

1 SENATE BILL NO. 7

2 INTRODUCED BY FOSTER

3 BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE ALLOCATION OF THE METAL
6 MINES LICENSE TAX; CORRECTING AN OVERALLOCATION OF THE METAL MINES LICENSE TAX;
7 PROVIDING THAT 15.5 PERCENT OF THE METAL MINES TAX IS DISTRIBUTED IN THE SAME MANNER
8 AS THE RESOURCE INDEMNITY AND GROUND WATER ASSESSMENT TAX; AMENDING SECTIONS
9 7-6-2225, 7-6-2226, 15-37-117, 20-9-231, 85-2-905, AND 90-2-1104, MCA; AND PROVIDING AN
10 EFFECTIVE DATE."

11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
1314 **Section 1.** Section 7-6-2225, MCA, is amended to read:

15 **"7-6-2225. County hard-rock mine trust reserve account -- expenditure restrictions.** (1) The
16 governing body of a county receiving an allocation under 15-37-117~~(1)(d)~~(1)(d) shall establish a county
17 hard-rock mine trust reserve account.

18 (2) Money received by a county pursuant to 15-37-117 or 90-6-331 must remain in the account
19 and may not be appropriated by the governing body until:

20 (a) a mining operation has permanently ceased all mining related activity; or

21 (b) the number of persons employed full-time in mining activities by the mining operation is less
22 than one-half of the average number of persons employed full-time in mining activities by the mining
23 operation during the immediately preceding 5-year period.

24 (3) If the circumstances described in subsection (2)(a) or (2)(b) occur, the governing body of the
25 county ~~must~~ shall allocate at least one-third of the funds proportionally to affected high school districts and
26 elementary school districts in the county, and may use the remaining funds in the account to:

27 (a) pay for outstanding capital project bonds or other expenses incurred prior to the end of mining
28 activity or the reduction in the mining ~~work force~~ workforce described in subsection (2)(b);

29 (b) decrease property tax mill levies that are directly caused by the cessation or reduction of mining
30 activity;

1 (c) promote diversification and development of the economic base within the jurisdiction of a local
2 government unit;

3 (d) attract new industry to the impact area;

4 (e) provide cash incentives for expanding the employment base of the area impacted by the
5 changes in mining activity described in subsection (2); or

6 (f) provide grants or loans to other local government jurisdictions to assist with impacts caused by
7 the changes in mining activity described in subsection (2).

8 (4) Except as provided in subsection (3)(b), money held in the account may not be considered as
9 cash balance for the purpose of reducing mill levies.

10 (5) Money in the reserve account must be invested as provided by law. Interest and income from
11 the investment of funds in the account must be credited to the account."

12

13 **Section 2.** Section 7-6-2226, MCA, is amended to read:

14 **"7-6-2226. Metal mines tax reserve account.** (1) The governing body of a county receiving tax
15 collections under 15-37-117~~(1)(f)~~(1)(d) may establish a metal mines tax reserve account to be used to hold
16 the collections. The governing body may hold money in the account for any time period considered
17 appropriate by the governing body. Money held in the account may not be considered as cash balance for
18 the purpose of reducing mill levies.

19 (2) Money may be expended from the account for any purpose provided by law.

20 (3) Money in the account must be invested as provided by law. Interest and income from the
21 investment of the metal mines tax reserve account must be credited to the account."

22

23 **Section 3.** Section 15-37-117, MCA, is amended to read:

24 **"15-37-117. (Temporary) Disposition of metalliferous mines license taxes.** (1) Metalliferous mines
25 license taxes collected under the provisions of this part must, in accordance with the provisions of
26 15-1-501, be allocated as follows:

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

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

30 (c) to the abandoned mines state special revenue account provided for in section 19, Chapter 584,

1 Laws of 1995, 8.5% of total collections each year;

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

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

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

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

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

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

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

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

21 (2) When an impact plan for a large-scale mineral development approved pursuant to 90-6-307
22 identifies a jurisdictional revenue disparity, the county shall distribute the proceeds allocated under
23 subsection (1)(f) in a manner similar to that provided for property tax sharing under Title 90, chapter 6, part
24 4.

