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House, BILL NO. *584*

INTRODUCED BY

Roger Zambler Gosfield
Deaudry

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING AN ORPHAN SHARE ACCOUNT FOR COMPREHENSIVE ENVIRONMENTAL CLEANUP AND RESPONSIBILITY ACT SITES; ALLOCATING CERTAIN FINES, PENALTIES, RESOURCE INDEMNITY TRUST INTEREST AND TAX PROCEEDS, AND METAL MINES LICENSE TAX PROCEEDS TO THE ORPHAN SHARE ACCOUNT; APPROPRIATING FUNDS TO THE DEPARTMENT OF ENVIRONMENTAL QUALITY FOR REIMBURSEMENTS AND ORPHAN SHARE DEFENSE COSTS FROM THE ORPHAN SHARE ACCOUNT; AMENDING SECTIONS 15-37-117, 15-38-106, AND 15-38-202, MCA; AND PROVIDING EFFECTIVE DATES AND A TERMINATION DATE."

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

NEW SECTION. Section 1. Orphan share state special revenue account. (1) There is an orphan

share account in the state special revenue fund established in 17-2-102.

(2) There must be deposited into the orphan share account:

(a) revenue allocated from the metalliferous mines license tax pursuant to 15-37-117;

(b) money in excess of \$250,000 a year collected by the department as provided in [House Bill No. 284];

(c) all penalties assessed pursuant to [LC 759];

(d) funds received from the interest income of the resource indemnity trust fund pursuant to 15-38-202;

(e) funds allocated from the resource indemnity ground water assessment tax proceeds provided in 15-38-106;

(f) unencumbered funds remaining in the abandoned mines state special revenue account provided for in section 19, Chapter 584, Laws of 1995, as of June 30, 1997;

(g) money expended by the orphan share account to provide orphan share defense costs later attributed to a potentially liable party under 75-10-715; and

(h) interest income earned on the account.

(3) Money in the account is available to the department by appropriation and must be used to

1 reimburse remedial action costs claimed pursuant to [LC 759] and to pay costs incurred by the department
2 in defending the orphan share pursuant to [LC 759].

3

4 **Section 2.** Section 15-37-117, MCA, is amended to read:

5 **"15-37-117. (Temporary) Disposition of metalliferous mines license taxes.** (1) Metalliferous mines
6 license taxes collected under the provisions of this part must, in accordance with the provisions of
7 15-1-501, be allocated as follows:

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

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

11 (c) to the abandoned mines state special revenue account provided for in section 19, Chapter 584,
12 Laws of 1995, 8.5% of total collections each year;

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

15 (e) to the reclamation and development grants program state special revenue account, 4.8% of
16 total collections each year; and

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

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

25 (ii) all money not allocated to the account pursuant to subsection (1)(f)(i) to be further allocated as
26 follows:

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

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

30 (C) 33 1/3% is allocated to the high school districts within the county that have been affected by

1 the development or operation of the metal mine.

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

6 (3) The department shall return to the county in which metals are produced the tax collections
7 allocated under subsection (1)(f). The allocation to the county described by subsection (1)(f) is a statutory
8 appropriation pursuant to 17-7-502. (Terminates June 30, 1997--sec. 27, Ch. 584, L. 1995.)

9 **15-37-117. (Effective July 1, 1997) Disposition of metalliferous mines license taxes.** (1)
10 Metalliferous mines license taxes collected under the provisions of this part must, in accordance with the
11 provisions of 15-1-501, be allocated as follows:

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

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

15 (c) ~~to the state resource indemnity trust fund, 15.5% of total collections each year~~ to the orphan
16 share account established in [section 1], 8.5% of total collections each year;

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

19 (e) to the reclamation and development grants program state special revenue account, 4.8% of
20 total collections each year; and

21 (f) to the county or counties identified as experiencing fiscal and economic impacts, resulting in
22 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)(f)(i) to be further allocated as
30 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)(f) in a manner similar to that provided for property tax sharing under Title 90, chapter 6, part
9 4.

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

13

14 **Section 3.** Section 15-38-106, MCA, is amended to read:

15 **"15-38-106. Payment of tax -- records -- collection of taxes -- refunds.** (1) The tax imposed by
16 this chapter must be paid by each person to which the tax applies, on or before March 31, on the value
17 of product in the year preceding January 1 of the year in which the tax is paid. The tax must be paid to
18 the department at the time that the statement of yield for the preceding calendar year is filed with the
19 department.

20 (2) The department shall, in accordance with the provisions of 15-1-501(6), deposit the proceeds
21 of the tax in the resource indemnity trust fund of the nonexpendable trust fund type, except that:

22 (a) 14.1% of the proceeds must be deposited in the ground water assessment account established
23 by 85-2-905;

24 (b) 10% of the proceeds must be deposited in the renewable resource grant and loan program state
25 special revenue account established by 85-1-604; ~~and~~

26 (c) 30% of the proceeds must be deposited in the reclamation and development grants account
27 established by 90-2-1104; and

28 (d) if there are sufficient funds remaining, at the beginning of each fiscal year, there is allocated
29 from the proceeds of the tax \$200,000 to be deposited in the orphan share account established in [section
30 1].

1 (3) Every person to whom the tax applies shall keep records in accordance with 15-38-105, and
2 the records are subject to inspection by the department upon reasonable notice during normal business
3 hours.

4 (4) The department shall examine the statement and compute the taxes to be imposed, and the
5 amount computed by the department is the tax imposed, assessed against, and payable by the taxpayer.
6 If the tax found to be due is greater than the amount paid, the excess must be paid by the taxpayer to the
7 department within 30 days after written notice of the amount of deficiency is mailed by the department to
8 the taxpayer. If the tax imposed is less than the amount paid, the difference must be applied as a tax credit
9 against tax liability for subsequent years or refunded if requested by the taxpayer."
10

11 **Section 4.** Section 15-38-202, MCA, is amended to read:

12 **"15-38-202. Investment of resource indemnity trust fund -- expenditure -- minimum balance.** (1)

13 All money paid into the resource indemnity trust fund, including money payable into the fund under the
14 provisions of 15-36-324 and 15-37-117, must be invested at the discretion of the board of investments.

15 All the net earnings accruing to the resource indemnity trust fund must annually be added to the trust fund
16 until it has reached the sum of \$10 million. Thereafter, only the net earnings may be appropriated and
17 expended until the fund reaches \$100 million. Thereafter, all net earnings and all receipts must be
18 appropriated by the legislature and expended, provided that the balance in the fund may never be less than
19 \$100 million.

20 (2) (a) At the beginning of each fiscal year, there is allocated from the interest income of the
21 resource indemnity trust fund \$240,000, which is statutorily appropriated, as provided in 17-7-502, from
22 the renewable resource grant and loan program state special revenue account to support the operations of
23 the environmental science-water quality instructional programs at Montana state university-northern, to be
24 used for support costs, for matching funds necessary to attract additional funds to further expand statewide
25 impact, and for enhancement of the facilities related to the programs.

26 (b) At the beginning of each biennium, there is allocated from the interest income of the resource
27 indemnity trust fund:

28 (i) an amount not to exceed \$175,000 to the environmental contingency account pursuant to the
29 conditions of 75-1-1101;

30 (ii) an amount not to exceed \$50,000 to the oil and gas production damage mitigation account

1 pursuant to the conditions of 82-11-161;

2 (iii) ~~beginning in fiscal year 1996~~, \$2 million to be deposited into the renewable resource grant and
3 loan program state special revenue account, created by 85-1-604, for the purpose of making grants;

4 (iv) ~~beginning in fiscal year 1996~~, \$3 million to be deposited into the reclamation and development
5 grants state special revenue account, created by 90-2-1104, for the purpose of making grants; and

6 (v) ~~beginning in fiscal year 1996~~, \$500,000 to be deposited into the water storage state special
7 revenue account created by 85-1-631.

8 (c) At the beginning of each fiscal year, there is allocated from the interest income of the resource
9 indemnity trust fund \$200,000 to be deposited in the orphan share account established in [section 1].

10 ~~(d)~~ The remainder of the interest income is allocated as follows:

11 (i) Thirty-six percent of the interest income of the resource indemnity trust fund must be allocated
12 to the renewable resource grant and loan program state special revenue account created by 85-1-604.

13 (ii) Eighteen percent of the interest income of the resource indemnity trust fund must be allocated
14 to the hazardous waste/CERCLA special revenue account provided for in 75-10-621.

15 (iii) Forty percent of the interest income from the resource indemnity trust fund must be allocated
16 to the reclamation and development grants account provided for in 90-2-1104.

17 (iv) Six percent of the interest income of the resource indemnity trust fund must be allocated to the
18 environmental quality protection fund provided for in 75-10-704.

19 (3) Any formal budget document prepared by the legislature or the executive branch that proposes
20 to appropriate funds from the resource indemnity trust interest account other than as provided for by the
21 allocations in subsection (2) must specify the amount of money from each allocation that is proposed to
22 be diverted and the proposed use of the diverted funds. A formal budget document includes a printed and
23 publicly distributed budget proposal or recommendation, an introduced bill, or a bill developed during the
24 legislative appropriation process or otherwise during a legislative session."

25

26 NEW SECTION. **Section 5. Appropriation.** There is appropriated to the department of
27 environmental quality from the orphan share account provided for in [section 1], to fund reimbursements
28 for orphan shares at Comprehensive Environmental Cleanup and Responsibility Act sites and department
29 costs in defending the orphan shares, \$1 million in fiscal year 1998 and \$1.3 million in fiscal year 1999.

