 ~~(j)(11) 1 2/3% to~~ To a nonexpendable trust fund for the purpose of protection of works of art in  
 22 the state capitol and for other cultural and aesthetic projects, 0.63% must be allocated. Income from this  
 23 trust fund ~~shall~~ must be appropriated for protection of works of art in the state capitol and other cultural  
 24 and aesthetic projects.

25 ~~(k)(12) all~~ All other revenues revenue from severance taxes collected under the provisions of this  
 26 chapter ~~to the credit of~~ must be credited to the general fund of the state. (Terminates July 1, 2003--sec.  
 27 4, Ch. 191, L. 1991.)

28 **15-35-108. (Effective July 1, 2003) Disposal of severance taxes.** Severance taxes collected under  
 29 this chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

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1 coal severance tax collections must be allocated. The trust fund money must be deposited in the fund  
 2 established under 17-6-203(6) and invested by the board of investments as provided by law.

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

5 ~~(a) 17 1/2% to~~ To the credit of the local impact account, 6.65% must be allocated. Unencumbered  
 6 funds remaining in the local impact account at the end of each biennium are allocated to the state special  
 7 revenue fund for state equalization aid to public schools of the state.

8 ~~(b)(3) 30% to~~ To the state special revenue fund for state equalization aid to public schools of the  
 9 state, 11.4% must be allocated;

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 22 service fund, 0.95% must be allocated;

23 ~~(i)(9) 2% to~~ To the state special revenue fund for the Montana Growth Through Agriculture Act,  
 24 0.76% must be allocated;

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 26 the state capitol and for other cultural and aesthetic projects, 0.63% must be allocated. Income from this  
 27 trust fund ~~shall~~ must be appropriated for protection of works of art in the state capitol and other cultural  
 28 and aesthetic projects.

29 ~~(k)(11) all~~ All other ~~revenues~~ revenue from severance taxes collected under the provisions of this  
 30 chapter ~~to the credit of~~ must be credited to the general fund of the state."

1           **Section 2.** Section 15-65-121, MCA, is amended to read:

2           **"15-65-121. Distribution of tax proceeds -- general fund loan authority.** (1) The proceeds of the  
3 tax imposed by 15-65-111 must, in accordance with the provisions of 15-1-501(6), be deposited in an  
4 account in the state special revenue fund to the credit of the department of revenue. The department may  
5 spend from that account in accordance with an expenditure appropriation by the legislature based on an  
6 estimate of the costs of collecting and disbursing the proceeds of the tax. Before allocating the balance  
7 of the tax proceeds in accordance with the provisions of 15-1-501(6) and as provided in subsections (1)(a)  
8 through ~~(1)(d)~~(1)(e), the department shall determine the expenditures by state agencies for in-state lodging  
9 for each reporting period and deduct 4% of that amount from the tax proceeds received each reporting  
10 period. The amount deducted must be deposited in the general fund. The balance of the tax proceeds  
11 received each reporting period and not deducted pursuant to the expenditure appropriation or deposited in  
12 the general fund is statutorily appropriated, as provided in 17-7-502, and must be transferred to an account  
13 in the state special revenue fund to the credit of the department of commerce for tourism promotion and  
14 promotion of the state as a location for the production of motion pictures and television commercials, to  
15 the Montana historical society, to the university system, and to the department of fish, wildlife, and parks,  
16 as follows:

17           (a) 1% to the Montana historical society to be used for the installation or maintenance of roadside  
18 historical signs and historic sites;

19           (b) 2.5% to the university system for the establishment and maintenance of a Montana travel  
20 research program;

21           (c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state  
22 parks that have both resident and nonresident use, subject to 23-1-131; ~~and~~

23           (d) ~~the balance of the proceeds as follows:~~

24           ~~(i) 75%~~ 67.5% to be used directly by the department of commerce; and

25           ~~(ii)(e) (i)~~ (i) except as provided in subsection ~~(1)(d)(iii)~~ (1)(e)(ii), ~~25%~~ 22.5% to be distributed by the  
26 department to regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism  
27 region to the total proceeds collected statewide; and

28           ~~(iii)(ii)~~ (ii) if ~~25%~~ 22.5% of the proceeds collected annually within the limits of a city or consolidated  
29 city-county exceeds \$35,000, 50% of the amount available for distribution to the regional nonprofit tourism  
30 corporation in the region where the city or consolidated city-county is located ~~is~~, to be distributed to the

1 nonprofit convention and visitors bureau in that city or consolidated city-county.

2 (2) If a city or consolidated city-county qualifies under this section for funds but fails to either  
3 recognize a nonprofit convention and visitors bureau or submit and gain approval for an annual marketing  
4 plan as required in 15-65-122, then those funds must be allocated to the regional nonprofit tourism  
5 corporation in the region in which the city or consolidated city-county is located.

6 (3) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual  
7 marketing plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit  
8 tourism corporation may be used by the department of commerce for tourism promotion and promotion of  
9 the state as a location for the production of motion pictures and television commercials.

10 ~~(4) The department of commerce may use general fund loans for efficient implementation of this~~  
11 ~~section."~~

12

13 **Section 3.** Section 17-5-704, MCA, is amended to read:

14 **"17-5-704. Investment of funds.** Money in the coal severance tax bond fund, the coal severance  
15 tax permanent fund, the coal severance tax income fund, and the coal severance tax school bond  
16 contingency loan fund must be invested in accordance with the investment standards for coal severance  
17 tax funds. Income and earnings from all funds are ~~statutorily appropriated, as provided in 17-7-502, as~~  
18 ~~follows:~~

19 ~~(1) 15% to the state equalization aid account; and~~

20 ~~(2) 85% to deposited in the state general fund."~~

21

22 **Section 4.** Section 17-7-502, MCA, is amended to read:

23 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory  
24 appropriation is an appropriation made by permanent law that authorizes spending by a state agency  
25 without the need for a biennial legislative appropriation or budget amendment.

26 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply  
27 with both of the following provisions:

28 (a) The law containing the statutory authority must be listed in subsection (3).

29 (b) The law or portion of the law making a statutory appropriation must specifically state that a  
30 statutory appropriation is made as provided in this section.