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

28 **15-37-117. (Effective July 1, 1997) Disposition of metalliferous mines license taxes. (1)**
29 Metalliferous mines license taxes collected under the provisions of this part must, in accordance with the
30 provisions of 15-1-501, be allocated as follows:

- 1 (a) to the credit of the general fund of the state, 58% of total collections each year;
- 2 (b) to the state special revenue fund to the credit of a hard-rock mining impact trust account, 1.5%
- 3 of total collections each year;
- 4 (c) to the state resource indemnity trust fund and to the accounts described in 15-38-106(2),
- 5 15.5% of total collections each year to be distributed as provided in 15-38-106(2);
- 6 ~~(d) to the ground water assessment account established in 85-2-905, 2.2% of total collections~~
- 7 ~~each year;~~
- 8 ~~(e) to the reclamation and development grants program state special revenue account, 4.8% of~~
- 9 ~~total collections each year; and~~
- 10 ~~(f)(d)~~ to the county or counties identified as experiencing fiscal and economic impacts, resulting
- 11 in increased employment or local government costs, under an impact plan for a large-scale mineral
- 12 development prepared and approved pursuant to 90-6-307, in direct proportion to the fiscal and economic
- 13 impacts determined in the plan; or, if an impact plan has not been prepared, to the county in which the
- 14 mine is located, 25% of total collections each year, to be allocated by the county commissioners as
- 15 follows:
- 16 (i) not less than 40% to the county hard-rock mine trust reserve account established in 7-6-2225;
- 17 and
- 18 (ii) all money not allocated to the account pursuant to subsection ~~(1)(f)(i)~~ (1)(d)(i) to be further
- 19 allocated as follows:
- 20 (A) 33 1/3% is allocated to the county for planning or economic development activities;
- 21 (B) 33 1/3% is allocated to the elementary school districts within the county that have been
- 22 affected by the development or operation of the metal mine; and
- 23 (C) 33 1/3% is allocated to the high school districts within the county that have been affected by
- 24 the development or operation of the metal mine.
- 25 (2) When an impact plan for a large-scale mineral development approved pursuant to 90-6-307
- 26 identifies a jurisdictional revenue disparity, the county shall distribute the proceeds allocated under
- 27 subsection ~~(1)(f)~~ (1)(d) in a manner similar to that provided for property tax sharing under Title 90, chapter
- 28 6, part 4.
- 29 (3) The department shall return to the county in which metals are produced the tax collections
- 30 allocated under subsection ~~(1)(f)~~ (1)(d). The allocation to the county described by subsection ~~(1)(f)~~ (1)(d)

1 is a statutory appropriation pursuant to 17-7-502."

2

3 **Section 4.** Section 20-9-231, MCA, is amended to read:

4 **"20-9-231. Metal mines tax reserve fund.** (1) The governing body of a local school district
5 receiving tax collections under 15-37-117~~(1)(d)~~ may establish a metal mines tax reserve fund to be
6 used to hold the collections. The governing body may hold money in the fund for any time period
7 considered appropriate by the governing body. Money held in the fund may not be considered as fund
8 balance for the purpose of reducing mill levies.

9 (2) Money may be expended from the fund for any purpose provided by law.

10 (3) Money in the fund must be invested as provided by law. Interest and income from the
11 investment of the metal mines tax reserve fund must be credited to the fund.

12 (4) The fund must be financially administered as a nonbudgeted fund under the provisions of this
13 title."

14

15 **Section 5.** Section 85-2-905, MCA, is amended to read:

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

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

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

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

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

29 (i) equals or exceeds \$666,000, in which case ~~no an~~ allocation ~~will~~ may not be made and the ~~funds~~
30 proceeds must be deposited in the resource indemnity trust fund established by 15-38-201; or

1 (ii) is less than \$666,000, in which case an amount equal to the difference between the unobligated
2 cash balance and \$666,000 must be allocated to the ground water assessment account and any remaining
3 amount must be deposited in the resource indemnity trust fund established by 15-38-201;

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

6 (c) funds provided by any other public or private sector organization or person in the form of gifts,
7 grants, or contracts specifically designated to carry out the purposes of this part."
8

9 **Section 6.** Section 90-2-1104, MCA, is amended to read:

10 **"90-2-1104. Reclamation and development grants account.** (1) There is a reclamation and
11 development grants special revenue account within the state special revenue fund established in 17-2-102.