30

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0584, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act creating an orphan share account for comprehensive environmental cleanup and responsibility act sites; allocating certain fines, penalties, resource indemnity trust interest and tax proceeds, and metal mine license tax proceeds to the orphan share account; appropriating funds to the Department of Environmental Quality for reimbursements and orphan share defense costs from the orphan share account.

ASSUMPTIONS:

Department of Environmental Quality (DEQ):

1. Assume SB 377 is passed and approved, rendering sections 1 through 4 void. If SB 377 is not passed and approved, then this proposal is void. With this contingency clause the only section of the bill that can be enacted is the appropriation section. SB 377 provides the funding mechanism (see fiscal note for SB 377).

FISCAL IMPACT:

The bill appropriates \$1 million in fiscal 1998 and \$1.3 million in fiscal 1999 for DEQ costs and orphan shares reimbursements.

TECHNICAL NOTES:

1. Under Section 7(2), sections 1 through 4 can never become effective.
2. Since HB 584 is intended to be a companion bill to SB 377, it should be noted that this bill (HB 584) sets an effective date of July 1, 2000, for depositing interest income of \$200,000 per year from the interest income of the resource indemnity trust fund into the orphan share account. In SB 377, the deposit of \$200,000 per year from the interest income of the resource indemnity trust fund into the orphan share account is effective July 1, 1999.

Dave Lewis 2-24-97
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

Dick Knox 3-10-97
DICK KNOX, PRIMARY SPONSOR DATE

Fiscal Note for HB0584, as introduced

HB 584

HOUSE BILL NO. 584

INTRODUCED BY KNOX, QUILICI, GROSFIELD, BEAUDRY

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING AN ORPHAN SHARE ACCOUNT FOR COMPREHENSIVE ENVIRONMENTAL CLEANUP AND RESPONSIBILITY ACT SITES; ALLOCATING CERTAIN FINES, PENALTIES, RESOURCE INDEMNITY TRUST INTEREST AND TAX PROCEEDS, AND METAL MINES LICENSE TAX PROCEEDS TO THE ORPHAN SHARE ACCOUNT; APPROPRIATING FUNDS TO THE DEPARTMENT OF ENVIRONMENTAL QUALITY FOR REIMBURSEMENTS AND ORPHAN SHARE DEFENSE COSTS FROM THE ORPHAN SHARE ACCOUNT; AMENDING SECTIONS 15-37-117, 15-38-106, AND 15-38-202, MCA; AND PROVIDING EFFECTIVE DATES AND A TERMINATION DATE."

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

NEW SECTION. Section 1. Orphan share state special revenue account. (1) There is an orphan share account in the state special revenue fund established in 17-2-102.

(2) There must be deposited into the orphan share account:

(a) revenue allocated from the metalliferous mines license tax pursuant to 15-37-117;

(b) money in excess of \$250,000 a year collected by the department as provided in [House Bill No. 284];

~~(c) all penalties assessed pursuant to [LC 759];~~

~~(d)~~(C) funds received from the interest income of the resource indemnity trust fund pursuant to 15-38-202;

~~(e)~~(D) funds allocated from the resource indemnity ground water assessment tax proceeds provided in 15-38-106;

~~(f)~~(E) unencumbered funds remaining in the abandoned mines state special revenue account provided for in section 19, Chapter 584, Laws of 1995, as of June 30, ~~1997~~ 1999;

~~(g)~~(F) money expended by the orphan share account to provide orphan share defense costs later attributed to a potentially liable party under 75-10-715; and

~~(h)~~(G) interest income earned on the account.

(3) Money in the account is available to the department by appropriation and must be used to

1 reimburse remedial action costs claimed pursuant to [LC 759] and to pay costs incurred by the department
2 in defending the orphan share pursuant to [LC 759]. THE FUNDS ALLOCATED IN SUBSECTIONS (2)(C)
3 AND (2)(D) MAY NOT BE USED FOR ADMINISTRATIVE EXPENSES.
4

5 **Section 2.** Section 15-37-117, MCA, is amended to read:

6 **"15-37-117. (Temporary) Disposition of metalliferous mines license taxes.** (1) Metalliferous mines
7 license taxes collected under the provisions of this part must, in accordance with the provisions of
8 15-1-501, be allocated as follows:

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

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

12 (c) to the abandoned mines state special revenue account provided for in section 19, Chapter 584,
13 Laws of 1995, 8.5% of total collections each year;

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

16 (e) to the reclamation and development grants program state special revenue account, 4.8% of
17 total collections each year; and

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

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

26 (ii) all money not allocated to the account pursuant to subsection (1)(f)(i) to be further allocated as
27 follows:

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

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

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

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

7 (3) The department shall return to the county in which metals are produced the tax collections
8 allocated under subsection (1)(f). The allocation to the county described by subsection (1)(f) is a statutory
9 appropriation pursuant to 17-7-502. (Terminates June 30, 1997--sec. 27, Ch. 584, L. 1995.)

10 **15-37-117. (Effective July 1, 1997) Disposition of metalliferous mines license taxes.** (1)
11 Metalliferous mines license taxes collected under the provisions of this part must, in accordance with the
12 provisions of 15-1-501, be allocated as follows:

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

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

16 (c) ~~to the state resource indemnity trust fund, 15.5% of total collections each year~~ to the orphan
17 share account established in [section 1], 8.5% 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 (e) to the reclamation and development grants program state special revenue account, 4.8% of
21 total collections each year; and

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

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

30 (ii) all money not allocated to the account pursuant to subsection (1)(f)(i) to be further allocated as

1 follows:

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

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

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

7 (2) When an impact plan for a large-scale mineral development approved pursuant to 90-6-307
8 identifies a jurisdictional revenue disparity, the county shall distribute the proceeds allocated under
9 subsection (1)(f) in a manner similar to that provided for property tax sharing under Title 90, chapter 6, part
10 4.

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

14

15 **Section 3.** Section 15-38-106, MCA, is amended to read:

16 "**15-38-106. Payment of tax -- records -- collection of taxes -- refunds.** (1) The tax imposed by
17 this chapter must be paid by each person to which the tax applies, on or before March 31, on the value
18 of product in the year preceding January 1 of the year in which the tax is paid. The tax must be paid to
19 the department at the time that the statement of yield for the preceding calendar year is filed with the
20 department.

21 (2) The department shall, in accordance with the provisions of 15-1-501(6), deposit the proceeds
22 of the tax in the resource indemnity trust fund of the nonexpendable trust fund type, except that:

23 (a) 14.1% of the proceeds must be deposited in the ground water assessment account established
24 by 85-2-905;

25 (b) 10% of the proceeds must be deposited in the renewable resource grant and loan program state
26 special revenue account established by 85-1-604; ~~and~~

27 (c) 30% of the proceeds must be deposited in the reclamation and development grants account
28 established by 90-2-1104; and

29 (d) if there are sufficient funds remaining, at the beginning of each fiscal year, there is allocated
30 from the proceeds of the tax \$200,000 to be deposited in the orphan share account established in [section

1 1].

2 (3) Every person to whom the tax applies shall keep records in accordance with 15-38-105, and
3 the records are subject to inspection by the department upon reasonable notice during normal business
4 hours.

5 (4) The department shall examine the statement and compute the taxes to be imposed, and the
6 amount computed by the department is the tax imposed, assessed against, and payable by the taxpayer.
7 If the tax found to be due is greater than the amount paid, the excess must be paid by the taxpayer to the
8 department within 30 days after written notice of the amount of deficiency is mailed by the department to
9 the taxpayer. If the tax imposed is less than the amount paid, the difference must be applied as a tax credit
10 against tax liability for subsequent years or refunded if requested by the taxpayer."

11

12 **Section 4.** Section 15-38-202, MCA, is amended to read:

13 **"15-38-202. Investment of resource indemnity trust fund -- expenditure -- minimum balance.** (1)

14 All money paid into the resource indemnity trust fund, including money payable into the fund under the
15 provisions of 15-36-324 and 15-37-117, must be invested at the discretion of the board of investments.

16 All the net earnings accruing to the resource indemnity trust fund must annually be added to the trust fund
17 until it has reached the sum of \$10 million. Thereafter, only the net earnings may be appropriated and
18 expended until the fund reaches \$100 million. Thereafter, all net earnings and all receipts must be
19 appropriated by the legislature and expended, provided that the balance in the fund may never be less than
20 \$100 million.

21 (2) (a) At the beginning of each fiscal year, there is allocated from the interest income of the
22 resource indemnity trust fund \$240,000, which is statutorily appropriated, as provided in 17-7-502, from
23 the renewable resource grant and loan program state special revenue account to support the operations of
24 the environmental science-water quality instructional programs at Montana state university-northern, to be
25 used for support costs, for matching funds necessary to attract additional funds to further expand statewide
26 impact, and for enhancement of the facilities related to the programs.

27 (b) At the beginning of each biennium, there is allocated from the interest income of the resource
28 indemnity trust fund:

29 (i) an amount not to exceed \$175,000 to the environmental contingency account pursuant to the
30 conditions of 75-1-1101;

1 (ii) an amount not to exceed \$50,000 to the oil and gas production damage mitigation account
2 pursuant to the conditions of 82-11-161;

3 (iii) ~~beginning in fiscal year 1996~~, \$2 million to be deposited into the renewable resource grant and
4 loan program state special revenue account, created by 85-1-604, for the purpose of making grants;

5 (iv) ~~beginning in fiscal year 1996~~, \$3 million to be deposited into the reclamation and development
6 grants state special revenue account, created by 90-2-1104, for the purpose of making grants; and

7 (v) ~~beginning in fiscal year 1996~~, \$500,000 to be deposited into the water storage state special
8 revenue account created by 85-1-631.