1           (3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105;  
 2 2-18-812; 3-5-901; 5-13-403; 10-3-203; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-23-706;  
 3 15-25-123; 15-31-702; 15-36-112; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 16-1-404; 16-1-410;  
 4 16-1-411; 17-3-106; 17-3-212; 17-5-404; 17-5-424; ~~17-5-704~~; 17-5-804; 17-6-101; 17-6-201; 17-6-409;  
 5 17-7-304; 18-11-112; 19-2-502; 19-6-709; 19-9-1007; 19-15-101; 19-17-301; 19-18-512; 19-18-513;  
 6 19-18-606; 19-19-205; 19-19-305; 19-19-506; 20-4-109; 20-8-111; 20-9-361; 20-26-1403; 20-26-1503;  
 7 23-2-823; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631; 23-7-301; 23-7-402;  
 8 27-12-206; 32-1-537; 37-43-204; 37-51-501; 39-71-503; 39-71-907; 39-71-2321; 39-71-2504;  
 9 44-12-206; 44-13-102; 50-5-232; 50-40-206; 53-6-150; 53-24-206; 60-2-220; 61-2-107; 67-3-205;  
 10 75-1-1101; 75-5-507; 75-5-1108; 75-11-313; 76-12-123; 77-1-808; 80-2-103; 80-2-222; 80-4-416;  
 11 80-11-310; 81-5-111; 82-11-136; 82-11-161; 85-1-220; 85-20-402; 90-3-301; 90-4-215; 90-6-331;  
 12 90-7-220; 90-9-306; and 90-14-107.

13           (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,  
 14 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued  
 15 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of  
 16 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as  
 17 determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the  
 18 bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to  
 19 sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for  
 20 supplemental benefit; and pursuant to sec. 15, Ch. 534, L. 1993, the inclusion of 90-14-107 terminates  
 21 July 1, 1995.)"

22

23           **Section 5.** Section 60-3-201, MCA, is amended to read:  
 24           **"60-3-201. Distribution and use of proceeds of gasoline dealers' license tax.** (1) All money  
 25 received in payment of license taxes under the Distributor's Gasoline License Tax Act, except those  
 26 amounts paid out of the department of transportation's suspense account for gasoline tax refund, must be  
 27 used and expended as provided in this section. The portion of that money on hand at any time that is  
 28 needed to pay highway bonds and interest on highway bonds when due and to accumulate and maintain  
 29 a reserve for payment of highway bonds and interest, as provided in laws and in resolutions of the state  
 30 board of examiners authorizing the bonds, must be deposited in the highway bond account in the debt

1 service fund established by 17-2-102. ~~Subject to that provision~~ After deductions for amounts paid out of  
2 the suspense account for gasoline tax refunds, the remainder is allocated as follows:

3 (a) 9/10 of 1% ~~of all money must be deposited in to~~ the state park account;

4 (b) 23/64 of 1% ~~of all money must be deposited in to~~ a snowmobile account in the state special  
5 revenue fund;

6 (c) 1/8 of 1% ~~of all money must be deposited in to~~ an off-highway vehicle account in the state  
7 special revenue fund; and

8 (d) 1/25 of 1% ~~of all money must be deposited in to~~ the aeronautics revenue fund of the  
9 department of transportation under the provisions of 67-1-301.

10 (e) The remainder of the money must be used:

11 (i) by the department of transportation on the highways in this state selected and designated by  
12 the commission;

13 (ii) for collection of the license taxes; and

14 (iii) for the enforcement of the Montana highway code under Article VIII, section 6, of the  
15 constitution of this state.

16 (2) The department shall, in expending this money, carry forward construction from year to year,  
17 using the money expended in accordance with this title. Nothing in this title conflicts with Title 23, U.S.C.,  
18 and the rules by which it is administered.

19 (3) The department may enter into cooperative agreements with the national park service and the  
20 federal highway administration for the purpose of maintaining national park approach roads in Montana.

21 (4) Money credited to the state park account (4) in the state special revenue fund may be used only  
22 for the creation, improvement, and maintenance of state parks where motorboating is allowed, ~~except for~~  
23 ~~the payment of refunds under 15-70-221 through 15-70-226.~~ The legislature finds that of all the fuel sold  
24 in the state for consumption in internal combustion engines, except fuel for which refunds have been made,  
25 not less than 9/10 of 1% is used for propelling boats on waterways of this state.

26 (5) Money credited to the snowmobile account may be used only to develop and maintain facilities  
27 open to the general public at no admission cost and to promote snowmobile safety, and 10% of the amount  
28 deposited in the snowmobile account must be used to promote snowmobile safety. The legislature finds  
29 that of all fuels sold in this state for consumption in internal combustion engines, except fuel for which  
30 refunds have been made, not less than 23/64 of 1% is used for propelling snowmobiles on public lands of



1 this state.

2 (6) (a) Money credited to the off-highway vehicle account under subsection (1)(c) may be used only  
3 to develop and maintain facilities open to the general public at no admission cost, to repair areas that are  
4 damaged by off-highway vehicles, and to promote off-highway vehicle safety. Ten percent of the money  
5 deposited in the off-highway vehicle account must be used to promote off-highway vehicle safety. Up to  
6 10% of the money deposited in the off-highway vehicle account may be used to repair areas that are  
7 damaged by off-highway vehicles.

8 (b) The legislature finds that of all fuel sold in this state for consumption in internal combustion  
9 engines, except fuel for which refunds have been made, not less than 1/8 of 1% is used for propelling  
10 off-highway vehicles in this state.

11 (7) Money credited to the aeronautics account of the department of transportation may be used  
12 only to develop, improve, and maintain facilities open to the public at no admission cost and to promote  
13 aviation safety. The legislature finds that of all the fuel sold in this state for consumption in internal  
14 combustion engines, except fuel for which refunds have been made, not less than 1/25 of 1% is used for  
15 propelling aircraft in this state."

16

17 **Section 6.** Section 85-1-603, MCA, is amended to read:

18 **"85-1-603. Renewable resource loan debt service fund created -- coal severance tax allocated --**  
19 **renewable resource loan loss reserve fund created.** (1) (a) There is created a renewable resource loan debt  
20 service fund within the debt service fund type established in 17-2-102.

21 (b) The state pledges and allocates and directs to be credited to the renewable resource loan debt  
22 service fund, as received:

23 (i) ~~2 1/4%~~ 0.95% of all money from time to time received from the coal severance tax collected  
24 under Title 15, chapter 35, ~~and remaining after allocation of the tax under 15-35-108(1) and (2);~~

25 (ii) any principal and accrued interest under 85-1-613(4)(a) received in repayment of a loan made  
26 from the proceeds of bonds issued under 85-1-617;

27 (iii) all interest income earned on proceeds of renewable resource grant and loan program bonds;

28 (iv) revenue or money otherwise required to be paid into the renewable resource grant and loan  
29 program state special revenue account pursuant to 85-1-604, as determined by the board of examiners in  
30 connection with the issuance of bonds pursuant to 85-1-617; and

- 1 (v) money received from the renewable resource loan loss reserve fund as the result of a loan loss.
- 2 (2) (a) There is a renewable resource loan loss reserve fund within the debt service fund type  
3 established in 17-2-102.
- 4 (b) The state pledges and allocates and directs to be credited to the renewable resource loan loss  
5 reserve fund all accrued interest under 85-1-613(4)(b) received in repayment of a loan made from the  
6 proceeds of bonds issued under 85-1-617.
- 7 (c) If the department determines that a loan loss has occurred on a loan made pursuant to this part,  
8 funds from the renewable resource loan loss reserve fund must be transferred to the renewable resource  
9 loan debt service fund in an amount equal to the amount that would otherwise be available for debt service  
10 under subsection (1)(b) as a result of the loan loss."