12 (2) There must be paid into the reclamation and development grants account money allocated from:

13 (a) the interest income of the resource indemnity trust fund under the provisions of 15-38-202; and

14 (b) the resource indemnity ~~trust~~ and ground water assessment tax under the provisions of
15 15-38-106; ~~and~~

16 ~~(c) the metal mines license tax proceeds as provided in 15-37-117(1)(e).~~

17 (3) Appropriations may be made from the reclamation and development grants account for the
18 following purposes:

19 (a) grants for designated projects; and

20 (b) administrative expenses, including the salaries and expenses of personnel, equipment, office
21 space, and other expenses necessarily incurred in the administration of the grants program. These expenses
22 may be funded prior to funding of projects."
23

24 **NEW SECTION. Section 7. Effective date.** [This act] is effective July 1, 1997.

25 -END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0007, as introduced

DESCRIPTION OF PROPOSED LEGISLATION: An act generally revising the allocation of the Metal Mines License Tax; correcting an over allocation of the Metal Mines License Tax; providing that 15.5 percent of the Metal Mines License Tax is distributed in same manner as the Resource Indemnity and Ground Water Assessment Tax; and providing an effective date.

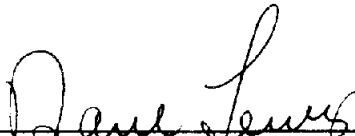
ASSUMPTIONS:

1. Metal mines tax collections will total \$5,577,000 in FY 98 and \$6,385,000 in FY 99 (ROC).
2. The Revenue Oversight Committee's estimates assume metal mines allocations to the accounts in question will be 8.5% to the RIT Trust, 2.2% to Groundwater Assessment and 4.8% to Research and Development Grants (the over allocation affects deposits to the trust only). These allocations are used for the "current" law comparisons below.
3. The proposal, with its reference to 15-38-106(2), MCA, results in the following allocations: 7.11% to the RIT Trust, 2.19% to Groundwater Assessment, 1.55% to Renewable Resources and 4.65% to Research and Development Grants.
4. The proposal will have a minor impact on trust earnings (\$7,700 in the biennium) since it reduces deposits into the trust relative to ROC estimates. The minimal loss is ignored below for brevity.

FISCAL IMPACT:

Affected Accounts:

	<u>FY 98</u>	<u>FY 99</u>
RIT Trust (09)	(77,270)	(88,645)
Groundwater Assessment (02)	(809)	(926)
Renewable Resources (02)	86,444	98,968
Research and Development (02)	<u>(8,365)</u>	<u>(9,577)</u>
Total	0	0

 1-7-97
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

 1-7-97
MIKE FOSTER, PRIMARY SPONSOR DATE

Fiscal Note for SB007, as introduced

SB 7

APPROVED BY COM
ON TAXATION

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SENATE BILL NO. 7
INTRODUCED BY FOSTER
BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE ALLOCATION OF THE METAL MINES LICENSE TAX; CORRECTING AN OVERALLOCATION OF THE METAL MINES LICENSE TAX; PROVIDING THAT 15.5 PERCENT OF THE METAL MINES TAX IS DISTRIBUTED IN THE SAME MANNER AS THE RESOURCE INDEMNITY AND GROUND WATER ASSESSMENT TAX; AMENDING SECTIONS 7-6-2225, 7-6-2226, 15-37-117, 20-9-231, 85-2-905, AND 90-2-1104, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

THERE ARE NO CHANGES IN THIS BILL AND IT WILL NOT BE REPRINTED. PLEASE REFER TO INTRODUCED COPY (WHITE) FOR COMPLETE TEXT.

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SENATE BILL NO. 7

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

Section 1. Section 7-6-2225, MCA, is amended to read:

"7-6-2225. County hard-rock mine trust reserve account -- expenditure restrictions. (1) The governing body of a county receiving an allocation under 15-37-117(1)(f)(1)(d) shall establish a county hard-rock mine trust reserve account.

