

1 HOUSE BILL NO. 156

2 INTRODUCED BY GRADY

3 BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE AMOUNT ALLOWED TO FUND RESOURCE
6 DEVELOPMENT ON SCHOOL LANDS; AMENDING SECTION 77-1-607, MCA; AND PROVIDING AN
7 EFFECTIVE DATE."8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:10
11 **Section 1.** Section 77-1-607, MCA, is amended to read:12 **"77-1-607. Deductions from income for development account -- maximum percentage.** (1) The
13 board shall determine the amount or percentage of income, not to exceed ~~2-1/2%~~ 3%, that is necessary
14 to achieve the purposes of this part and shall provide by rule for deductions of that amount or percentage
15 from the income ~~which~~ that is secured from the lands by the department for the trusts benefited by this
16 part.17 (2) The maximum percentage limitation in subsection (1) does not apply to income deducted and
18 expended under the provisions of 77-1-613."19
20 **NEW SECTION. Section 2. Coordination instruction.** If ___ Bill No. ___ [LC 175] is passed and
21 approved, then [this act] is void.22
23 **NEW SECTION. Section 3. Effective date.** [This act] is effective July 1, 1997.

24 -END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0156, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act increasing the amount allowed to fund resource development on school lands.

ASSUMPTIONS:

1. The average distributable income generated from trust land uses over the past five years has been \$16,179,480/FY.
2. An average of \$404,487/FY has been deposited into the resource development account (2.5% x \$16,179,480).
3. Assuming the distributable income remains constant with the five year average, 3% of that income will result in \$485,385 each fiscal year deposited in the resource development account.
4. An increase of \$80,898/FY in state special revenue will be realized by the resource development account.
5. There will be a decrease of \$80,898/FY in general fund from distributable trust income to the general fund for allocation to the respective school trusts.
6. The Executive Budget contains new proposals for which these funds would be appropriated if approved by the legislature.

FISCAL IMPACT:

	<u>FY98</u> <u>Difference</u>	<u>FY99</u> <u>Difference</u>
<u>Revenues:</u>		
Resource Development Account (02)	80,898	80,898
General Fund (01)	(80,898)	(80,898)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

NA

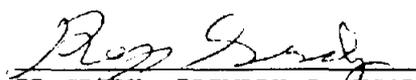
LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Increased development of trust land resources will result in increased revenues to the trusts. Also, it would provide for mitigation of resource damages on trust lands and relieve the state of potential liability from existing hazards.

TECHNICAL NOTES:

This legislation is coordinated with pending legislation [LC175] that proposes to fund the trust land management activities from trust revenues.

 1-10-97
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

 1-13-97
ED GRADY, PRIMARY SPONSOR DATE

Fiscal Note for HB0156, as introduced

HB 156

APPROVED BY COM ON
NATURAL RESOURCES

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21 approved, then [this act] is void.

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23 NEW SECTION. Section 3. Effective date. [This act] is effective July 1, 1997.

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25 NEW SECTION. SECTION 4. TERMINATION. [THIS ACT] TERMINATES JUNE 30, 1999.

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