11

12 **NEW SECTION. Section 7. Effective date.** [This act] is effective July 1, 1995.

13

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0027, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act clarifying certain revenue allocations and providing an effective date.

ASSUMPTIONS:

Coal Tax Interest Income

1. Coal tax interest income - FY96 - \$41,802,000 and FY97 - \$42,213,000 (ROC).
2. Current law coal tax interest income allocation - 85% - general fund (GF) and 15% - school equalization account (SEA).
3. Proposed law coal tax interest income allocation - 100% - general fund.

Gasoline License Tax

4. Taxable gasoline gallons established by Revenue Oversight Committee.
5. Distribution was calculated before alcohol incentive and tribal refunds.

FISCAL IMPACT:

Revenues (Allocation):

	<u>FY96</u> <u>Difference</u>	<u>FY97</u> <u>Difference</u>
<u>Coal Tax Interest Income</u>		
General Fund (01)	6,270,000	6,332,000
School Equalization (02)	<u>(6,270,000)</u>	<u>(6,332,000)</u>
Total	0	0
<u>Gasoline License Tax</u>		
Snowmobile (A/E 02407)	(20,140)	(23,787)
Motorboat (A/E 02412)	(50,454)	(59,586)
Off-Hwy (A/E 02213)	(7,007)	(8,276)
Aeronatics (A/E 02827)	(2,243)	(2,649)
Hwy Earmarked Rev (A/E 02422)	<u>79,844</u>	<u>94,298</u>
Total	0	0

*Dave Lewis* 1-3-95

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

*Lorents Grosfield* 1-4-95

LORENTS GROSFIELD, PRIMARY SPONSOR DATE

Fiscal Note for SB0027, as introduced

SB 27

APPROVED BY COMM. ON  
FINANCE AND CLAIMS

SENATE BILL NO. 27

INTRODUCED BY GROSFIELD, PECK, KADAS, HARDING, JACOBSON, ZOOK, SWYSGOOD, TVEIT,  
VAN VALKENBURG, T. NELSON, GRADY  
BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING CERTAIN REVENUE ALLOCATIONS; AMENDING  
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~~(b) 4) 30% to~~ To the state special revenue fund for state equalization aid to public schools of the  
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~~(c) 5) 1% to~~ To the state special revenue fund to the credit of the county land planning account,  
0.38% must be allocated.

~~(d) 6) 1¼% to~~ To the credit of the renewable resource development bond fund, 0.475% must be  
allocated.

1           ~~(e)(7)~~ 0% to To a nonexpendable trust fund for the purpose of parks acquisition or management,  
2 0% must be allocated. Income from this trust fund must be appropriated for the acquisition, development,  
3 operation, and maintenance of any sites and areas described in 23-1-102.

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9           ~~(h)(10)~~ 1 1/4% to To the debt service fund type to the credit of the renewable resource loan debt  
10 service fund, 0.475% must be allocated.

11           ~~(i)(11)~~ 2% to To the state special revenue fund for the Montana Growth Through Agriculture Act,  
12 0.76% must be allocated.

13           ~~(j)(12)~~ 1 2/3% to To a nonexpendable trust fund for the purpose of protection of works of art in  
14 the state capitol and for other cultural and aesthetic projects, 0.63% must be allocated. Income from this  
15 trust fund ~~shall~~ must be appropriated for protection of works of art in the state capitol and other cultural  
16 and aesthetic projects.

17           ~~(k)(13)~~ ~~beginning~~ Beginning July 1, 1993, and ending June 30, 1995, ~~3 1/3%~~ 1.27% must be  
18 allocated to a special revenue account to be used by the department of fish, wildlife, and parks for the  
19 stabilization and preservation of historic and cultural sites within the state park system.

20           ~~(l)(14)~~ ~~all~~ All other revenues revenue from severance taxes collected under the provisions of this  
21 chapter ~~to the credit of~~ must be credited to the general fund of the state. (Terminates June 30, 1995--sec.  
22 4, Ch. 536, L. 1993.)

23           **15-35-108. (Effective July 1, 1995) Disposal of severance taxes.** Severance taxes collected under  
24 this chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

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

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

30           (3) ~~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) 17½% to~~ To the credit of the local impact account, 6.65% must be allocated. Unencumbered  
3 funds remaining in the local impact account at the end of each biennium are allocated to the state special  
4 revenue fund for state equalization aid to public schools of the state.

5 ~~(b)(4) 30% to~~ To the state special revenue fund for state equalization aid to public schools of the  
6 state, 11.4% must be allocated.

7 ~~(c)(5) 1% to~~ To the state special revenue fund to the credit of the county land planning account,  
8 0.38% must be allocated.

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

10 ~~(e)(6) 3 1/3% to~~ To a nonexpendable trust fund for the purpose of parks acquisition or  
11 management, 1.27% must be allocated. Income from this trust fund must be appropriated for the  
12 acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.

13 ~~(f)(7) 1% to~~ To the state special revenue fund to the credit of the state library commission for the  
14 purposes of providing basic library services for the residents of all counties through library federations and  
15 for payment of the costs of participating in regional and national networking, 0.38% must be allocated.

16 ~~(g)(8) 1/2 of 1% to~~ To the state special revenue fund for conservation districts, 0.19% must be  
17 allocated.

18 ~~(h)(9) 1¼% to~~ To the debt service fund type to the credit of the renewable resource loan debt  
19 service fund, 0.95% must be allocated.

20 ~~(i)(10) 2% to~~ To the state special revenue fund for the Montana Growth Through Agriculture Act,  
21 0.76% must be allocated.

22 ~~(j)(11) 1 2/3% to~~ To a nonexpendable trust fund for the purpose of protection of works of art in  
23 the state capitol and for other cultural and aesthetic projects, 0.63% must be allocated. Income from this  
24 trust fund ~~shall~~ must be appropriated for protection of works of art in the state capitol and other cultural  
25 and aesthetic projects.

26 ~~(k)(12) all~~ All other revenues revenue from severance taxes collected under the provisions of this  
27 chapter ~~to the credit of~~ must be credited to the general fund of the state. (Terminates July 1, 2003--sec.  
28 4, Ch. 191, L. 1991.)

29 **15-35-108. (Effective July 1, 2003) Disposal of severance taxes.** Severance taxes collected under  
30 this chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

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

4 (2) ~~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~~ To the credit of the local impact account, 6.65% must be allocated. Unencumbered  
7 funds remaining in the local impact account at the end of each biennium are allocated to the state special  
8 revenue fund for state equalization aid to public schools of the state.

9 (b) ~~(3) 30% to~~ To the state special revenue fund for state equalization aid to public schools of the  
10 state, 11.4% must be allocated.

11 (c) ~~(4) 1% to~~ To the state special revenue fund to the credit of the county land planning account,  
12 0.38% must be allocated.