9 (c) At the beginning of each fiscal year, there is allocated from the interest income of the resource
10 indemnity trust fund \$200,000 to be deposited in the orphan share account established in [section 1].

11 ~~(d)~~ (d) The remainder of the interest income is allocated as follows:

12 (i) Thirty-six percent of the interest income of the resource indemnity trust fund must be allocated
13 to the renewable resource grant and loan program state special revenue account created by 85-1-604.

14 (ii) Eighteen percent of the interest income of the resource indemnity trust fund must be allocated
15 to the hazardous waste/CERCLA special revenue account provided for in 75-10-621.

16 (iii) Forty percent of the interest income from the resource indemnity trust fund must be allocated
17 to the reclamation and development grants account provided for in 90-2-1104.

18 (iv) Six percent of the interest income of the resource indemnity trust fund must be allocated to the
19 environmental quality protection fund provided for in 75-10-704.

20 (3) Any formal budget document prepared by the legislature or the executive branch that proposes
21 to appropriate funds from the resource indemnity trust interest account other than as provided for by the
22 allocations in subsection (2) must specify the amount of money from each allocation that is proposed to
23 be diverted and the proposed use of the diverted funds. A formal budget document includes a printed and
24 publicly distributed budget proposal or recommendation, an introduced bill, or a bill developed during the
25 legislative appropriation process or otherwise during a legislative session."

26
27 NEW SECTION. Section 5. Appropriation. There is appropriated to the department of
28 environmental quality from the orphan share account provided for in [section 1], to fund reimbursements
29 for orphan shares at Comprehensive Environmental Cleanup and Responsibility Act sites and department
30 costs in defending the orphan shares, ~~\$1 million~~ \$825,000 in fiscal year 1998 and ~~\$1.3~~ \$1.325 million in

1 fiscal year 1999.

2

3 **NEW SECTION. Section 6. Codification instruction.** [Section 1] is intended to be codified as an
4 integral part of Title 75, chapter 10, and the provisions of Title 75, chapter 10, apply to [section 1].

5

6 **NEW SECTION. Section 7. Coordination instruction.** (1) If Senate Bill No. 7 and [this act] are both
7 passed and approved, then the amendments to 15-37-117 in Senate Bill No. 7, relating to the allocation
8 of the metal mines license tax, are void.

9 (2) If __ Bill __ [LC 759] and [this act] are both passed and approved, then [sections 1 through 4
10 of this act] are void. If __ Bill __ [LC 759] fails, then [this act] is void.

11 (3) If House Bill No. 284 fails then [section 1(2)(b) of this act] is void and the subsections must be
12 renumbered.

13

14 **NEW SECTION. Section 8. Severability.** If a part of [this act] is invalid, all valid parts that are
15 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its
16 applications, the part remains in effect in all valid applications that are severable from the invalid
17 applications.

18

19 **NEW SECTION. Section 9. Effective dates.** (1) Subject to [section 7], [sections 1 through 3, 5
20 through 8, and 10 and this section] are effective July 1, 1997.

21 (2) Subject to [section 7], [section 4] is effective July 1, ~~2000~~ 1999.

22

23 **NEW SECTION. Section 10. Termination.** [This act] terminates July 1, 2005.

24

-END-

1 HOUSE BILL NO. 584

2 INTRODUCED BY KNOX, QUILICI, GROSFIELD, BEAUDRY

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING AN ORPHAN SHARE ACCOUNT FOR
 5 COMPREHENSIVE ENVIRONMENTAL CLEANUP AND RESPONSIBILITY ACT SITES; ALLOCATING CERTAIN
 6 FINES, PENALTIES, RESOURCE INDEMNITY TRUST INTEREST AND TAX PROCEEDS, AND METAL MINES
 7 LICENSE TAX PROCEEDS TO THE ORPHAN SHARE ACCOUNT; APPROPRIATING FUNDS TO THE
 8 DEPARTMENT OF ENVIRONMENTAL QUALITY FOR REIMBURSEMENTS AND ORPHAN SHARE DEFENSE
 9 COSTS FROM THE ORPHAN SHARE ACCOUNT; AMENDING SECTIONS 15-37-117, 15-38-106, AND
 10 15-38-202, MCA; AND PROVIDING EFFECTIVE DATES AND A TERMINATION DATE."

11

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

13

14 NEW SECTION. Section 1. Orphan share state special revenue account. (1) There is an orphan
 15 share account in the state special revenue fund established in 17-2-102.

16 (2) There must be deposited into the orphan share account:

17 (a) revenue allocated from the metalliferous mines license tax pursuant to 15-37-117;

18 ~~(b) money in excess of \$250,000 a year collected by the department as provided in [House Bill No.~~
 19 ~~284];~~

20 ~~(c) all penalties assessed pursuant to [LC 759];~~21 (B) ALL PENALTIES ASSESSED PURSUANT TO [SENATE BILL NO. 377];

22 ~~(d)(C)~~ funds received from the interest income of the resource indemnity trust fund pursuant to
 23 15-38-202;

24 ~~(e)(D)~~ funds allocated from the resource indemnity ground water assessment tax proceeds provided
 25 in 15-38-106;

26 ~~(f)(E)~~ unencumbered funds remaining in the abandoned mines state special revenue account
 27 provided for in section 19, Chapter 584, Laws of 1995, as of June 30, ~~1997~~ 1999;

28 ~~(g)(F)~~ money expended by the orphan share account to provide orphan share defense costs later
 29 attributed to a potentially liable party under 75-10-715; and

30 ~~(h)(G)~~ interest income earned on the account.

1 (3) Money in the account is available to the department by appropriation and must be used to
2 reimburse remedial action costs claimed pursuant to [LC 759] and to pay costs incurred by the department
3 in defending the orphan share pursuant to [LC 759]. THE FUNDS ALLOCATED IN SUBSECTIONS (2)(C)
4 AND (2)(D) MAY NOT BE USED FOR ADMINISTRATIVE EXPENSES.

5
6 **Section 2.** Section 15-37-117, MCA, is amended to read:

7 **"15-37-117. (Temporary) Disposition of metalliferous mines license taxes.** (1) Metalliferous mines
8 license taxes collected under the provisions of this part must, in accordance with the provisions of
9 15-1-501, be allocated as follows:

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

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

13 (c) to the abandoned mines state special revenue account provided for in section 19, Chapter 584,
14 Laws of 1995, 8.5% of total collections each year;

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

17 (e) to the reclamation and development grants program state special revenue account, 4.8% of
18 total collections each year; and

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

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

26 and

27 (ii) all money not allocated to the account pursuant to subsection (1)(f)(i) to be further allocated as
28 follows:

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

30 (B) 33 1/3% is allocated to the elementary school districts within the county that have been

1 affected by the development or operation of the metal mine; and

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

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

8 (3) The department shall return to the county in which metals are produced the tax collections
9 allocated under subsection (1)(f). The allocation to the county described by subsection (1)(f) is a statutory
10 appropriation pursuant to 17-7-502. (Terminates June 30, 1997--sec. 27, Ch. 584, L. 1995.)

11 **15-37-117. (Effective July 1, 1997) Disposition of metalliferous mines license taxes.** (1)
12 Metalliferous mines license taxes collected under the provisions of this part must, in accordance with the
13 provisions of 15-1-501, be 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, 15.5% of total collections each year~~ to the orphan
18 share account established in [section 1], 8.5% 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 (e) to the reclamation and development grants program state special revenue account, 4.8% of
22 total collections each year; and

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

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

30 and

1 (ii) all money not allocated to the account pursuant to subsection (1)(f)(i) to be further allocated as
2 follows:

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

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

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

8 (2) When an impact plan for a large-scale mineral development approved pursuant to 90-6-307
9 identifies a jurisdictional revenue disparity, the county shall distribute the proceeds allocated under
10 subsection (1)(f) in a manner similar to that provided for property tax sharing under Title 90, chapter 6, part
11 4.

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

15

16 **Section 3.** Section 15-38-106, MCA, is amended to read:

17 **"15-38-106. Payment of tax -- records -- collection of taxes -- refunds.** (1) The tax imposed by
18 this chapter must be paid by each person to which the tax applies, on or before March 31, on the value
19 of product in the year preceding January 1 of the year in which the tax is paid. The tax must be paid to
20 the department at the time that the statement of yield for the preceding calendar year is filed with the
21 department.

22 (2) The department shall, in accordance with the provisions of 15-1-501(6), deposit the proceeds
23 of the tax in the resource indemnity trust fund of the nonexpendable trust fund type, except that:

24 (a) 14.1% of the proceeds must be deposited in the ground water assessment account established
25 by 85-2-905;

26 (b) 10% of the proceeds must be deposited in the renewable resource grant and loan program state
27 special revenue account established by 85-1-604; ~~and~~

28 (c) 30% of the proceeds must be deposited in the reclamation and development grants account
29 established by 90-2-1104; and

30 (d) if there are sufficient funds remaining, at the beginning of each fiscal year, there is allocated

1 from the proceeds of the tax \$200,000 to be deposited in the orphan share account established in [section
2 1].

3 (3) Every person to whom the tax applies shall keep records in accordance with 15-38-105, and
4 the records are subject to inspection by the department upon reasonable notice during normal business
5 hours.

