

1 Senate BILL NO. 267
 2 INTRODUCED BY Keating Feland
 3 Rep. / Senator Shewey

4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE DISPOSITION OF THE METALLIFEROUS MINES
 5 LICENSE TAXES; LIMITING THE USES OF SPENDABLE REVENUE FROM THE RESOURCE INDEMNITY
 6 TRUST; ELIMINATING THE DIVERSION OF RESOURCE INDEMNITY AND GROUND WATER ASSESSMENT
 7 TAX PROCEEDS; ELIMINATING A STATUTORY APPROPRIATION OF INTEREST INCOME TO MONTANA
 8 STATE UNIVERSITY-NORTHERN; REALLOCATING THE INTEREST INCOME FROM THE RESOURCE
 9 INDEMNITY TRUST FUND; CREATING A RESOURCE INTEREST ACCOUNT; AMENDING SECTIONS
 10 7-6-2225, 7-6-2226, 15-37-117, 15-38-102, 15-38-106, 15-38-202, 17-7-502, 20-9-231, 75-10-621,
 11 75-10-704, 82-11-161, 85-1-604, 85-1-615, AND 85-2-905, MCA; REPEALING SECTIONS 15-38-203,
 12 85-1-631, 90-2-1101, 90-2-1102, 90-2-1103, 90-2-1104, 90-2-1105, 90-2-1111, 90-2-1112, 90-2-1113,
 13 90-2-1114, AND 90-2-1121, MCA; AND PROVIDING AN EFFECTIVE DATE."

14
 15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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

18 **"7-6-2225. County hard-rock mine trust reserve account -- expenditure restrictions.** (1) The
 19 governing body of a county receiving an allocation under 15-37-117~~(4)(f)(1)(d)~~ shall establish a county
 20 hard-rock mine trust reserve account.

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

- 23 (a) a mining operation has permanently ceased all mining related activity; or
- 24 (b) the number of persons employed full-time in mining activities by the mining operation is less
 25 than one-half of the average number of persons employed full-time in mining activities by the mining
 26 operation during the immediately preceding 5-year period.

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

- 30 (a) pay for outstanding capital project bonds or other expenses incurred prior to the end of mining

1 activity or the reduction in the mining work force described in subsection (2)(b);

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

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

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

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

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

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

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

15

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

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

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

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

25

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

27 **"15-37-117. (Temporary) Disposition of metalliferous mines license taxes.** (1) Metalliferous mines
28 license taxes collected under the provisions of this part must, in accordance with the provisions of
29 15-1-501, be allocated as follows:

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

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

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

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

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

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

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

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

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

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

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

24 (2) When an impact plan for a large-scale mineral development approved pursuant to 90-6-307
25 identifies a jurisdictional revenue disparity, the county shall distribute the proceeds allocated under
26 subsection ~~(1)(f)~~ (1)(d) in a manner similar to that provided for property tax sharing under Title 90, chapter
27 6, part 4.

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

1 **15-37-117. (Effective July 1, 1997) Disposition of metalliferous mines license taxes. (1)**

2 Metalliferous mines license taxes collected under the provisions of this part must, in accordance with the
3 provisions of 15-1-501, be allocated as follows:

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

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

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

8 ~~(d) to the ground water assessment account established in 85-2-906, 2.2% of total collections~~
9 ~~each year;~~

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

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

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

19 and

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

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

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

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

27 (2) When an impact plan for a large-scale mineral development approved pursuant to 90-6-307
28 identifies a jurisdictional revenue disparity, the county shall distribute the proceeds allocated under
29 subsection ~~(f)(f)~~ (1)(d) in a manner similar to that provided for property tax sharing under Title 90, chapter
30 6, part 4.

1 (3) The department shall return to the county in which metals are produced the tax collections
 2 allocated under subsection ~~(4)(f)~~ (1)(d). The allocation to the county described by subsection ~~(4)(f)~~ (1)(d)
 3 is a statutory appropriation pursuant to 17-7-502."

4
 5 **Section 4.** Section 15-38-102, MCA, is amended to read:

6 "**15-38-102. Legislative policy.** It is the policy of the state of Montana to indemnify its citizens
 7 ~~for the loss of long-term value resulting from the depletion of its mineral resource base and for~~
 8 environmental damage caused by mineral development. This policy of indemnification is achieved by
 9 establishing a permanent resource indemnity trust, as required by Article IX, section 2, of the Montana
 10 constitution, ~~by supporting ground water assessment programs from the proceeds of a tax levied on mineral~~
 11 ~~extraction, and by allocating spendable revenues~~ revenue:

12 (1) to protect and restore the environment from damages resulting from mineral development;

13 ~~(2) to support a variety of development programs that benefit the economy of the state and the~~
 14 ~~lives of Montana citizens; and~~

15 (2) to protect and restore the environment from damages resulting from the production or release
 16 of a hazardous waste, as defined in 75-10-403, or a hazardous substance, as defined in 75-10-602;

17 (3) to assess the state's ground water resources; and

18 (4) to develop and protect the state's renewable resources."

19
 20 **Section 5.** Section 15-38-106, MCA, is amended to read:

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

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

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

30 ~~(b) 10% of the proceeds must be deposited in the renewable resource grant and loan program state~~

1 ~~special revenue account established by 85-1-604; and~~

2 ~~(e) 30% of the proceeds must be deposited in the reclamation and development grants account~~
 3 ~~established by 90-2-1104.~~

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

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

13

14 **Section 6.** Section 15-38-202, MCA, is amended to read:

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

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

18 All the net earnings accruing to the resource indemnity trust fund must annually be added to the trust fund
 19 until it has reached the sum of \$10 million. Thereafter, only the net earnings may be appropriated and
 20 expended until the fund reaches \$100 million. Thereafter, all net earnings and all receipts must be
 21 appropriated by the legislature and expended, provided that the balance in the fund may never be less than
 22 \$100 million.