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

14 (e) ~~(5) 3 1/3% to~~ To a nonexpendable trust fund for the purpose of parks acquisition or  
15 management, 1.27% must be allocated. Income from this trust fund must be appropriated for the  
16 acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.

17 (f) ~~(6) 1% to~~ To the state special revenue fund to the credit of the state library commission for the  
18 purposes of providing basic library services for the residents of all counties through library federations and  
19 for payment of the costs of participating in regional and national networking, 0.38% must be allocated.

20 (g) ~~(7) 1/2 of 1% to~~ To the state special revenue fund for conservation districts, 0.19% must be  
21 allocated.

22 (h) ~~(8) 1 1/4% to~~ To the debt service fund type to the credit of the renewable resource loan debt  
23 service fund, 0.95% must be allocated.

24 (i) ~~(9) 2% to~~ To the state special revenue fund for the Montana Growth Through Agriculture Act,  
25 0.76% must be allocated.

26 (j) ~~(10) 1 2/3% to~~ To a nonexpendable trust fund for the purpose of protection of works of art in  
27 the state capitol and for other cultural and aesthetic projects, 0.63% must be allocated. Income from this  
28 trust fund ~~shall~~ must be appropriated for protection of works of art in the state capitol and other cultural  
29 and aesthetic projects.

30 (k) ~~(11) all~~ All other ~~revenues~~ revenue from severance taxes collected under the provisions of this

1 chapter ~~to the credit of~~ must be credited to the general fund of the state."

2

3 **Section 2.** Section 15-65-121, MCA, is amended to read:

4 **"15-65-121. Distribution of tax proceeds -- general fund loan authority.** (1) The proceeds of the  
5 tax imposed by 15-65-111 must, in accordance with the provisions of 15-1-501(6), be deposited in an  
6 account in the state special revenue fund to the credit of the department of revenue. The department may  
7 spend from that account in accordance with an expenditure appropriation by the legislature based on an  
8 estimate of the costs of collecting and disbursing the proceeds of the tax. Before allocating the balance  
9 of the tax proceeds in accordance with the provisions of 15-1-501(6) and as provided in subsections (1)(a)  
10 through ~~(1)(d)~~(1)(e), the department shall determine the expenditures by state agencies for in-state lodging  
11 for each reporting period and deduct 4% of that amount from the tax proceeds received each reporting  
12 period. The amount deducted must be deposited in the general fund. The balance of the tax proceeds  
13 received each reporting period and not deducted pursuant to the expenditure appropriation or deposited in  
14 the general fund is statutorily appropriated, as provided in 17-7-502, and must be transferred to an account  
15 in the state special revenue fund to the credit of the department of commerce for tourism promotion and  
16 promotion of the state as a location for the production of motion pictures and television commercials, to  
17 the Montana historical society, to the university system, and to the department of fish, wildlife, and parks,  
18 as follows:

19 (a) 1% to the Montana historical society to be used for the installation or maintenance of roadside  
20 historical signs and historic sites;

21 (b) 2.5% to the university system for the establishment and maintenance of a Montana travel  
22 research program;

23 (c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state  
24 parks that have both resident and nonresident use, subject to 23-1-131; ~~and~~

25 (d) ~~the balance of the proceeds as follows:~~

26 ~~(i)~~ 67.5% to be used directly by the department of commerce; and

27 ~~(ii)(e)~~ (i) except as provided in subsection ~~(1)(d)(iii)~~ (1)(e)(ii), ~~25%~~ 22.5% to be distributed by the  
28 department to regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism  
29 region to the total proceeds collected statewide; and

30 ~~(iii)(ii)~~ (ii) if ~~25%~~ 22.5% of the proceeds collected annually within the limits of a city or consolidated



1 city-county exceeds \$35,000, 50% of the amount available for distribution to the regional nonprofit tourism  
 2 corporation in the region where the city or consolidated city-county is located is to be distributed to the  
 3 nonprofit convention and visitors bureau in that city or consolidated city-county.

4 (2) If a city or consolidated city-county qualifies under this section for funds but fails to either  
 5 recognize a nonprofit convention and visitors bureau or submit and gain approval for an annual marketing  
 6 plan as required in 15-65-122, then those funds must be allocated to the regional nonprofit tourism  
 7 corporation in the region in which the city or consolidated city-county is located.

8 (3) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual  
 9 marketing plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit  
 10 tourism corporation may be used by the department of commerce for tourism promotion and promotion of  
 11 the state as a location for the production of motion pictures and television commercials.

12 ~~(4) The department of commerce may use general fund loans for efficient implementation of this~~  
 13 ~~section."~~

14

15 **Section 3.** Section 17-5-704, MCA, is amended to read:

16 "**17-5-704. Investment of funds.** Money in the coal severance tax bond fund, the coal severance  
 17 tax permanent fund, the coal severance tax income fund, and the coal severance tax school bond  
 18 contingency loan fund must be invested in accordance with the investment standards for coal severance  
 19 tax funds. Income and earnings from all funds are ~~statutorily appropriated, as provided in 17-7-502, as~~  
 20 ~~follows:~~

21 ~~(1) 15% to the state equalization aid account; and~~

22 ~~(2) 85% to deposited in the state general fund."~~

23

24 **Section 4.** Section 17-7-502, MCA, is amended to read:

25 "**17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory  
 26 appropriation is an appropriation made by permanent law that authorizes spending by a state agency  
 27 without the need for a biennial legislative appropriation or budget amendment.

28 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply  
 29 with both of the following provisions:

30 (a) The law containing the statutory authority must be listed in subsection (3).

1 (b) The law or portion of the law making a statutory appropriation must specifically state that a  
2 statutory appropriation is made as provided in this section.

3 (3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105;  
4 2-18-812; 3-5-901; 5-13-403; 10-3-203; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-23-706;  
5 15-25-123; 15-31-702; 15-36-112; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 16-1-404; 16-1-410;  
6 16-1-411; 17-3-106; 17-3-212; 17-5-404; 17-5-424; ~~17-5-704~~; 17-5-804; 17-6-101; 17-6-201; 17-6-409;  
7 17-7-304; 18-11-112; 19-2-502; 19-6-709; 19-9-1007; 19-15-101; 19-17-301; 19-18-512; 19-18-513;  
8 19-18-606; 19-19-205; 19-19-305; 19-19-506; 20-4-109; 20-8-111; 20-9-361; 20-26-1403; 20-26-1503;  
9 23-2-823; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631; 23-7-301; 23-7-402;  
10 27-12-206; 32-1-537; 37-43-204; 37-51-501; 39-71-503; 39-71-907; 39-71-2321; 39-71-2504;  
11 44-12-206; 44-13-102; 50-5-232; 50-40-206; 53-6-150; 53-24-206; 60-2-220; 61-2-107; 67-3-205;  
12 75-1-1101; 75-5-507; 75-5-1108; 75-11-313; 76-12-123; 77-1-808; 80-2-103; 80-2-222; 80-4-416;  
13 80-11-310; 81-5-111; 82-11-136; 82-11-161; 85-1-220; 85-20-402; 90-3-301; 90-4-215; 90-6-331;  
14 90-7-220; 90-9-306; and 90-14-107.