6 (4) The department shall examine the statement and compute the taxes to be imposed, and the
7 amount computed by the department is the tax imposed, assessed against, and payable by the taxpayer.
8 If the tax found to be due is greater than the amount paid, the excess must be paid by the taxpayer to the
9 department within 30 days after written notice of the amount of deficiency is mailed by the department to
10 the taxpayer. If the tax imposed is less than the amount paid, the difference must be applied as a tax credit
11 against tax liability for subsequent years or refunded if requested by the taxpayer."
12

13 **Section 4.** Section 15-38-202, MCA, is amended to read:

14 **"15-38-202. Investment of resource indemnity trust fund -- expenditure -- minimum balance.** (1)
15 All money paid into the resource indemnity trust fund, including money payable into the fund under the
16 provisions of 15-36-324 and 15-37-117, must be invested at the discretion of the board of investments.
17 All the net earnings accruing to the resource indemnity trust fund must annually be added to the trust fund
18 until it has reached the sum of \$10 million. Thereafter, only the net earnings may be appropriated and
19 expended until the fund reaches \$100 million. Thereafter, all net earnings and all receipts must be
20 appropriated by the legislature and expended, provided that the balance in the fund may never be less than
21 \$100 million.

22 (2) (a) At the beginning of each fiscal year, there is allocated from the interest income of the
23 resource indemnity trust fund \$240,000, which is statutorily appropriated, as provided in 17-7-502, from
24 the renewable resource grant and loan program state special revenue account to support the operations of
25 the environmental science-water quality instructional programs at Montana state university-northern, to be
26 used for support costs, for matching funds necessary to attract additional funds to further expand statewide
27 impact, and for enhancement of the facilities related to the programs.

28 (b) At the beginning of each biennium, there is allocated from the interest income of the resource
29 indemnity trust fund:

30 (i) an amount not to exceed \$175,000 to the environmental contingency account pursuant to the

1 conditions of 75-1-1101;

2 (ii) an amount not to exceed \$50,000 to the oil and gas production damage mitigation account
3 pursuant to the conditions of 82-11-161;

4 (iii) ~~beginning in fiscal year 1996~~, \$2 million to be deposited into the renewable resource grant and
5 loan program state special revenue account, created by 85-1-604, for the purpose of making grants;

6 (iv) ~~beginning in fiscal year 1996~~, \$3 million to be deposited into the reclamation and development
7 grants state special revenue account, created by 90-2-1104, for the purpose of making grants; and

8 (v) ~~beginning in fiscal year 1996~~, \$500,000 to be deposited into the water storage state special
9 revenue account created by 85-1-631.

10 (c) At the beginning of each fiscal year, there is allocated from the interest income of the resource
11 indemnity trust fund \$200,000 to be deposited in the orphan share account established in [section 1].

12 ~~(e)~~(d) The remainder of the interest income is allocated as follows:

13 (i) Thirty-six percent of the interest income of the resource indemnity trust fund must be allocated
14 to the renewable resource grant and loan program state special revenue account created by 85-1-604.

15 (ii) Eighteen percent of the interest income of the resource indemnity trust fund must be allocated
16 to the hazardous waste/CERCLA special revenue account provided for in 75-10-621.

17 (iii) Forty percent of the interest income from the resource indemnity trust fund must be allocated
18 to the reclamation and development grants account provided for in 90-2-1104.

19 (iv) Six percent of the interest income of the resource indemnity trust fund must be allocated to the
20 environmental quality protection fund provided for in 75-10-704.

21 (3) Any formal budget document prepared by the legislature or the executive branch that proposes
22 to appropriate funds from the resource indemnity trust interest account other than as provided for by the
23 allocations in subsection (2) must specify the amount of money from each allocation that is proposed to
24 be diverted and the proposed use of the diverted funds. A formal budget document includes a printed and
25 publicly distributed budget proposal or recommendation, an introduced bill, or a bill developed during the
26 legislative appropriation process or otherwise during a legislative session."

27

28 NEW SECTION. **Section 5. Appropriation.** There is appropriated to the department of
29 environmental quality from the orphan share account provided for in [section 1], to fund reimbursements
30 for orphan shares at Comprehensive Environmental Cleanup and Responsibility Act sites and department

1 costs in defending the orphan shares, ~~\$1 million~~ \$825,000 \$675,000 in fiscal year 1998 and ~~\$1.3~~ \$1,325
 2 \$1.245 million in fiscal year 1999.

3
 4 **NEW SECTION. Section 6. Codification instruction.** [Section 1] is intended to be codified as an
 5 integral part of Title 75, chapter 10, and the provisions of Title 75, chapter 10, apply to [section 1].

6
 7 **NEW SECTION. Section 7. Coordination instruction.** (1) If Senate Bill No. 7 and [this act] are both
 8 passed and approved, then ~~the amendments to 15-37-117 in Senate Bill No. 7, relating to the allocation~~
 9 ~~of the metal mines license tax, are~~ is void.

10 (2) If ~~Bill~~ [LC 759] SENATE BILL NO. 377 and [this act] are both passed and approved, then
 11 [sections 1 through 4 of this act] are void. If ~~Bill~~ [LC 759] SENATE BILL NO. 377 fails, then [this
 12 act] is void.

13 ~~(3) If House Bill No. 284 fails then [section 1(2)(b) of this act] is void and the subsections must be~~
 14 ~~renumbered.~~

15
 16 **NEW SECTION. Section 8. Severability.** If a part of [this act] is invalid, all valid parts that are
 17 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its
 18 applications, the part remains in effect in all valid applications that are severable from the invalid
 19 applications.

20
 21 **NEW SECTION. Section 9. Effective dates.** (1) Subject to [section 7], [sections 1 through 3, 5
 22 through 8, and 10 and this section] are effective July 1, 1997.

23 (2) Subject to [section 7], [section 4] is effective July 1, ~~2000~~ 1999.

24
 25 **NEW SECTION. Section 10. Termination.** [This act] terminates July 1, 2005.

26 -END-

1 HOUSE BILL NO. 584

2 INTRODUCED BY KNOX, QUILICI, GROSFIELD, BEAUDRY

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING AN ORPHAN SHARE ACCOUNT FOR
5 COMPREHENSIVE ENVIRONMENTAL CLEANUP AND RESPONSIBILITY ACT SITES; ALLOCATING CERTAIN
6 ~~FINES, PENALTIES,~~ RESOURCE INDEMNITY TRUST INTEREST AND TAX PROCEEDS, AND METAL MINES
7 LICENSE TAX PROCEEDS TO THE ORPHAN SHARE ACCOUNT; APPROPRIATING FUNDS TO THE
8 DEPARTMENT OF ENVIRONMENTAL QUALITY FOR REIMBURSEMENTS AND ORPHAN SHARE DEFENSE
9 COSTS FROM THE ORPHAN SHARE ACCOUNT; AMENDING SECTIONS 15-37-117, 15-38-106, AND
10 15-38-202, MCA; AND PROVIDING EFFECTIVE DATES AND A TERMINATION DATE."

11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:13
14 NEW SECTION. **Section 1. Orphan share state special revenue account.** (1) There is an orphan
15 share account in the state special revenue fund established in 17-2-102.

16 (2) There must be deposited into the orphan share account:

17 (a) revenue allocated from the metalliferous mines license tax pursuant to 15-37-117;

18 ~~(b) money in excess of \$250,000 a year collected by the department as provided in (House Bill No.~~
19 ~~284);~~20 ~~(c) all penalties assessed pursuant to (LC 759);~~21 (B) ALL PENALTIES ASSESSED PURSUANT TO (SENATE BILL NO. 377);22 ~~(d)(C)~~ funds received from the interest income of the resource indemnity trust fund pursuant to
23 15-38-202;24 ~~(e)(D)~~ funds allocated from the resource indemnity ground water assessment tax proceeds provided
25 in 15-38-106;26 ~~(f)(E)~~ unencumbered funds remaining in the abandoned mines state special revenue account
27 provided for in section 19, Chapter 584, Laws of 1995, as of June 30, ~~1997~~ 1999;28 ~~(g)(F)~~ money expended by the orphan share account to provide orphan share defense costs later
29 attributed to a potentially liable party under 75-10-715; and30 ~~(h)(G)~~ interest income earned on the account.

1 (3) Money in the account is available to the department by appropriation and must be used to
2 reimburse remedial action costs claimed pursuant to [LC 759] and to pay costs incurred by the department
3 in defending the orphan share pursuant to [LC 759]. THE FUNDS ALLOCATED IN SUBSECTIONS (2)(C)
4 AND (2)(D) MAY NOT BE USED FOR ADMINISTRATIVE EXPENSES.

5
6 **Section 2.** Section 15-37-117, MCA, is amended to read:

7 **"15-37-117. (Temporary) Disposition of metalliferous mines license taxes.** (1) Metalliferous mines
8 license taxes collected under the provisions of this part must, in accordance with the provisions of
9 15-1-501, be allocated as follows:

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

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

13 (c) to the abandoned mines state special revenue account provided for in section 19, Chapter 584,
14 Laws of 1995, 8.5% of total collections each year;

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

17 (e) to the reclamation and development grants program state special revenue account, 4.8% of
18 total collections each year; and

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

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

26 and

27 (ii) all money not allocated to the account pursuant to subsection (1)(f)(i) to be further allocated as
28 follows:

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

30 (B) 33 1/3% is allocated to the elementary school districts within the county that have been

1 affected by the development or operation of the metal mine; and

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

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

8 (3) The department shall return to the county in which metals are produced the tax collections
9 allocated under subsection (1)(f). The allocation to the county described by subsection (1)(f) is a statutory
10 appropriation pursuant to 17-7-502. (Terminates June 30, 1997--sec. 27, Ch. 584, L. 1995.)

