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SENATE BILL NO. 360

INTRODUCED BY Keating

BY REQUEST OF THE SENATE FINANCE AND CLAIMS COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE GROWTH THROUGH AGRICULTURE PROGRAM; AMENDING SECTIONS 15-35-108 AND 17-7-502, MCA; REPEALING SECTIONS 90-9-101, 90-9-102, 90-9-103, 90-9-201, 90-9-202, 90-9-203, 90-9-301, 90-9-303, 90-9-306, 90-9-307, 90-9-311, 90-9-312, 90-9-313, 90-9-314, 90-9-315, 90-9-316, 90-9-317, 90-9-318, 90-9-401, AND 90-9-402, 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. 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

1 any sites and areas described in 23-1-102.

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

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

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

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

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

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

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

17 **15-35-108. (Effective July 1, 1995) Disposal of severance taxes.** Severance taxes collected under
18 this chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

19 (1) To the trust fund created by Article IX, section 5, of the Montana constitution, 50% of total
20 coal severance tax collections. The trust fund money must be deposited in the fund established under
21 17-6-203(6) and invested by the board of investments as provided by law.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 **15-35-108. (Effective July 1, 2003) Disposal of severance taxes.** Severance taxes collected under
18 this chapter must, in accordance with the provisions of 15-1-501(6), be allocated as follows:

19 (1) To the trust fund created by Article IX, section 5, of the Montana constitution, 50% of total
20 coal severance tax collections. The trust fund money must be deposited in the fund established under
21 17-6-203(6) and invested by the board of investments as provided by law.

22 (2) 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) 3 1/3% to a nonexpendable trust fund for the purpose of parks acquisition or management.

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

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

15

16 **Section 2.** Section 17-7-502, MCA, is amended to read:

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

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

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

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

25 (3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105;
26 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;
27 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;
28 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;
29 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;
30 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;

1 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;
 2 27-12-206; 32-1-537; 37-43-204; 37-51-501; 39-71-503; 39-71-907; 39-71-2321; 39-71-2504;
 3 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;
 4 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;
 5 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;
 6 90-7-220; ~~90-9-306~~; and 90-14-107.

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

16
 17 NEW SECTION. **Section 3. Repealer.** Sections 90-9-101, 90-9-102, 90-9-103, 90-9-201,
 18 90-9-202, 90-9-203, 90-9-301, 90-9-303, 90-9-306, 90-9-307, 90-9-311, 90-9-312, 90-9-313, 90-9-314,
 19 90-9-315, 90-9-316, 90-9-317, 90-9-318, 90-9-401, and 90-9-402, MCA, are repealed.

20

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

22

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0360, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act eliminating the Growth Through Agriculture Program.

ASSUMPTIONS:

1. Total coal severance tax collections are \$44,854,000 in FY96 and \$42,359,000 in FY97 (ROC). The Growth Through Agriculture allocation will be \$341,000 in FY96 and \$322,000 in FY97 which under this act will be deposited in the general fund.
2. The agricultural marketing and economic development activities under the Growth Through Agriculture program will terminate.
3. The Department of Agriculture's Executive Budget recommendation will be reduced by 1.67 FTE each year of the biennium and \$305,637 in FY96 and \$307,063 in FY97.
4. The department's ability to respond to requests for information and assistance will be impacted by the reduction in FTE and funding. The Montana Agricultural Buyers Guide which provides information on producer organizations, value added products, and service providers will no longer be available.
5. The Board of Investments will assume and administer the existing 10 loan portfolio with a current principal balance of \$378,227.
6. The Economic Development Division, Department of Commerce has historically received a Growth Through Agriculture grant for support of the foreign trade offices. It is anticipated that the allocation will continue at \$90,000 each year of the biennium and under this act will be with general fund.

FISCAL IMPACT:

Department of Agriculture:

	<u>FY96</u>	<u>FY97</u>
	<u>Difference</u>	<u>Difference</u>
<u>Expenditures:</u>		
FTE	(1.67)	(1.67)
Personal Services	(57,647)	(57,848)
Operating Expenses	(30,790)	(31,115)
Equipment	(2,200)	(3,100)
Grants	(140,000)	(140,000)
Transfers	<u>(75,000)</u>	<u>(75,000)</u>
Total	(305,637)	(307,063)

Funding

Growth Through Agriculture (02)	(305,637)	(307,063)
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Department of Commerce Economic Development Division:

Funding

General Fund (01)	90,000	90,000
Growth Thru Ag Coal Tax (02)	(90,000)	(90,000)

Net Impact on General Fund Balance:

General Fund Savings (01)	251,000	232,000
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David Lewis 2-17-95
 DAVID LEWIS, BUDGET DIRECTOR DATE
 Office of Budget and Program Planning

 TOM KEATING, PRIMARY SPONSOR DATE

Fiscal Note for SB0360, as introduced

36360