15 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,  
16 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued  
17 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of  
18 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as  
19 determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the  
20 bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to  
21 sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for  
22 supplemental benefit; and pursuant to sec. 15, Ch. 534, L. 1993, the inclusion of 90-14-107 terminates  
23 July 1, 1995.)"

24  
25 **Section 5.** Section 60-3-201, MCA, is amended to read:

26 **"60-3-201. Distribution and use of proceeds of gasoline dealers' license tax.** (1) All money  
27 received in payment of license taxes under the Distributor's Gasoline License Tax Act, except those  
28 amounts paid out of the department of transportation's suspense account for gasoline tax refund, must be  
29 used and expended as provided in this section. The portion of that money on hand at any time that is  
30 needed to pay highway bonds and interest on highway bonds when due and to accumulate and maintain

1 a reserve for payment of highway bonds and interest, as provided in laws and in resolutions of the state  
2 board of examiners authorizing the bonds, must be deposited in the highway bond account in the debt  
3 service fund established by 17-2-102. ~~Subject to that provision~~ After deductions for amounts paid out of  
4 the suspense account for gasoline tax refunds, the remainder is allocated as follows:

5 (a) 9/10 of 1% ~~of all money must be deposited in~~ to the state park account;

6 (b) 23/64 of 1% ~~of all money must be deposited in~~ to a snowmobile account in the state special  
7 revenue fund;

8 (c) 1/8 of 1% ~~of all money must be deposited in~~ to an off-highway vehicle account in the state  
9 special revenue fund; and

10 (d) 1/25 of 1% ~~of all money must be deposited in~~ to the aeronautics revenue fund of the  
11 department of transportation under the provisions of 67-1-301.

12 (e) The remainder of the money must be used:

13 (i) by the department of transportation on the highways in this state selected and designated by  
14 the commission;

15 (ii) for collection of the license taxes; and

16 (iii) for the enforcement of the Montana highway code under Article VIII, section 6, of the  
17 constitution of this state.

18 (2) The department shall, in expending this money, carry forward construction from year to year,  
19 using the money expended in accordance with this title. Nothing in this title conflicts with Title 23, U.S.C.,  
20 and the rules by which it is administered.

21 (3) The department may enter into cooperative agreements with the national park service and the  
22 federal highway administration for the purpose of maintaining national park approach roads in Montana.

23 (4) Money credited to the state park account in the state special revenue fund may be used only  
24 for the creation, improvement, and maintenance of state parks where motorboating is allowed, ~~except for~~  
25 ~~the payment of refunds under 15-70-221 through 15-70-226~~. The legislature finds that of all the fuel sold  
26 in the state for consumption in internal combustion engines, except fuel for which refunds have been made,  
27 not less than 9/10 of 1% is used for propelling boats on waterways of this state.

28 (5) Money credited to the snowmobile account may be used only to develop and maintain facilities  
29 open to the general public at no admission cost and to promote snowmobile safety, and 10% of the amount  
30 deposited in the snowmobile account must be used to promote snowmobile safety. The legislature finds

1 that of all fuels sold in this state for consumption in internal combustion engines, except fuel for which  
 2 refunds have been made, not less than 23/64 of 1% is used for propelling snowmobiles on public lands of  
 3 this state.

4 (6) (a) Money credited to the off-highway vehicle account under subsection (1)(c) may be used only  
 5 to develop and maintain facilities open to the general public at no admission cost, to repair areas that are  
 6 damaged by off-highway vehicles, and to promote off-highway vehicle safety. Ten percent of the money  
 7 deposited in the off-highway vehicle account must be used to promote off-highway vehicle safety. Up to  
 8 10% of the money deposited in the off-highway vehicle account may be used to repair areas that are  
 9 damaged by off-highway vehicles.

10 (b) The legislature finds that of all fuel sold in this state for consumption in internal combustion  
 11 engines, except fuel for which refunds have been made, not less than 1/8 of 1% is used for propelling  
 12 off-highway vehicles in this state.

13 (7) Money credited to the aeronautics account of the department of transportation may be used  
 14 only to develop, improve, and maintain facilities open to the public at no admission cost and to promote  
 15 aviation safety. The legislature finds that of all the fuel sold in this state for consumption in internal  
 16 combustion engines, except fuel for which refunds have been made, not less than 1/25 of 1% is used for  
 17 propelling aircraft in this state."  
 18

19 **Section 6.** Section 85-1-603, MCA, is amended to read:

20 **"85-1-603. Renewable resource loan debt service fund created -- coal severance tax allocated --**  
 21 **renewable resource loan loss reserve fund created.** (1) (a) There is created a renewable resource loan debt  
 22 service fund within the debt service fund type established in 17-2-102.

23 (b) The state pledges and allocates and directs to be credited to the renewable resource loan debt  
 24 service fund, as received:

25 (i) ~~2 1/2%~~ 0.95% of all money from time to time received from the coal severance tax collected  
 26 under Title 15, chapter 35, ~~and remaining after allocation of the tax under 15-35-109(1) and (2);~~

27 (ii) any principal and accrued interest under 85-1-613(4)(a) received in repayment of a loan made  
 28 from the proceeds of bonds issued under 85-1-617;

29 (iii) all interest income earned on proceeds of renewable resource grant and loan program bonds;

30 (iv) revenue or money otherwise required to be paid into the renewable resource grant and loan

1 program state special revenue account pursuant to 85-1-604, as determined by the board of examiners in  
2 connection with the issuance of bonds pursuant to 85-1-617; and

3 (v) money received from the renewable resource loan loss reserve fund as the result of a loan loss.

4 (2) (a) There is a renewable resource loan loss reserve fund within the debt service fund type  
5 established in 17-2-102.

6 (b) The state pledges and allocates and directs to be credited to the renewable resource loan loss  
7 reserve fund all accrued interest under 85-1-615(4)(b) received in repayment of a loan made from the  
8 proceeds of bonds issued under 85-1-617.

9 (c) If the department determines that a loan loss has occurred on a loan made pursuant to this part,  
10 funds from the renewable resource loan loss reserve fund must be transferred to the renewable resource  
11 loan debt service fund in an amount equal to the amount that would otherwise be available for debt service  
12 under subsection (1)(b) as a result of the loan loss."

13

14 **NEW SECTION. Section 7. Effective date.** [This act] is effective July 1, 1995.

15

-END-





## HOUSE STANDING COMMITTEE REPORT

March 24, 1995

Page 1 of 1

Mr. Speaker: We, the committee on Appropriations report that Senate Bill 27 (third reading copy -- blue) be concurred in as amended.