11 **15-37-117. (Effective July 1, 1997) Disposition of metalliferous mines license taxes.** (1)
12 Metalliferous mines license taxes collected under the provisions of this part must, in accordance with the
13 provisions of 15-1-501, be 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, 15.5% of total collections each year~~ to the orphan
18 share account established in [section 1], 8.5% 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 (e) to the reclamation and development grants program state special revenue account, 4.8% of
22 total collections each year; and

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

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

30 and

1 (ii) all money not allocated to the account pursuant to subsection (1)(f)(i) to be further allocated as
2 follows:

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

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

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

8 (2) When an impact plan for a large-scale mineral development approved pursuant to 90-6-307
9 identifies a jurisdictional revenue disparity, the county shall distribute the proceeds allocated under
10 subsection (1)(f) in a manner similar to that provided for property tax sharing under Title 90, chapter 6, part
11 4.

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

15

16 **Section 3.** Section 15-38-106, MCA, is amended to read:

17 **"15-38-106. Payment of tax -- records -- collection of taxes -- refunds.** (1) The tax imposed by
18 this chapter must be paid by each person to which the tax applies, on or before March 31, on the value
19 of product in the year preceding January 1 of the year in which the tax is paid. The tax must be paid to
20 the department at the time that the statement of yield for the preceding calendar year is filed with the
21 department.

22 (2) The department shall, in accordance with the provisions of 15-1-501(6), deposit the proceeds
23 of the tax in the resource indemnity trust fund of the nonexpendable trust fund type, except that:

24 (a) 14.1% of the proceeds must be deposited in the ground water assessment account established
25 by 85-2-905;

26 (b) 10% of the proceeds must be deposited in the renewable resource grant and loan program state
27 special revenue account established by 85-1-604; ~~and~~

28 (c) 30% of the proceeds must be deposited in the reclamation and development grants account
29 established by 90-2-1104; ~~and~~

30 (d) if there are sufficient funds remaining, at the beginning of each fiscal year, there is allocated

1 from the proceeds of the tax \$200,000 to be deposited in the orphan share account established in (section
2 11).

3 (3) Every person to whom the tax applies shall keep records in accordance with 15-38-105, and
4 the records are subject to inspection by the department upon reasonable notice during normal business
5 hours.

6 (4) The department shall examine the statement and compute the taxes to be imposed, and the
7 amount computed by the department is the tax imposed, assessed against, and payable by the taxpayer.
8 If the tax found to be due is greater than the amount paid, the excess must be paid by the taxpayer to the
9 department within 30 days after written notice of the amount of deficiency is mailed by the department to
10 the taxpayer. If the tax imposed is less than the amount paid, the difference must be applied as a tax credit
11 against tax liability for subsequent years or refunded if requested by the taxpayer."
12

13 **Section 4.** Section 15-38-202, MCA, is amended to read:

14 **"15-38-202. Investment of resource indemnity trust fund -- expenditure -- minimum balance.** (1)
15 All money paid into the resource indemnity trust fund, including money payable into the fund under the
16 provisions of 15-36-324 and 15-37-117, must be invested at the discretion of the board of investments.
17 All the net earnings accruing to the resource indemnity trust fund must annually be added to the trust fund
18 until it has reached the sum of \$10 million. Thereafter, only the net earnings may be appropriated and
19 expended until the fund reaches \$100 million. Thereafter, all net earnings and all receipts must be
20 appropriated by the legislature and expended, provided that the balance in the fund may never be less than
21 \$100 million.

22 (2) (a) At the beginning of each fiscal year, there is allocated from the interest income of the
23 resource indemnity trust fund \$240,000, which is statutorily appropriated, as provided in 17-7-502, from
24 the renewable resource grant and loan program state special revenue account to support the operations of
25 the environmental science-water quality instructional programs at Montana state university-northern, to be
26 used for support costs, for matching funds necessary to attract additional funds to further expand statewide
27 impact, and for enhancement of the facilities related to the programs.

28 (b) At the beginning of each biennium, there is allocated from the interest income of the resource
29 indemnity trust fund:

30 (i) an amount not to exceed \$175,000 to the environmental contingency account pursuant to the

1 conditions of 75-1-1101;

2 (ii) an amount not to exceed \$50,000 to the oil and gas production damage mitigation account
3 pursuant to the conditions of 82-11-161;

4 (iii) ~~beginning in fiscal year 1996~~, \$2 million to be deposited into the renewable resource grant and
5 loan program state special revenue account, created by 85-1-604, for the purpose of making grants;

6 (iv) ~~beginning in fiscal year 1996~~, \$3 million to be deposited into the reclamation and development
7 grants state special revenue account, created by 90-2-1104, for the purpose of making grants; and

8 (v) ~~beginning in fiscal year 1996~~, \$500,000 to be deposited into the water storage state special
9 revenue account created by 85-1-631.

10 (c) At the beginning of each fiscal year, there is allocated from the interest income of the resource
11 indemnity trust fund \$200,000 to be deposited in the orphan share account established in [section 1].

12 ~~(e)~~(d) The remainder of the interest income is allocated as follows:

13 (i) Thirty-six percent of the interest income of the resource indemnity trust fund must be allocated
14 to the renewable resource grant and loan program state special revenue account created by 85-1-604.

15 (ii) Eighteen percent of the interest income of the resource indemnity trust fund must be allocated
16 to the hazardous waste/CERCLA special revenue account provided for in 75-10-621.

17 (iii) Forty percent of the interest income from the resource indemnity trust fund must be allocated
18 to the reclamation and development grants account provided for in 90-2-1104.

19 (iv) Six percent of the interest income of the resource indemnity trust fund must be allocated to the
20 environmental quality protection fund provided for in 75-10-704.

21 (3) Any formal budget document prepared by the legislature or the executive branch that proposes
22 to appropriate funds from the resource indemnity trust interest account other than as provided for by the
23 allocations in subsection (2) must specify the amount of money from each allocation that is proposed to
24 be diverted and the proposed use of the diverted funds. A formal budget document includes a printed and
25 publicly distributed budget proposal or recommendation, an introduced bill, or a bill developed during the
26 legislative appropriation process or otherwise during a legislative session."

27

28 NEW SECTION. **Section 5. Appropriation.** There is appropriated to the department of
29 environmental quality from the orphan share account provided for in [section 1], to fund reimbursements
30 for orphan shares at Comprehensive Environmental Cleanup and Responsibility Act sites and department

1 costs in defending the orphan shares, ~~\$1 million~~ ~~\$825,000~~ \$675,000 in fiscal year 1998 and ~~\$1.3~~ ~~\$1.325~~
 2 \$1.245 million in fiscal year 1999.

3
 4 **NEW SECTION. Section 6. Codification instruction.** [Section 1] is intended to be codified as an
 5 integral part of Title 75, chapter 10, and the provisions of Title 75, chapter 10, apply to [section 1].

6
 7 **NEW SECTION. Section 7. Coordination instruction.** (1) If Senate Bill No. 7 and [this act] are both
 8 passed and approved, then ~~the amendments to 15-37-117 in Senate Bill No. 7, relating to the allocation~~
 9 ~~of the metal mines license tax, are~~ IS void.

10 (2) If ~~Bill~~ ~~[LC 759]~~ SENATE BILL NO. 377 and [this act] are both passed and approved, then
 11 [sections 1 through 4 of this act] are void. If ~~Bill~~ ~~[LC 759]~~ SENATE BILL NO. 377 fails, then [this
 12 act] is void.

13 (3) ~~If House Bill No. 284 fails then [section 1(2)(b) of this act] is void and the subsections must be~~
 14 ~~renumbered.~~

15 (3) IF [THIS ACT], HOUSE BILL NO. 546, AND HOUSE BILL NO. 284 ARE ALL PASSED AND
 16 APPROVED, THEN [SECTION 2] OF HOUSE BILL NO. 284 IS AMENDED TO READ:

17 **"NEW SECTION. Section 2. Environmental rehabilitation and prevention account.** (1) There is an
 18 environmental rehabilitation and prevention account in the state special revenue fund provided for in
 19 17-2-102.

20 (2) There must be deposited in the account:

21 (a) fine and penalty money received pursuant to 75-2-412, 75-2-413, 75-2-427, 75-3-407,
 22 75-5-634, 75-6-109, 75-6-114, 75-10-417, 75-10-418, 75-10-423, 75-10-424, 75-10-542, 82-4-141, and
 23 82-4-241;

24 (b) unclaimed or excess reclamation bond money received pursuant to 82-4-141 and 82-4-241;
 25 and

26 (c) interest earned on the account.

27 (3) Money in the account is available to the department of environmental quality by appropriation
 28 and must be used to pay for:

29 (a) reclamation of unreclaimed mine lands for which the department may not require reclamation
 30 by, or obtain costs of reclamation from, a legally responsible party;

1 (b) remediation of sites containing hazardous wastes or hazardous substances for which the
2 department may not recover costs from a legally responsible party;

3 (c) response to an imminent threat of substantial harm to the environment, to public health, or to
4 public safety for which no funding or insufficient funding is available pursuant to 75-1-1101;

5 (d) experiments designed to improve reclamation or environmental compliance technology; or

6 (e) environmental compliance education and training of nongovernmental persons.

7 (4) Whenever penalties and abandoned bond money deposited in the environmental rehabilitation
8 and prevention account during a fiscal year exceed ~~\$250,000~~ \$100,000, the amount deposited in the
9 account during the fiscal year in excess of ~~\$250,000~~ \$100,000 must, at the end of the fiscal year, be
10 allocated as follows:

11 (a) the next \$150,000 each fiscal year must be used for developing total maximum daily loads for
12 those waters identified as threatened or impaired; and

13 (b) the remaining amount is placed in the orphan share account in the state special revenue fund."
14

15 NEW SECTION. Section 8. Severability. If a part of [this act] is invalid, all valid parts that are
16 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its
17 applications, the part remains in effect in all valid applications that are severable from the invalid
18 applications.
19

20 NEW SECTION. Section 9. Effective dates. (1) Subject to [section 7], [sections 1 through 3, 5
21 through 8, and 10 and this section] are effective July 1, 1997.

