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2 INTRODUCED BY SENATE BILL NO. 46  
*[Signature]*

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOCATING A PORTION OF THE METALLIFEROUS MINES  
5 LICENSE TAX TO BE DEPOSITED IN THE GROUND WATER ASSESSMENT ACCOUNT; AND AMENDING  
6 SECTIONS 15-37-117 AND 85-2-905, MCA."

7  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9  
10 **Section 1.** Section 15-37-117, MCA, is amended to read:

11 **"15-37-117. Disposition of metalliferous mines license taxes.** (1) Metalliferous mines license taxes  
12 collected under the provisions of this part must, in accordance with the provisions of 15-1-501(6), be  
13 allocated as follows:

- 14 (a) to the credit of the general fund of the state, 58% of total collections each year;
- 15 (b) to the state special revenue fund to the credit of a hard-rock mining impact trust account, 1.5%
- 16 of total collections each year;
- 17 (c) to the state resource indemnity trust fund, ~~45.5%~~ 13.3% of total collections each year;
- 18 (d) to the ground water assessment account established in 85-2-905, 2.2% of total collections
- 19 each year;

20 ~~(d)~~(e) to the county or counties identified as experiencing fiscal and economic impacts, resulting  
21 in increased employment or local government costs, under an impact plan for a large-scale mineral  
22 development prepared and approved pursuant to 90-6-307, in direct proportion to the fiscal and economic  
23 impacts determined in the plan, or, if an impact plan has not been prepared, to the county in which the  
24 mine is located, 25% of total collections each year, to be allocated by the county commissioners as  
25 follows:

- 26 (i) not less than 40% to the county hard-rock mine trust reserve account established in 7-6-2225;
- 27 and
- 28 (ii) all money not allocated to the account pursuant to subsection ~~(1)(d)(i)~~ (1)(e)(i) to be further
- 29 allocated as follows:
- 30 (A) 33 1/3% is allocated to the county for planning or economic development activities;

1 (B) 33 1/3% is allocated to the elementary school districts within the county that have been  
2 affected by the development or operation of the metal mine; and

3 (C) 33 1/3% is allocated to the high school districts within the county that have been affected by  
4 the development or operation of the metal mine.

5 (2) When an impact plan for a large-scale mineral development approved pursuant to 90-6-307  
6 identifies a jurisdictional revenue disparity, the county shall distribute the proceeds allocated under  
7 subsection ~~(1)(d)~~ (1)(e) in a manner similar to that provided for property tax sharing under Title 90, chapter  
8 6, part 4.

9 (3) The department shall return to the county in which metals are produced the tax collections  
10 allocated under subsection ~~(1)(d)~~ (1)(e). The allocation to the county described by subsection ~~(1)(d)~~ (1)(e)  
11 is a statutory appropriation pursuant to 17-7-502."

12

13 **Section 2.** Section 85-2-905, MCA, is amended to read:

14 **"85-2-905. Ground water assessment account.** (1) There is a ground water assessment account  
15 within the state special revenue fund established in 17-2-102. The Montana bureau of mines and geology  
16 is authorized to expend amounts from the account necessary to carry out the purposes of this part.

17 (2) The account may be used by the Montana bureau of mines and geology only to carry out the  
18 provisions of this part.

19 (3) Subject to the direction of the ground water assessment steering committee, the Montana  
20 bureau of mines and geology shall investigate opportunities for the participation and financial contribution  
21 of agencies of federal and local governments to accomplish the purposes of this part.

22 (4) There must be deposited in the account:

23 (a) ~~on July 1, 1993, and~~ at the beginning of each ~~successing~~ fiscal year, 14.1% of the proceeds  
24 from the resource indemnity and ground water assessment tax, as authorized by 15-38-106, and 2.2 %  
25 of the proceeds from the metalliferous mines license taxes, as authorized by 15-37-117, unless at the  
26 beginning of the fiscal year the unobligated cash balance in the ground water assessment account:

27 (i) equals or exceeds \$666,000, in which case no allocation will be made and the funds must be  
28 deposited in the resource indemnity trust fund established by 15-38-201; or

29 (ii) is less than \$666,000, in which case an amount equal to the difference between the unobligated  
30 cash balance and \$666,000 must be allocated to the ground water assessment account and any remaining

1 amount must be deposited in the resource indemnity trust fund established by 15-38-201;  
2 (b) funds provided by federal or state government agencies and by local governments to carry out  
3 the purposes of this part; and  
4 (c) funds provided by any other public or private sector organization or person in the form of gifts,  
5 grants, or contracts specifically designated to carry out the purposes of this part."