Signed:   
Tom Zook, Chair

Carried by: Rep. Vick

And, that such amendments read:

1. Page 1, line 7.

Strike: "AN"

Following: "EFFECTIVE"

Strike: "DATE"

Insert: "DATES"

2. Page 10, following line 11.

Insert: "NEW SECTION. Section 7. Coordination. If Senate Bill No. 83, House Bill No. 19, House Bill No. 422, House Bill No. 526, or House Bill No. 528 is passed and approved in a form that amends 15-35-108, percentages in that section must be expressed as percentages of total tax collections consistent with [this act]."

Renumber: subsequent section

3. Page 10, line 12

Strike: "date. [This act] is"

Insert: "dates. (1) [Section 7 and this section] are effective on passage and approval.

(2) [Sections 1 through 6] are"

-END-

SB 27

Committee Vote:  
Yes 11, No 0.

HOUSE

## SENATE BILL NO. 27

INTRODUCED BY GROSFIELD, PECK, KADAS, HARDING, JACOBSON, ZOOK, SWYSGOOD, TVEIT,

VAN VALKENBURG, T. NELSON, GRADY

BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING CERTAIN REVENUE ALLOCATIONS; AMENDING SECTIONS 15-35-108, 15-65-121, 17-5-704, 17-7-502, 60-3-201, AND 85-1-603, MCA; AND PROVIDING AN EFFECTIVE DATE DATES."

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

**Section 1.** 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 must be allocated. 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) 17½% to~~ To the credit of the local impact account, 6.65% must be allocated. 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)(4) 30% to~~ To the state special revenue fund for state equalization aid to public schools of the state, 11.4% must be allocated.

~~(c)(5) 1% to~~ To the state special revenue fund to the credit of the county land planning account, 0.38% must be allocated.

~~(d)(6) 1¼% to~~ To the credit of the renewable resource development bond fund, 0.475% must be allocated.



1           ~~(e)(7) 0% to~~ To a nonexpendable trust fund for the purpose of parks acquisition or management,  
2 0% must be allocated. Income from this trust fund must be appropriated for the acquisition, development,  
3 operation, and maintenance of any sites and areas described in 23-1-102.

4           ~~(f)(8) 1% to~~ To the state special revenue fund to the credit of the state library commission for the  
5 purposes of providing basic library services for the residents of all counties through library federations and  
6 for payment of the costs of participating in regional and national networking, 0.38% must be allocated.

7           ~~(g)(9) 1/2 of 1% to~~ To the state special revenue fund for conservation districts, 0.19% must be  
8 allocated.

9           ~~(h)(10) 1 1/4% to~~ To the debt service fund type to the credit of the renewable resource loan debt  
10 service fund, 0.475% must be allocated.

11           ~~(i)(11) 2% to~~ To the state special revenue fund for the Montana Growth Through Agriculture Act,  
12 0.76% must be allocated.

13           ~~(j)(12) 1-2/3% to~~ To a nonexpendable trust fund for the purpose of protection of works of art in  
14 the state capitol and for other cultural and aesthetic projects, 0.63% must be allocated. Income from this  
15 trust fund ~~shall~~ must be appropriated for protection of works of art in the state capitol and other cultural  
16 and aesthetic projects.

17           ~~(k)(13) beginning~~ Beginning July 1, 1993, and ending June 30, 1995, ~~3-1/3%~~ 1.27% must be  
18 allocated to a special revenue account to be used by the department of fish, wildlife, and parks for the  
19 stabilization and preservation of historic and cultural sites within the state park system.

20           ~~(l)(14) all~~ All other ~~revenues~~ revenue from severance taxes collected under the provisions of this  
21 chapter ~~to the credit of~~ must be credited to the general fund of the state. (Terminates June 30, 1995--sec.  
22 4, Ch. 536, L. 1993.)

23           **15-35-108. (Effective July 1, 1995) Disposal of severance taxes.** Severance taxes collected under  
24 this chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

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

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

30           (3) ~~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, 6.65% must be allocated. Unencumbered  
3 funds remaining in the local impact account at the end of each biennium are allocated to the state special  
4 revenue fund for state equalization aid to public schools of the state.

5 ~~(b)(4) 30%~~ To the state special revenue fund for state equalization aid to public schools of the  
6 state, 11.4% must be allocated.

7 ~~(c)(5) 1%~~ To the state special revenue fund to the credit of the county land planning account,  
8 0.38% must be allocated.

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

10 ~~(e)(6) 3 1/3%~~ To a nonexpendable trust fund for the purpose of parks acquisition or  
11 management, 1.27% must be allocated. Income from this trust fund must be appropriated for the  
12 acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.

13 ~~(f)(7) 4%~~ To the state special revenue fund to the credit of the state library commission for the  
14 purposes of providing basic library services for the residents of all counties through library federations and  
15 for payment of the costs of participating in regional and national networking, 0.38% must be allocated.

16 ~~(g)(8) 1/2 of 1%~~ To the state special revenue fund for conservation districts, 0.19% must be  
17 allocated.

18 ~~(h)(9) 1 1/4%~~ To the debt service fund type to the credit of the renewable resource loan debt  
19 service fund, 0.95% must be allocated.

20 ~~(i)(10) 2%~~ To the state special revenue fund for the Montana Growth Through Agriculture Act,  
21 0.76% must be allocated.

22 ~~(j)(11) 1 2/3%~~ To a nonexpendable trust fund for the purpose of protection of works of art in  
23 the state capitol and for other cultural and aesthetic projects, 0.63% must be allocated. Income from this  
24 trust fund shall must be appropriated for protection of works of art in the state capitol and other cultural  
25 and aesthetic projects.

26 ~~(k)(12) all~~ All other revenues revenue from severance taxes collected under the provisions of this  
27 chapter ~~to the credit of~~ must be credited to the general fund of the state. (Terminates July 1, 2003--sec.  
28 4, Ch. 191, L. 1991.)

29 **15-35-108. (Effective July 1, 2003) Disposal of severance taxes.** Severance taxes collected under  
30 this chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

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

4 (2) ~~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, 6.65% must be allocated. Unencumbered  
 7 funds remaining in the local impact account at the end of each biennium are allocated to the state special  
 8 revenue fund for state equalization aid to public schools of the state.

9 (b) ~~(3) 30%~~ To the state special revenue fund for state equalization aid to public schools of the  
 10 state, 11.4% must be allocated.

11 (c) ~~(4) 1%~~ To the state special revenue fund to the credit of the county land planning account,  
 12 0.38% must be allocated.

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

14 (e) ~~(5) 3 1/3%~~ To a nonexpendable trust fund for the purpose of parks acquisition or  
 15 management, 1.27% must be allocated. Income from this trust fund must be appropriated for the  
 16 acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.

17 (f) ~~(6) 1%~~ To the state special revenue fund to the credit of the state library commission for the  
 18 purposes of providing basic library services for the residents of all counties through library federations and  
 19 for payment of the costs of participating in regional and national networking, 0.38% must be allocated.