22 (2) Subject to [section 7], [section 4] is effective July 1, ~~2000~~ 1999.
23

24 NEW SECTION. Section 10. Termination. [This act] terminates July 1, 2005.
25

-END-

1 HOUSE BILL NO. 584

2 INTRODUCED BY KNOX, QUILICI, GROSFIELD, BEAUDRY

3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING AN ORPHAN SHARE ACCOUNT FOR
 5 COMPREHENSIVE ENVIRONMENTAL CLEANUP AND RESPONSIBILITY ACT SITES; ALLOCATING CERTAIN
 6 FINES, PENALTIES, RESOURCE INDEMNITY TRUST INTEREST AND TAX PROCEEDS, AND METAL MINES
 7 LICENSE TAX PROCEEDS TO THE ORPHAN SHARE ACCOUNT; APPROPRIATING FUNDS TO THE
 8 DEPARTMENT OF ENVIRONMENTAL QUALITY FOR REIMBURSEMENTS AND ORPHAN SHARE DEFENSE
 9 COSTS FROM THE ORPHAN SHARE ACCOUNT; AMENDING SECTIONS 15-37-117, 15-38-106, AND
 10 15-38-202, MCA; AND PROVIDING EFFECTIVE DATES AND A TERMINATION DATE."

11
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13
 14 NEW SECTION. **Section 1. Orphan share state special revenue account.** (1) There is an orphan
 15 share account in the state special revenue fund established in 17-2-102.

16 (2) There must be deposited into the orphan share account:

17 (a) revenue allocated from the metalliferous mines license tax pursuant to 15-37-117;

18 ~~(b) money in excess of \$250,000 a year collected by the department as provided in [House Bill No.~~
 19 ~~284];~~

20 ~~(c) all penalties assessed pursuant to [LC 759];~~

21 (B) ALL PENALTIES ASSESSED PURSUANT TO [SENATE BILL NO. 377];

22 ~~(d)(C)~~ funds received from the interest income of the resource indemnity trust fund pursuant to
 23 15-38-202;

24 ~~(e)(D)~~ funds allocated from the resource indemnity ground water assessment tax proceeds provided
 25 in 15-38-106;

26 ~~(f)(E)~~ unencumbered funds remaining in the abandoned mines state special revenue account
 27 provided for in section 19, Chapter 584, Laws of 1995, as of June 30, ~~1997~~ 1999;

28 ~~(g)(F)~~ money expended by the orphan share account to provide orphan share defense costs later
 29 attributed to a potentially liable party under 75-10-715; and

30 ~~(h)(G)~~ interest income earned on the account.

1 (3) Money in the account is available to the department by appropriation and must be used to
2 reimburse remedial action costs claimed pursuant to [LC 759] and to pay costs incurred by the department
3 in defending the orphan share pursuant to [LC 759]. THE FUNDS ALLOCATED IN SUBSECTIONS (2)(C)
4 AND (2)(D) MAY NOT BE USED FOR ADMINISTRATIVE EXPENSES.

5
6 **Section 2.** Section 15-37-117, MCA, is amended to read:

7 **"15-37-117. (Temporary) Disposition of metalliferous mines license taxes.** (1) Metalliferous mines
8 license taxes collected under the provisions of this part must, in accordance with the provisions of
9 15-1-501, be allocated as follows:

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

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

13 (c) to the abandoned mines state special revenue account provided for in section 19, Chapter 584,
14 Laws of 1995, 8.5% of total collections each year;

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

17 (e) to the reclamation and development grants program state special revenue account, 4.8% of
18 total collections each year; and

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

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

26 and

27 (ii) all money not allocated to the account pursuant to subsection (1)(f)(i) to be further allocated as
28 follows:

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

30 (B) 33 1/3% is allocated to the elementary school districts within the county that have been

1 affected by the development or operation of the metal mine; and

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

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

8 (3) The department shall return to the county in which metals are produced the tax collections
9 allocated under subsection (1)(f). The allocation to the county described by subsection (1)(f) is a statutory
10 appropriation pursuant to 17-7-502. (Terminates June 30, 1997--sec. 27, Ch. 584, L. 1995.)

11 **15-37-117. (Effective July 1, 1997) Disposition of metalliferous mines license taxes.** (1)
12 Metalliferous mines license taxes collected under the provisions of this part must, in accordance with the
13 provisions of 15-1-501, be 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, 15.5% of total collections each year~~ to the orphan
18 share account established in [section 1], 8.5% 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 (e) to the reclamation and development grants program state special revenue account, 4.8% of
22 total collections each year; and

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

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

30 and

1 (iii) all money not allocated to the account pursuant to subsection (1)(f)(i) to be further allocated as
2 follows:

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

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

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

8 (2) When an impact plan for a large-scale mineral development approved pursuant to 90-6-307
9 identifies a jurisdictional revenue disparity, the county shall distribute the proceeds allocated under
10 subsection (1)(f) in a manner similar to that provided for property tax sharing under Title 90, chapter 6, part
11 4.

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

15

16 **Section 3.** Section 15-38-106, MCA, is amended to read:

17 **"15-38-106. Payment of tax -- records -- collection of taxes -- refunds.** (1) The tax imposed by
18 this chapter must be paid by each person to which the tax applies, on or before March 31, on the value
19 of product in the year preceding January 1 of the year in which the tax is paid. The tax must be paid to
20 the department at the time that the statement of yield for the preceding calendar year is filed with the
21 department.

22 (2) The department shall, in accordance with the provisions of 15-1-501(6), deposit the proceeds
23 of the tax in the resource indemnity trust fund of the nonexpendable trust fund type, except that:

24 (a) 14.1% of the proceeds must be deposited in the ground water assessment account established
25 by 85-2-905;

26 (b) 10% of the proceeds must be deposited in the renewable resource grant and loan program state
27 special revenue account established by 85-1-604; ~~and~~

28 (c) 30% of the proceeds must be deposited in the reclamation and development grants account
29 established by 90-2-1104; and

30 (d) if there are sufficient funds remaining, at the beginning of each fiscal year, there is allocated

1 from the proceeds of the tax \$200,000 to be deposited in the orphan share account established in [section
2 1].

3 (3) Every person to whom the tax applies shall keep records in accordance with 15-38-105, and
4 the records are subject to inspection by the department upon reasonable notice during normal business
5 hours.

6 (4) The department shall examine the statement and compute the taxes to be imposed, and the
7 amount computed by the department is the tax imposed, assessed against, and payable by the taxpayer.
8 If the tax found to be due is greater than the amount paid, the excess must be paid by the taxpayer to the
9 department within 30 days after written notice of the amount of deficiency is mailed by the department to
10 the taxpayer. If the tax imposed is less than the amount paid, the difference must be applied as a tax credit
11 against tax liability for subsequent years or refunded if requested by the taxpayer."
12

13 **Section 4.** Section 15-38-202, MCA, is amended to read:

14 **"15-38-202. Investment of resource indemnity trust fund -- expenditure -- minimum balance.** (1)
15 All money paid into the resource indemnity trust fund, including money payable into the fund under the
16 provisions of 15-36-324 and 15-37-117, must be invested at the discretion of the board of investments.
17 All the net earnings accruing to the resource indemnity trust fund must annually be added to the trust fund
18 until it has reached the sum of \$10 million. Thereafter, only the net earnings may be appropriated and
19 expended until the fund reaches \$100 million. Thereafter, all net earnings and all receipts must be
20 appropriated by the legislature and expended, provided that the balance in the fund may never be less than
21 \$100 million.

22 (2) (a) At the beginning of each fiscal year, there is allocated from the interest income of the
23 resource indemnity trust fund \$240,000, which is statutorily appropriated, as provided in 17-7-502, from
24 the renewable resource grant and loan program state special revenue account to support the operations of
25 the environmental science-water quality instructional programs at Montana state university-northern, to be
26 used for support costs, for matching funds necessary to attract additional funds to further expand statewide
27 impact, and for enhancement of the facilities related to the programs.

28 (b) At the beginning of each biennium, there is allocated from the interest income of the resource
29 indemnity trust fund:

30 (i) an amount not to exceed \$175,000 to the environmental contingency account pursuant to the

1 conditions of 75-1-1101;

2 (ii) an amount not to exceed \$50,000 to the oil and gas production damage mitigation account
3 pursuant to the conditions of 82-11-161;

4 (iii) ~~beginning in fiscal year 1996~~, \$2 million to be deposited into the renewable resource grant and
5 loan program state special revenue account, created by 85-1-604, for the purpose of making grants;

6 (iv) ~~beginning in fiscal year 1996~~, \$3 million to be deposited into the reclamation and development
7 grants state special revenue account, created by 90-2-1104, for the purpose of making grants; and

8 (v) ~~beginning in fiscal year 1996~~, \$500,000 to be deposited into the water storage state special
9 revenue account created by 85-1-631.

10 (c) At the beginning of each fiscal year, there is allocated from the interest income of the resource
11 indemnity trust fund \$200,000 to be deposited in the orphan share account established in [section 1].

12 ~~(e)~~(d) The remainder of the interest income is allocated as follows:

13 (i) Thirty-six percent of the interest income of the resource indemnity trust fund must be allocated
14 to the renewable resource grant and loan program state special revenue account created by 85-1-604.

15 (ii) Eighteen percent of the interest income of the resource indemnity trust fund must be allocated
16 to the hazardous waste/CERCLA special revenue account provided for in 75-10-621.

17 (iii) Forty percent of the interest income from the resource indemnity trust fund must be allocated
18 to the reclamation and development grants account provided for in 90-2-1104.