(2) Money received by a county pursuant to 15-37-117 or 90-6-331 must remain in the account and may not be appropriated by the governing body until:

(a) a mining operation has permanently ceased all mining related activity; or

(b) the number of persons employed full-time in mining activities by the mining operation is less than one-half of the average number of persons employed full-time in mining activities by the mining operation during the immediately preceding 5-year period.

(3) If the circumstances described in subsection (2)(a) or (2)(b) occur, the governing body of the county ~~must~~ shall allocate at least one-third of the funds proportionally to affected high school districts and elementary school districts in the county, and may use the remaining funds in the account to:

(a) pay for outstanding capital project bonds or other expenses incurred prior to the end of mining activity or the reduction in the mining ~~work force~~ workforce described in subsection (2)(b);

(b) decrease property tax mill levies that are directly caused by the cessation or reduction of mining activity;

1 (c) promote diversification and development of the economic base within the jurisdiction of a local
2 government unit;

3 (d) attract new industry to the impact area;

4 (e) provide cash incentives for expanding the employment base of the area impacted by the
5 changes in mining activity described in subsection (2); or

6 (f) provide grants or loans to other local government jurisdictions to assist with impacts caused by
7 the changes in mining activity described in subsection (2).

8 (4) Except as provided in subsection (3)(b), money held in the account may not be considered as
9 cash balance for the purpose of reducing mill levies.

10 (5) Money in the reserve account must be invested as provided by law. Interest and income from
11 the investment of funds in the account must be credited to the account."

12

13 **Section 2.** Section 7-6-2226, MCA, is amended to read:

14 **"7-6-2226. Metal mines tax reserve account.** (1) The governing body of a county receiving tax
15 collections under 15-37-117~~(4)(f)~~(1)(d) may establish a metal mines tax reserve account to be used to hold
16 the collections. The governing body may hold money in the account for any time period considered
17 appropriate by the governing body. Money held in the account may not be considered as cash balance for
18 the purpose of reducing mill levies.

19 (2) Money may be expended from the account for any purpose provided by law.

20 (3) Money in the account must be invested as provided by law. Interest and income from the
21 investment of the metal mines tax reserve account must be credited to the account."

22

23 **Section 3.** Section 15-37-117, MCA, is amended to read:

24 **"15-37-117. (Temporary) Disposition of metalliferous mines license taxes.** (1) Metalliferous mines
25 license taxes collected under the provisions of this part must, in accordance with the provisions of
26 15-1-501, be allocated as follows:

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

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

30 (c) to the abandoned mines state special revenue account provided for in section 19, Chapter 584,

1 Laws of 1995, 8.5% of total collections each year;

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

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

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

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

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

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

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

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

21 (2) When an impact plan for a large-scale mineral development approved pursuant to 90-6-307
22 identifies a jurisdictional revenue disparity, the county shall distribute the proceeds allocated under
23 subsection (1)(f) in a manner similar to that provided for property tax sharing under Title 90, chapter 6, part
24 4.

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

28 **15-37-117. (Effective July 1, 1997) Disposition of metalliferous mines license taxes.** (1)
29 Metalliferous mines license taxes collected under the provisions of this part must, in accordance with the
30 provisions of 15-1-501, be allocated as follows:

- 1 (a) to the credit of the general fund of the state, 58% of total collections each year;
- 2 (b) to the state special revenue fund to the credit of a hard-rock mining impact trust account, 1.5%
- 3 of total collections each year;
- 4 (c) to the state resource indemnity trust fund and to the accounts described in 15-38-106(2),
- 5 15.5% of total collections each year to be distributed as provided in 15-38-106(2);
- 6 ~~(d) to the ground water assessment account established in 85-2-905, 2.2% of total collections~~
- 7 ~~each year;~~
- 8 ~~(e) to the reclamation and development grants program state special revenue account, 4.8% of~~
- 9 ~~total collections each year; and~~
- 10 ~~(f)(d)~~ to the county or counties identified as experiencing fiscal and economic impacts, resulting
- 11 in increased employment or local government costs, under an impact plan for a large-scale mineral
- 12 development prepared and approved pursuant to 90-6-307, in direct proportion to the fiscal and economic
- 13 impacts determined in the plan, or, if an impact plan has not been prepared, to the county in which the
- 14 mine is located, 25% of total collections each year, to be allocated by the county commissioners as
- 15 follows:
- 16 (i) not less than 40% to the county hard-rock mine trust reserve account established in 7-6-2225;
- 17 and
- 18 (ii) all money not allocated to the account pursuant to subsection ~~(1)(f)(i)~~ (1)(d)(i) to be further
- 19 allocated as follows:
- 20 (A) 33 1/3% is allocated to the county for planning or economic development activities;
- 21 (B) 33 1/3% is allocated to the elementary school districts within the county that have been
- 22 affected by the development or operation of the metal mine; and
- 23 (C) 33 1/3% is allocated to the high school districts within the county that have been affected by
- 24 the development or operation of the metal mine.
- 25 (2) When an impact plan for a large-scale mineral development approved pursuant to 90-6-307
- 26 identifies a jurisdictional revenue disparity, the county shall distribute the proceeds allocated under
- 27 subsection ~~(1)(f)~~ (1)(d) in a manner similar to that provided for property tax sharing under Title 90, chapter
- 28 6, part 4.
- 29 (3) The department shall return to the county in which metals are produced the tax collections
- 30 allocated under subsection ~~(1)(f)~~ (1)(d). The allocation to the county described by subsection ~~(1)(f)~~ (1)(d)

1 is a statutory appropriation pursuant to 17-7-502."

2

3 **Section 4.** Section 20-9-231, MCA, is amended to read:

4 "20-9-231. **Metal mines tax reserve fund.** (1) The governing body of a local school district
5 receiving tax collections under 15-37-117~~(1)(f)(1)(d)~~ may establish a metal mines tax reserve fund to be
6 used to hold the collections. The governing body may hold money in the fund for any time period
7 considered appropriate by the governing body. Money held in the fund may not be considered as fund
8 balance for the purpose of reducing mill levies.

9 (2) Money may be expended from the fund for any purpose provided by law.

10 (3) Money in the fund must be invested as provided by law. Interest and income from the
11 investment of the metal mines tax reserve fund must be credited to the fund.

12 (4) The fund must be financially administered as a nonbudgeted fund under the provisions of this
13 title."

14

15 **Section 5.** Section 85-2-905, MCA, is amended to read:

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

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

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

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

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

29 (i) equals or exceeds \$666,000, in which case ~~no~~ an allocation ~~will~~ may not be made and the ~~funds~~
30 proceeds must be deposited in the resource indemnity trust fund established by 15-38-201; or

1 (ii) is less than \$666,000, in which case an amount equal to the difference between the unobligated
 2 cash balance and \$666,000 must be allocated to the ground water assessment account and any remaining
 3 amount must be deposited in the resource indemnity trust fund established by 15-38-201;

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

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

8

9 **Section 6.** Section 90-2-1104, MCA, is amended to read:

10 **"90-2-1104. Reclamation and development grants account.** (1) There is a reclamation and
 11 development grants special revenue account within the state special revenue fund established in 17-2-102.

12 (2) There must be paid into the reclamation and development grants account money allocated from:

13 (a) the interest income of the resource indemnity trust fund under the provisions of 15-38-202; and

14 (b) the resource indemnity ~~trust~~ and ground water assessment tax under the provisions of
 15 15-38-106; ~~and~~

16 ~~(c) the metal mines license tax proceeds as provided in 15-37-117(1)(e).~~

17 (3) Appropriations may be made from the reclamation and development grants account for the
 18 following purposes:

19 (a) grants for designated projects; and

20 (b) administrative expenses, including the salaries and expenses of personnel, equipment, office
 21 space, and other expenses necessarily incurred in the administration of the grants program. These expenses
 22 may be funded prior to funding of projects."

23

24 NEW SECTION. **Section 7. Effective date.** [This act] is effective July 1, 1997.

25

-END-