20 (g) ~~(7) 1/2 of 1%~~ To the state special revenue fund for conservation districts, 0.19% must be  
 21 allocated.

22 (h) ~~(8) 1 1/4%~~ To the debt service fund type to the credit of the renewable resource loan debt  
 23 service fund, 0.95% must be allocated.

24 (i) ~~(9) 2%~~ To the state special revenue fund for the Montana Growth Through Agriculture Act,  
 25 0.76% must be allocated.

26 (j) ~~(10) 1 2/3%~~ To a nonexpendable trust fund for the purpose of protection of works of art in  
 27 the state capitol and for other cultural and aesthetic projects, 0.63% must be allocated. Income from this  
 28 trust fund ~~shall~~ must be appropriated for protection of works of art in the state capitol and other cultural  
 29 and aesthetic projects.

30 (k) ~~(11) all~~ All other ~~revenues~~ revenue from severance taxes collected under the provisions of this

1 chapter ~~to the credit of~~ must be credited to the general fund of the state."

2

3 **Section 2.** Section 15-65-121, MCA, is amended to read:

4 "15-65-121. **Distribution of tax proceeds -- general fund loan authority.** (1) The proceeds of the  
5 tax imposed by 15-65-111 must, in accordance with the provisions of 15-1-501(6), be deposited in an  
6 account in the state special revenue fund to the credit of the department of revenue. The department may  
7 spend from that account in accordance with an expenditure appropriation by the legislature based on an  
8 estimate of the costs of collecting and disbursing the proceeds of the tax. Before allocating the balance  
9 of the tax proceeds in accordance with the provisions of 15-1-501(6) and as provided in subsections (1)(a)  
10 through ~~(1)(d)~~(1)(e), the department shall determine the expenditures by state agencies for in-state lodging  
11 for each reporting period and deduct 4% of that amount from the tax proceeds received each reporting  
12 period. The amount deducted must be deposited in the general fund. The balance of the tax proceeds  
13 received each reporting period and not deducted pursuant to the expenditure appropriation or deposited in  
14 the general fund is statutorily appropriated, as provided in 17-7-502, and must be transferred to an account  
15 in the state special revenue fund to the credit of the department of commerce for tourism promotion and  
16 promotion of the state as a location for the production of motion pictures and television commercials, to  
17 the Montana historical society, to the university system, and to the department of fish, wildlife, and parks,  
18 as follows:

19 (a) 1% to the Montana historical society to be used for the installation or maintenance of roadside  
20 historical signs and historic sites;

21 (b) 2.5% to the university system for the establishment and maintenance of a Montana travel  
22 research program;

23 (c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state  
24 parks that have both resident and nonresident use, subject to 23-1-131; ~~and~~

25 (d) ~~the balance of the proceeds as follows:~~

26 ~~(i) 75%~~ 67.5% to be used directly by the department of commerce; ~~and~~

27 ~~(iii)(e)~~ (i) except as provided in subsection ~~(1)(d)(iii)~~ (1)(e)(ii), ~~25%~~ 22.5% to be distributed by the  
28 department to regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism  
29 region to the total proceeds collected statewide; and

30 ~~(iii)(ii)~~ (ii) if ~~25%~~ 22.5% of the proceeds collected annually within the limits of a city or consolidated

1 city-county exceeds \$35,000, 50% of the amount available for distribution to the regional nonprofit tourism  
 2 corporation in the region where the city or consolidated city-county is located ~~is~~ to be distributed to the  
 3 nonprofit convention and visitors bureau in that city or consolidated city-county.

4 (2) If a city or consolidated city-county qualifies under this section for funds but fails to either  
 5 recognize a nonprofit convention and visitors bureau or submit and gain approval for an annual marketing  
 6 plan as required in 15-65-122, then those funds must be allocated to the regional nonprofit tourism  
 7 corporation in the region in which the city or consolidated city-county is located.

8 (3) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual  
 9 marketing plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit  
 10 tourism corporation may be used by the department of commerce for tourism promotion and promotion of  
 11 the state as a location for the production of motion pictures and television commercials.

12 ~~(4) The department of commerce may use general fund loans for efficient implementation of this~~  
 13 ~~section."~~

14

15 **Section 3.** Section 17-5-704, MCA, is amended to read:

16 "**17-5-704. Investment of funds.** Money in the coal severance tax bond fund, the coal severance  
 17 tax permanent fund, the coal severance tax income fund, and the coal severance tax school bond  
 18 contingency loan fund must be invested in accordance with the investment standards for coal severance  
 19 tax funds. Income and earnings from all funds are ~~statutorily appropriated, as provided in 17-7-502, as~~  
 20 ~~follows:~~

21 ~~(1) 15% to the state equalization aid account; and~~

22 ~~(2) 85% to deposited in the state general fund."~~

23

24 **Section 4.** Section 17-7-502, MCA, is amended to read:

25 "**17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory  
 26 appropriation is an appropriation made by permanent law that authorizes spending by a state agency  
 27 without the need for a biennial legislative appropriation or budget amendment.

28 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply  
 29 with both of the following provisions:

30 (a) The law containing the statutory authority must be listed in subsection (3).

1 (b) The law or portion of the law making a statutory appropriation must specifically state that a  
2 statutory appropriation is made as provided in this section.

3 (3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105;  
4 2-18-812; 3-5-901; 5-13-403; 10-3-203; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-23-706;  
5 15-25-123; 15-31-702; 15-36-112; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 16-1-404; 16-1-410;  
6 16-1-411; 17-3-106; 17-3-212; 17-5-404; 17-5-424; ~~17-5-704~~; 17-5-804; 17-6-101; 17-6-201; 17-6-409;  
7 17-7-304; 18-11-112; 19-2-502; 19-6-709; 19-9-1007; 19-15-101; 19-17-301; 19-18-512; 19-18-513;  
8 19-18-606; 19-19-205; 19-19-305; 19-19-506; 20-4-109; 20-8-111; 20-9-361; 20-26-1403; 20-26-1503;  
9 23-2-823; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631; 23-7-301; 23-7-402;  
10 27-12-206; 32-1-537; 37-43-204; 37-51-501; 39-71-503; 39-71-907; 39-71-2321; 39-71-2504;  
11 44-12-206; 44-13-102; 50-5-232; 50-40-206; 53-6-150; 53-24-206; 60-2-220; 61-2-107; 67-3-205;  
12 75-1-1101; 75-5-507; 75-5-1108; 75-11-313; 76-12-123; 77-1-808; 80-2-103; 80-2-222; 80-4-416;  
13 80-11-310; 81-5-111; 82-11-136; 82-11-161; 85-1-220; 85-20-402; 90-3-301; 90-4-215; 90-6-331;  
14 90-7-220; 90-9-306; and 90-14-107.

15 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,  
16 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued  
17 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of  
18 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as  
19 determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the  
20 bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to  
21 sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for  
22 supplemental benefit; and pursuant to sec. 15, Ch. 534, L. 1993, the inclusion of 90-14-107 terminates  
23 July 1, 1995.)"