19 (iv) Six percent of the interest income of the resource indemnity trust fund must be allocated to the
20 environmental quality protection fund provided for in 75-10-704.

21 (3) Any formal budget document prepared by the legislature or the executive branch that proposes
22 to appropriate funds from the resource indemnity trust interest account other than as provided for by the
23 allocations in subsection (2) must specify the amount of money from each allocation that is proposed to
24 be diverted and the proposed use of the diverted funds. A formal budget document includes a printed and
25 publicly distributed budget proposal or recommendation, an introduced bill, or a bill developed during the
26 legislative appropriation process or otherwise during a legislative session."

27

28 NEW SECTION. **Section 5. Appropriation.** There is appropriated to the department of
29 environmental quality from the orphan share account provided for in [section 1], to fund reimbursements
30 for orphan shares at Comprehensive Environmental Cleanup and Responsibility Act sites and department

1 costs in defending the orphan shares, ~~\$1 million~~ ~~\$825,000~~ \$675,000 in fiscal year 1998 and ~~\$1.3~~ ~~\$1.325~~
 2 \$1.245 million in fiscal year 1999.

3

4 NEW SECTION. Section 6. Codification instruction. [Section 1] is intended to be codified as an
 5 integral part of Title 75, chapter 10, and the provisions of Title 75, chapter 10, apply to [section 1].

6

7 NEW SECTION. Section 7. Coordination instruction. (1) If Senate Bill No. 7 and [this act] are both
 8 passed and approved, then ~~the amendments to 15-37-117 in Senate Bill No. 7, relating to the allocation~~
 9 ~~of the metal mines license tax, are IS~~ void.

10 (2) If ~~Bill~~ ~~(LC 759)~~ SENATE BILL NO. 377 and [this act] are both passed and approved, then
 11 [sections 1 through 4 of this act] are void. If ~~Bill~~ ~~(LC 759)~~ SENATE BILL NO. 377 fails, then [this
 12 act] is void.

13 ~~(3) If House Bill No. 284 fails then (section 1(2)(b) of this act) is void and the subsections must be~~
 14 ~~renumbered.~~

15 (3) IF [THIS ACT], HOUSE BILL NO. 546, AND HOUSE BILL NO. 284 ARE ALL PASSED AND
 16 APPROVED, THEN [SECTION 2] OF HOUSE BILL NO. 284 IS AMENDED TO READ:

17 "NEW SECTION. Section 2. Environmental rehabilitation and prevention account. (1) There is an
 18 environmental rehabilitation and prevention account in the state special revenue fund provided for in
 19 17-2-102.

20 (2) There must be deposited in the account:

21 (a) fine and penalty money received pursuant to 75-2-412, 75-2-413, 75-2-427, 75-3-407,
 22 75-5-634, 75-6-109, 75-6-114, 75-10-417, 75-10-418, 75-10-423, 75-10-424, 75-10-542, 82-4-141, and
 23 82-4-241;

24 (b) unclaimed or excess reclamation bond money received pursuant to 82-4-141 and 82-4-241;
 25 and

26 (c) interest earned on the account.

27 (3) Money in the account is available to the department of environmental quality by appropriation
 28 and must be used to pay for:

29 (a) reclamation of unreclaimed mine lands for which the department may not require reclamation
 30 by, or obtain costs of reclamation from, a legally responsible party;

1 (b) remediation of sites containing hazardous wastes or hazardous substances for which the
2 department may not recover costs from a legally responsible party;

3 (c) response to an imminent threat of substantial harm to the environment, to public health, or to
4 public safety for which no funding or insufficient funding is available pursuant to 75-1-1101;

5 (d) experiments designed to improve reclamation or environmental compliance technology; or

6 (e) environmental compliance education and training of nongovernmental persons.

7 (4) Whenever penalties and abandoned bond money deposited in the environmental rehabilitation
8 and prevention account during a fiscal year exceed ~~\$250,000~~ \$100,000, the amount deposited in the
9 account during the fiscal year in excess of ~~\$250,000~~ \$100,000 must, at the end of the fiscal year, be
10 allocated as follows:

11 (a) the next \$150,000 each fiscal year must be used for developing total maximum daily loads for
12 those waters identified as threatened or impaired; and

13 (b) the remaining amount is placed in the orphan share account in the state special revenue fund."
14

15 NEW SECTION. Section 8. Severability. If a part of [this act] is invalid, all valid parts that are
16 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its
17 applications, the part remains in effect in all valid applications that are severable from the invalid
18 applications.

19
20 NEW SECTION. Section 9. Effective dates. (1) Subject to [section 7], [sections 1 through 3, 5
21 through 8, and 10 and this section] are effective July 1, 1997.

22 (2) Subject to [section 7], [section 4] is effective July 1, ~~2000~~ 1999.

23
24 NEW SECTION. Section 10. Termination. [This act] terminates July 1, 2005.

25 -END-



CONFERENCE COMMITTEE

on House Bill 584
Report No. 1, April 18, 1997

Mr. Speaker and Mr. President:

We, your Conference Committee met and considered **House Bill 584** (reference copy -- salmon) and recommend that **House Bill 584** be amended as follows:

1. Page 7, line 16.

Strike: "2"

Insert: "1"

2. Page 7, line 17.

Strike: "2"

Insert: "1"

3. Page 8, line 5.

Strike: "(d)" through ";"

Renumber: subsequent subsection

4. Page 8, lines 10 through 13.

Strike: "allocated" on line 10 through "revenue" on line 13

Insert: "transferred to the general"

And this Conference Committee report be adopted.

For the House:

For the Senate:

Representative Knox, Chair

Senator Grosfield, Chair

Haley Beaudry

Representative Beaudry

Stephen

Senator Mahlum

Jim Quilici

Representative Quilici

Everett Franklin

Senator Franklin

ADOPT

REJECT

CCR #1

AC HB 584-1

830946CC.Hgd

HB 584

1 HOUSE BILL NO. 584

2 INTRODUCED BY KNOX, QUILICI, GROSFIELD, BEAUDRY

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING AN ORPHAN SHARE ACCOUNT FOR
 5 COMPREHENSIVE ENVIRONMENTAL CLEANUP AND RESPONSIBILITY ACT SITES; ALLOCATING CERTAIN
 6 ~~FINES, PENALTIES,~~ RESOURCE INDEMNITY TRUST INTEREST AND TAX PROCEEDS, AND METAL MINES
 7 LICENSE TAX PROCEEDS TO THE ORPHAN SHARE ACCOUNT; APPROPRIATING FUNDS TO THE
 8 DEPARTMENT OF ENVIRONMENTAL QUALITY FOR REIMBURSEMENTS AND ORPHAN SHARE DEFENSE
 9 COSTS FROM THE ORPHAN SHARE ACCOUNT; AMENDING SECTIONS 15-37-117, 15-38-106, AND
 10 15-38-202, MCA; AND PROVIDING EFFECTIVE DATES AND A TERMINATION DATE."

11

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

13

14 NEW SECTION. **Section 1. Orphan share state special revenue account.** (1) There is an orphan
 15 share account in the state special revenue fund established in 17-2-102.

16 (2) There must be deposited into the orphan share account:

17 (a) revenue allocated from the metalliferous mines license tax pursuant to 15-37-117;

18 ~~(b) money in excess of \$250,000 a year collected by the department as provided in [House Bill No.~~
 19 ~~284];~~

20 ~~(c) all penalties assessed pursuant to [LC 759];~~21 (B) ALL PENALTIES ASSESSED PURSUANT TO [SENATE BILL NO. 377];

22 ~~(d)(C)~~ funds received from the interest income of the resource indemnity trust fund pursuant to
 23 15-38-202;

24 ~~(e)(D)~~ funds allocated from the resource indemnity ground water assessment tax proceeds provided
 25 in 15-38-106;

26 ~~(f)(E)~~ unencumbered funds remaining in the abandoned mines state special revenue account
 27 provided for in section 19, Chapter 584, Laws of 1995, as of June 30, ~~1997~~ 1999;

28 ~~(g)(F)~~ money expended by the orphan share account to provide orphan share defense costs later
 29 attributed to a potentially liable party under 75-10-715; and

30 ~~(h)(G)~~ interest income earned on the account.

1 (3) Money in the account is available to the department by appropriation and must be used to
2 reimburse remedial action costs claimed pursuant to [LC 759] and to pay costs incurred by the department
3 in defending the orphan share pursuant to [LC 759]. THE FUNDS ALLOCATED IN SUBSECTIONS (2)(C)
4 AND (2)(D) MAY NOT BE USED FOR ADMINISTRATIVE EXPENSES.
5

6 **Section 2.** Section 15-37-117, MCA, is amended to read:

7 **"15-37-117. (Temporary) Disposition of metalliferous mines license taxes.** (1) Metalliferous mines
8 license taxes collected under the provisions of this part must, in accordance with the provisions of
9 15-1-501, be allocated as follows:

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

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

13 (c) to the abandoned mines state special revenue account provided for in section 19, Chapter 584,
14 Laws of 1995, 8.5% of total collections each year;

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

17 (e) to the reclamation and development grants program state special revenue account, 4.8% of
18 total collections each year; and

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

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

26 and

27 (ii) all money not allocated to the account pursuant to subsection (1)(f)(i) to be further allocated as
28 follows:

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

30 (B) 33 1/3% is allocated to the elementary school districts within the county that have been

1 affected by the development or operation of the metal mine; and

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

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

8 (3) The department shall return to the county in which metals are produced the tax collections
9 allocated under subsection (1)(f). The allocation to the county described by subsection (1)(f) is a statutory
10 appropriation pursuant to 17-7-502. (Terminates June 30, 1997--sec. 27, Ch. 584, L. 1995.)