6 -END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0046, as introduced

DESCRIPTION OF PROPOSED LEGISLATION: An act allocating a portion of the metalliferous mines license tax to be deposited in the ground water assessment account.

ASSUMPTIONS: Total metalliferous mines license tax will be \$5,631,000 in FY96 and \$5,310,000 in FY 97 (ROC).


FISCAL IMPACT: Deposits to the Resource Indemnity Trust (RIT) fund will be reduced by \$124,080 in FY96 and \$117,000 in FY97. These funds will instead be deposited into the Ground Water Assessment Account for program funding. Because deposits to the RIT fund are reduced, interest earnings will also be reduced. The interest earnings reduction is estimated to be \$804 in FY96 and \$10,999 in FY97. These interest earnings would have been distributed to four state special revenue accounts. These four state special revenue accounts are the Renewable Resource Grant and Loan Program Account (36%), the Reclamation and Development Account (40%), the Hazardous Waste/CERCLA Account (18%), and the Environmental Quality Protection Account (6%).

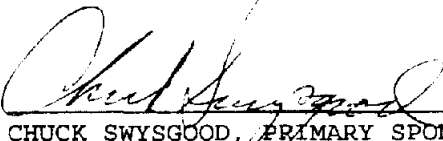
Expenditures: SB46 adds \$241,000 in funding for the Ground Water Assessment Program for the 1997 biennium.

Revenues: SB46 has no affect on Metalliferous Mine Tax Collections. The proposal changes the allocation of the revenue. Because fewer dollars are deposited into the RIT fund, interest earnings will be lower.

Net Impact: The net impact of SB46 is to allow greater funding of the Ground Water Assessment Program with moderate impacts on the RIT trust balance and investment income.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION: Deposits to the RIT fund will be reduced. Article IX, Section 2 of the Montana constitution prohibits the expenditure of all deposits in the trust until the balance of the trust exceeds \$100 million. Under current statute, it is anticipated that the RIT fund will reach a balance of \$100 million during FY99. Passage of this act may delay reaching this balance by one year.

 1-9-95  
DAVE LEWIS, BUDGET DIRECTOR      DATE  
Office of Budget and Program Planning

  
CHUCK SWYSGOOD, PRIMARY SPONSOR      DATE

Fiscal Note for SB0046, as introduced

**SB 46**

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13 collected under the provisions of this part must, in accordance with the provisions of 15-1-501(6), be  
14 allocated as follows:

15 (a) to the credit of the general fund of the state, 58% of total collections each year;

16 (b) to the state special revenue fund to the credit of a hard-rock mining impact trust account, 1.5%  
17 of total collections each year;

18 (c) to the state resource indemnity trust fund, ~~15.5%~~ 13.3% of total collections each year;

19 (d) to the ground water assessment account established in 85-2-905, 2.2% of total collections  
20 each year;

21 ~~(d)~~(e) to the county or counties identified as experiencing fiscal and economic impacts, resulting  
22 in increased employment or local government costs, under an impact plan for a large-scale mineral  
23 development prepared and approved pursuant to 90-6-307, in direct proportion to the fiscal and economic  
24 impacts determined in the plan, or, if an impact plan has not been prepared, to the county in which the  
25 mine is located, 25% of total collections each year, to be allocated by the county commissioners as  
26 follows:

27 (i) not less than 40% to the county hard-rock mine trust reserve account established in 7-6-2225;

28 and

29 (ii) all money not allocated to the account pursuant to subsection ~~(1)(d)(i)~~ (1)(e)(i) to be further  
30 allocated as follows:

1 (A) 33 1/3% is allocated to the county for planning or economic development activities;

2 (B) 33 1/3% is allocated to the elementary school districts within the county that have been  
3 affected by the development or operation of the metal mine; and

4 (C) 33 1/3% is allocated to the high school districts within the county that have been affected by  
5 the development or operation of the metal mine.

6 (2) When an impact plan for a large-scale mineral development approved pursuant to 90-6-307  
7 identifies a jurisdictional revenue disparity, the county shall distribute the proceeds allocated under  
8 subsection ~~(1)(d)~~ (1)(e) in a manner similar to that provided for property tax sharing under Title 90, chapter  
9 6, part 4.

10 (3) The department shall return to the county in which metals are produced the tax collections  
11 allocated under subsection ~~(1)(d)~~ (1)(e). The allocation to the county described by subsection ~~(1)(d)~~ (1)(e)  
12 is a statutory appropriation pursuant to 17-7-502."