24  
25 **Section 5.** Section 60-3-201, MCA, is amended to read:

26 **"60-3-201. Distribution and use of proceeds of gasoline dealers' license tax.** (1) All money  
27 received in payment of license taxes under the Distributor's Gasoline License Tax Act, except those  
28 amounts paid out of the department of transportation's suspense account for gasoline tax refund, must be  
29 used and expended as provided in this section. The portion of that money on hand at any time that is  
30 needed to pay highway bonds and interest on highway bonds when due and to accumulate and maintain

1 a reserve for payment of highway bonds and interest, as provided in laws and in resolutions of the state  
2 board of examiners authorizing the bonds, must be deposited in the highway bond account in the debt  
3 service fund established by 17-2-102. ~~Subject to that provision~~ After deductions for amounts paid out of  
4 the suspense account for gasoline tax refunds, the remainder is allocated as follows:

5 (a) 9/10 of 1% ~~of all money must be deposited in~~ to the state park account;

6 (b) 23/64 of 1% ~~of all money must be deposited in~~ to a snowmobile account in the state special  
7 revenue fund;

8 (c) 1/8 of 1% ~~of all money must be deposited in~~ to an off-highway vehicle account in the state  
9 special revenue fund; and

10 (d) 1/25 of 1% ~~of all money must be deposited in~~ to the aeronautics revenue fund of the  
11 department of transportation under the provisions of 67-1-301.

12 (e) The remainder of the money must be used:

13 (i) by the department of transportation on the highways in this state selected and designated by  
14 the commission;

15 (ii) for collection of the license taxes; and

16 (iii) for the enforcement of the Montana highway code under Article VIII, section 6, of the  
17 constitution of this state.

18 (2) The department shall, in expending this money, carry forward construction from year to year,  
19 using the money expended in accordance with this title. Nothing in this title conflicts with Title 23, U.S.C.,  
20 and the rules by which it is administered.

21 (3) The department may enter into cooperative agreements with the national park service and the  
22 federal highway administration for the purpose of maintaining national park approach roads in Montana.

23 (4) Money credited to the state park account in the state special revenue fund may be used only  
24 for the creation, improvement, and maintenance of state parks where motorboating is allowed, ~~except for~~  
25 ~~the payment of refunds under 15-70-221 through 15-70-226.~~ The legislature finds that of all the fuel sold  
26 in the state for consumption in internal combustion engines, except fuel for which refunds have been made,  
27 not less than 9/10 of 1% is used for propelling boats on waterways of this state.

28 (5) Money credited to the snowmobile account may be used only to develop and maintain facilities  
29 open to the general public at no admission cost and to promote snowmobile safety, and 10% of the amount  
30 deposited in the snowmobile account must be used to promote snowmobile safety. The legislature finds

1 that of all fuels sold in this state for consumption in internal combustion engines, except fuel for which  
 2 refunds have been made, not less than 23/64 of 1% is used for propelling snowmobiles on public lands of  
 3 this state.

4 (6) (a) Money credited to the off-highway vehicle account under subsection (1)(c) may be used only  
 5 to develop and maintain facilities open to the general public at no admission cost, to repair areas that are  
 6 damaged by off-highway vehicles, and to promote off-highway vehicle safety. Ten percent of the money  
 7 deposited in the off-highway vehicle account must be used to promote off-highway vehicle safety. Up to  
 8 10% of the money deposited in the off-highway vehicle account may be used to repair areas that are  
 9 damaged by off-highway vehicles.

10 (b) The legislature finds that of all fuel sold in this state for consumption in internal combustion  
 11 engines, except fuel for which refunds have been made, not less than 1/8 of 1% is used for propelling  
 12 off-highway vehicles in this state.

13 (7) Money credited to the aeronautics account of the department of transportation may be used  
 14 only to develop, improve, and maintain facilities open to the public at no admission cost and to promote  
 15 aviation safety. The legislature finds that of all the fuel sold in this state for consumption in internal  
 16 combustion engines, except fuel for which refunds have been made, not less than 1/25 of 1% is used for  
 17 propelling aircraft in this state."

18  
 19 **Section 6.** Section 85-1-603, MCA, is amended to read:

20 **"85-1-603. Renewable resource loan debt service fund created -- coal severance tax allocated --**  
 21 **renewable resource loan loss reserve fund created.** (1) (a) There is created a renewable resource loan debt  
 22 service fund within the debt service fund type established in 17-2-102.

23 (b) The state pledges and allocates and directs to be credited to the renewable resource loan debt  
 24 service fund, as received:

25 (i) ~~2 1/2%~~ 0.95% of all money from time to time received from the coal severance tax collected  
 26 under Title 15, chapter 35, ~~and remaining after allocation of the tax under 15-35-108(1) and (2);~~

27 (ii) any principal and accrued interest under 85-1-613(4)(a) received in repayment of a loan made  
 28 from the proceeds of bonds issued under 85-1-617;

29 (iii) all interest income earned on proceeds of renewable resource grant and loan program bonds;

30 (iv) revenue or money otherwise required to be paid into the renewable resource grant and loan



1 program state special revenue account pursuant to 85-1-604, as determined by the board of examiners in  
2 connection with the issuance of bonds pursuant to 85-1-617; and

3 (v) money received from the renewable resource loan loss reserve fund as the result of a loan loss.

4 (2) (a) There is a renewable resource loan loss reserve fund within the debt service fund type  
5 established in 17-2-102.

6 (b) The state pledges and allocates and directs to be credited to the renewable resource loan loss  
7 reserve fund all accrued interest under 85-1-613(4)(b) received in repayment of a loan made from the  
8 proceeds of bonds issued under 85-1-617.

9 (c) If the department determines that a loan loss has occurred on a loan made pursuant to this part,  
10 funds from the renewable resource loan loss reserve fund must be transferred to the renewable resource  
11 loan debt service fund in an amount equal to the amount that would otherwise be available for debt service  
12 under subsection (1)(b) as a result of the loan loss."

13

14 NEW SECTION. SECTION 7. COORDINATION. IF SENATE BILL NO. 83, HOUSE BILL NO. 19,  
15 HOUSE BILL NO. 422, HOUSE BILL NO. 526, OR HOUSE BILL NO. 528 IS PASSED AND APPROVED IN  
16 A FORM THAT AMENDS 15-35-108, PERCENTAGES IN THAT SECTION MUST BE EXPRESSED AS  
17 PERCENTAGES OF TOTAL TAX COLLECTIONS CONSISTENT WITH [THIS ACT].

18

19 NEW SECTION. Section 8. Effective date. ~~[This act] is DATES.~~ (1) [SECTION 7 AND THIS  
20 SECTION] ARE EFFECTIVE ON PASSAGE AND APPROVAL.

21 (2) [SECTIONS 1 THROUGH 6] ARE effective July 1, 1995.

22

-END-