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27 mine is located, 25% of total collections each year, to be allocated by the county commissioners as
28 follows:

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15

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17 **"15-38-106. Payment of tax -- records -- collection of taxes -- refunds.** (1) The tax imposed by
18 this chapter must be paid by each person to which the tax applies, on or before March 31, on the value
19 of product in the year preceding January 1 of the year in which the tax is paid. The tax must be paid to
20 the department at the time that the statement of yield for the preceding calendar year is filed with the
21 department.

22 (2) The department shall, in accordance with the provisions of 15-1-501(6), deposit the proceeds
23 of the tax in the resource indemnity trust fund of the nonexpendable trust fund type, except that:

24 (a) 14.1% of the proceeds must be deposited in the ground water assessment account established
25 by 85-2-905;

26 (b) 10% of the proceeds must be deposited in the renewable resource grant and loan program state
27 special revenue account established by 85-1-604; ~~and~~

28 (c) 30% of the proceeds must be deposited in the reclamation and development grants account
29 established by 90-2-1104; and

30 (d) if there are sufficient funds remaining, at the beginning of each fiscal year, there is allocated

1 from the proceeds of the tax \$200,000 to be deposited in the orphan share account established in [section
2 1].

3 (3) Every person to whom the tax applies shall keep records in accordance with 15-38-105, and
4 the records are subject to inspection by the department upon reasonable notice during normal business
5 hours.

6 (4) The department shall examine the statement and compute the taxes to be imposed, and the
7 amount computed by the department is the tax imposed, assessed against, and payable by the taxpayer.
8 If the tax found to be due is greater than the amount paid, the excess must be paid by the taxpayer to the
9 department within 30 days after written notice of the amount of deficiency is mailed by the department to
10 the taxpayer. If the tax imposed is less than the amount paid, the difference must be applied as a tax credit
11 against tax liability for subsequent years or refunded if requested by the taxpayer."
12

13 **Section 4.** Section 15-38-202, MCA, is amended to read:

14 **"15-38-202. Investment of resource indemnity trust fund -- expenditure -- minimum balance.** (1)
15 All money paid into the resource indemnity trust fund, including money payable into the fund under the
16 provisions of 15-36-324 and 15-37-117, must be invested at the discretion of the board of investments.
17 All the net earnings accruing to the resource indemnity trust fund must annually be added to the trust fund
18 until it has reached the sum of \$10 million. Thereafter, only the net earnings may be appropriated and
19 expended until the fund reaches \$100 million. Thereafter, all net earnings and all receipts must be
20 appropriated by the legislature and expended, provided that the balance in the fund may never be less than
21 \$100 million.

22 (2) (a) At the beginning of each fiscal year, there is allocated from the interest income of the
23 resource indemnity trust fund \$240,000, which is statutorily appropriated, as provided in 17-7-502, from
24 the renewable resource grant and loan program state special revenue account to support the operations of
25 the environmental science-water quality instructional programs at Montana state university-northern, to be
26 used for support costs, for matching funds necessary to attract additional funds to further expand statewide
27 impact, and for enhancement of the facilities related to the programs.

28 (b) At the beginning of each biennium, there is allocated from the interest income of the resource
29 indemnity trust fund:

30 (i) an amount not to exceed \$175,000 to the environmental contingency account pursuant to the

1 conditions of 75-1-1101;

2 (ii) an amount not to exceed \$50,000 to the oil and gas production damage mitigation account
3 pursuant to the conditions of 82-11-161;

4 (iii) ~~beginning in fiscal year 1996~~, \$2 million to be deposited into the renewable resource grant and
5 loan program state special revenue account, created by 85-1-604, for the purpose of making grants;

6 (iv) ~~beginning in fiscal year 1996~~, \$3 million to be deposited into the reclamation and development
7 grants state special revenue account, created by 90-2-1104, for the purpose of making grants; and

8 (v) ~~beginning in fiscal year 1996~~, \$500,000 to be deposited into the water storage state special
9 revenue account created by 85-1-631.

10 (c) At the beginning of each fiscal year, there is allocated from the interest income of the resource
11 indemnity trust fund \$200,000 to be deposited in the orphan share account established in [section 1].

12 ~~(e)~~(d) The remainder of the interest income is allocated as follows:

13 (i) Thirty-six percent of the interest income of the resource indemnity trust fund must be allocated
14 to the renewable resource grant and loan program state special revenue account created by 85-1-604.

15 (ii) Eighteen percent of the interest income of the resource indemnity trust fund must be allocated
16 to the hazardous waste/CERCLA special revenue account provided for in 75-10-621.

17 (iii) Forty percent of the interest income from the resource indemnity trust fund must be allocated
18 to the reclamation and development grants account provided for in 90-2-1104.

19 (iv) Six percent of the interest income of the resource indemnity trust fund must be allocated to the
20 environmental quality protection fund provided for in 75-10-704.

21 (3) Any formal budget document prepared by the legislature or the executive branch that proposes
22 to appropriate funds from the resource indemnity trust interest account other than as provided for by the
23 allocations in subsection (2) must specify the amount of money from each allocation that is proposed to
24 be diverted and the proposed use of the diverted funds. A formal budget document includes a printed and
25 publicly distributed budget proposal or recommendation, an introduced bill, or a bill developed during the
26 legislative appropriation process or otherwise during a legislative session."

27

28 NEW SECTION. **Section 5. Appropriation.** There is appropriated to the department of
29 environmental quality from the orphan share account provided for in [section 1], to fund reimbursements
30 for orphan shares at Comprehensive Environmental Cleanup and Responsibility Act sites and department

1 costs in defending the orphan shares, ~~\$1 million~~ ~~\$825,000~~ \$675,000 in fiscal year 1998 and ~~\$1.3~~ \$1.325
 2 \$1.245 million in fiscal year 1999.

3
 4 NEW SECTION. Section 6. Codification instruction. [Section 1] is intended to be codified as an
 5 integral part of Title 75, chapter 10, and the provisions of Title 75, chapter 10, apply to [section 1].

6
 7 NEW SECTION. Section 7. Coordination instruction. (1) If Senate Bill No. 7 and [this act] are both
 8 passed and approved, then ~~the amendments to 15-37-117 in Senate Bill No. 7, relating to the allocation~~
 9 ~~of the metal mines license tax, are~~ IS void.

10 (2) If ~~Bill~~ [LC 759] SENATE BILL NO. 377 and [this act] are both passed and approved, then
 11 [sections 1 through 4 of this act] are void. If ~~Bill~~ [LC 759] SENATE BILL NO. 377 fails, then [this
 12 act] is void.

13 ~~(3) If House Bill No. 284 fails then [section 1(2)(b) of this act] is void and the subsections must be~~
 14 ~~renumbered.~~

15 (3) IF [THIS ACT], HOUSE BILL NO. 546, AND HOUSE BILL NO. 284 ARE ALL PASSED AND
 16 APPROVED, THEN [SECTION 2 1] OF HOUSE BILL NO. 284 IS AMENDED TO READ:

17 "NEW SECTION. Section 2 1. Environmental rehabilitation and prevention account. (1) There is
 18 an environmental rehabilitation and prevention account in the state special revenue fund provided for in
 19 17-2-102.

20 (2) There must be deposited in the account:

21 (a) fine and penalty money received pursuant to 75-2-412, 75-2-413, 75-2-427, 75-3-407,
 22 75-5-634, 75-6-109, 75-6-114, 75-10-417, 75-10-418, 75-10-423, 75-10-424, 75-10-542, 82-4-141, and
 23 82-4-241;

24 (b) unclaimed or excess reclamation bond money received pursuant to 82-4-141 and 82-4-241;
 25 and

26 (c) interest earned on the account.

27 (3) Money in the account is available to the department of environmental quality by appropriation
 28 and must be used to pay for:

29 (a) reclamation of unreclaimed mine lands for which the department may not require reclamation
 30 by, or obtain costs of reclamation from, a legally responsible party;

1 (b) remediation of sites containing hazardous wastes or hazardous substances for which the
2 department may not recover costs from a legally responsible party;

3 (c) response to an imminent threat of substantial harm to the environment, to public health, or to
4 public safety for which no funding or insufficient funding is available pursuant to 75-1-1101;

5 ~~(d) experiments designed to improve reclamation or environmental compliance technology; or~~

6 ~~(e)(D)~~ environmental compliance education and training of nongovernmental persons.

7 (4) Whenever penalties and abandoned bond money deposited in the environmental rehabilitation
8 and prevention account during a fiscal year exceed ~~\$250,000~~ \$100,000, the amount deposited in the
9 account during the fiscal year in excess of ~~\$250,000~~ \$100,000 must, at the end of the fiscal year, be
10 allocated as follows:

11 ~~(a) the next \$150,000 each fiscal year must be used for developing total maximum daily loads for~~
12 ~~these waters identified as threatened or impaired; and~~

13 ~~(b) the remaining amount is placed in the orphan share account in the state special revenue~~
14 TRANSFERRED TO THE GENERAL fund."

15
16 NEW SECTION. Section 8. Severability. If a part of [this act] is invalid, all valid parts that are
17 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its
18 applications, the part remains in effect in all valid applications that are severable from the invalid
19 applications.

20
21 NEW SECTION. Section 9. Effective dates. (1) Subject to [section 7], [sections 1 through 3, 5
22 through 8, and 10 and this section] are effective July 1, 1997.

23 (2) Subject to [section 7], [section 4] is effective July 1, ~~2000~~ 1999.

24
25 NEW SECTION. Section 10. Termination. [This act] terminates July 1, 2005.

26 -END-