13

14 **Section 2.** Section 85-2-905, MCA, is amended to read:

15 **"85-2-905. Ground water assessment account.** (1) There is a ground water assessment account  
16 within the state special revenue fund established in 17-2-102. The Montana bureau of mines and geology  
17 is authorized to expend amounts from the account necessary to carry out the purposes of this part.

18 (2) The account may be used by the Montana bureau of mines and geology only to carry out the  
19 provisions of this part.

20 (3) Subject to the direction of the ground water assessment steering committee, the Montana  
21 bureau of mines and geology shall investigate opportunities for the participation and financial contribution  
22 of agencies of federal and local governments to accomplish the purposes of this part.

23 (4) There must be deposited in the account:

24 (a) ~~on July 1, 1993, and~~ at the beginning of each ~~succeeding~~ fiscal year, 14.1% of the proceeds  
25 from the resource indemnity and ground water assessment tax, as authorized by 15-38-106, and 2.2 %  
26 of the proceeds from the metalliferous mines license taxes, as authorized by 15-37-117, unless at the  
27 beginning of the fiscal year the unobligated cash balance in the ground water assessment account:

28 (i) equals or exceeds \$666,000, in which case no allocation will be made and the funds must be  
29 deposited in the resource indemnity trust fund established by 15-38-201; or

30 (ii) is less than \$666,000, in which case an amount equal to the difference between the unobligated

1 cash balance and \$666,000 must be allocated to the ground water assessment account and any remaining  
2 amount must be deposited in the resource indemnity trust fund established by 15-38-201;

3 (b) funds provided by federal or state government agencies and by local governments to carry out  
4 the purposes of this part; and

5 (c) funds provided by any other public or private sector organization or person in the form of gifts,  
6 grants, or contracts specifically designated to carry out the purposes of this part."

7

8 NEW SECTION. SECTION 3. RETROACTIVE APPLICABILITY. [THIS ACT] APPLIES  
9 RETROACTIVELY, WITHIN THE MEANING OF 1-2-109, TO ALL METALLIFEROUS MINES TAXES  
10 COLLECTED AFTER DECEMBER 31, 1994.

11

12 NEW SECTION. SECTION 4. EFFECTIVE DATE. [THIS ACT] IS EFFECTIVE ON PASSAGE AND  
13 APPROVAL.

14

-END-

## SENATE BILL NO. 46

INTRODUCED BY SWYSGOOD

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOCATING A PORTION OF THE METALLIFEROUS MINES LICENSE TAX TO BE DEPOSITED IN THE GROUND WATER ASSESSMENT ACCOUNT; ~~AND~~ AMENDING SECTIONS 15-37-117 AND 85-2-905, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

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

**Section 1.** Section 15-37-117, MCA, is amended to read:

**"15-37-117. Disposition of metalliferous mines license taxes.** (1) Metalliferous mines license taxes collected under the provisions of this part must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

(a) to the credit of the general fund of the state, 58% of total collections each year;

(b) to the state special revenue fund to the credit of a hard-rock mining impact trust account, 1.5% of total collections each year;

(c) to the state resource indemnity trust fund, ~~15.5%~~ 13.3% of total collections each year;

(d) to the ground water assessment account established in 85-2-905, 2.2% of total collections each year;

~~(d)(e)~~ to the county or counties identified as experiencing fiscal and economic impacts, resulting in increased employment or local government costs, under an impact plan for a large-scale mineral development prepared and approved pursuant to 90-6-307, in direct proportion to the fiscal and economic impacts determined in the plan, or, if an impact plan has not been prepared, to the county in which the mine is located, 25% of total collections each year, to be allocated by the county commissioners as follows:

(i) not less than 40% to the county hard-rock mine trust reserve account established in 7-6-2225;

and

(ii) all money not allocated to the account pursuant to subsection ~~(1)(d)(ii)~~ (1)(e)(i) to be further allocated as follows:



1 (A) 33 1/3% is allocated to the county for planning or economic development activities;

2 (B) 33 1/3% is allocated to the elementary school districts within the county that have been  
3 affected by the development or operation of the metal mine; and

4 (C) 33 1/3% is allocated to the high school districts within the county that have been affected by  
5 the development or operation of the metal mine.

6 (2) When an impact plan for a large-scale mineral development approved pursuant to 90-6-307  
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14 **Section 2.** Section 85-2-905, MCA, is amended to read:

15 **"85-2-905. Ground water assessment account.** (1) There is a ground water assessment account  
16 within the state special revenue fund established in 17-2-102. The Montana bureau of mines and geology  
17 is authorized to expend amounts from the account necessary to carry out the purposes of this part.

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20 (3) Subject to the direction of the ground water assessment steering committee, the Montana  
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