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

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

1 ~~(i)~~ an amount not to exceed \$175,000 to the environmental contingency account pursuant to the
2 conditions of 75-1-1101~~½~~;

3 **(b) At the beginning of each fiscal year, there is allocated from the interest income of the resource**
4 **indemnity trust fund:**

5 ~~(ii)~~**(i)** an amount not to exceed ~~\$50,000~~ **\$600,000** to the oil and gas production damage mitigation
6 account pursuant to the conditions of 82-11-161;

7 **(ii)** an amount not to exceed **\$666,000** to the ground water assessment account pursuant to the
8 **conditions of 85-2-905; and**

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

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

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

15 **(iii) an amount not to exceed \$900,000 to the orphan share account pursuant to the conditions of**
16 **[LC 0759].**

17 (c) The remainder of the interest income is allocated as follows:

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

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

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

24 ~~(iv)~~ Six percent of the interest income of the resource indemnity trust fund must be allocated to the
25 environmental quality protection fund provided for in 75-10-704 **to the resource interest account created**
26 **in [section 15].**

27 (3) Any formal budget document prepared by the legislature or the executive branch that proposes
28 to appropriate funds from the resource indemnity trust interest ~~account~~ other than as provided for by the
29 allocations in subsection (2) must specify the amount of money from each allocation that is proposed to
30 be diverted and the proposed use of the diverted funds. A formal budget document includes a printed and

1 publicly distributed budget proposal or recommendation, an introduced bill, or a bill developed during the
2 legislative appropriation process or otherwise during a legislative session."

3
4 **Section 7.** Section 17-7-502, MCA, is amended to read:

5 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory
6 appropriation is an appropriation made by permanent law that authorizes spending by a state agency
7 without the need for a biennial legislative appropriation or budget amendment.

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

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

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

13 (3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105;
14 2-18-812; 3-5-901; 5-13-403; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-23-706;
15 15-30-195; 15-31-702; 15-37-117; ~~45-38-202~~; 15-65-121; 15-70-101; 16-1-404; 16-1-410; 16-1-411;
16 16-11-308; 17-3-106; 17-3-212; 17-5-404; 17-5-424; 17-5-804; 17-6-101; 17-6-201; 17-7-304;
17 18-11-112; 19-2-502; 19-6-709; 19-9-1007; 19-17-301; 19-18-512; 19-18-513; 19-18-606; 19-19-205;
18 19-19-305; 19-19-506; 20-8-107; 20-8-111; 20-9-361; 20-26-1503; 23-5-136; 23-5-306; 23-5-409;
19 23-5-610; 23-5-612; 23-5-631; 23-7-301; 23-7-402; 32-1-537; 37-43-204; 37-51-501; 39-71-503;
20 39-71-907; 39-71-2321; 39-71-2504; 44-12-206; 44-13-102; 50-4-623; 50-5-232; 50-40-206; 53-6-150;
21 53-6-703; 53-24-206; 60-2-220; 67-3-205; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 76-12-123;
22 80-2-103; 80-2-222; 80-4-416; 81-5-111; 82-11-136; 82-11-161; 85-1-220; 85-20-402; 90-3-301;
23 90-4-215; 90-6-331; 90-7-220; 90-7-221; and 90-9-306.

24 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,
25 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued
26 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of
27 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as
28 determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the
29 bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to sec.
30 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for

1 supplemental benefit; and pursuant to sec. 7(2), Ch. 29, L. 1995, the inclusion of 15-30-195 terminates
2 July 1, 2001.)"

3

4 **Section 8.** Section 20-9-231, MCA, is amended to read:

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

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

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

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

15

16 **Section 9.** Section 75-10-621, MCA, is amended to read:

17 **"75-10-621. Hazardous waste/CERCLA special revenue account.** (1) There is a hazardous
18 waste/CERCLA special revenue account within the state special revenue fund established in 17-2-102.

19 (2) There must be paid into the hazardous waste/CERCLA account:

20 ~~(a) revenue obtained from the interest income of the resource indemnity trust fund under the~~
21 ~~provisions of 15-38-202, together with interest accruing on that revenue;~~

22 ~~(b)(a)~~ all proceeds of bonds or notes issued under 75-10-623 and all interest earned on proceeds
23 of the bonds or notes; ~~and~~

24 ~~(c)(b)~~ revenue from penalties or damages collected under the federal Comprehensive Environmental
25 Response, Compensation, and Liability Act of 1980, as amended in 1986 (CERCLA); and

26 (c) funds allocated by the legislature.

27 (3) Appropriations may be made from the hazardous waste/CERCLA account only for the following
28 purposes and subject to the following conditions:

29 (a) ~~funds~~ Funds are statutorily appropriated, as provided in 17-7-502(4), to the CERCLA match debt
30 service account necessary to make principal, interest, and premium payments due on CERCLA bonds;

1 ~~(b) not more than one half of the interest income received for any biennium from the resource~~
 2 ~~indemnity trust fund may be appropriated on a biennial basis for:~~

3 ~~(i) implementation of the Montana Hazardous Waste Act, including regulation of underground~~
 4 ~~storage tanks and the state share to obtain matching federal funds;~~

5 ~~(ii) implementation of Title 75, chapter 10, part 6, pertaining to state assistance to and cooperation~~
 6 ~~with the federal government for remedial action under CERCLA;~~

7 ~~(iii) expenses of the department in administering and overseeing the implementation of Title 75,~~
 8 ~~chapter 10, parts 4 and 6; and~~

9 ~~(iv) state expenses relating to investigation and remedial action for any hazardous substance defined~~
 10 ~~in 75-10-602; and~~

11 ~~(b) to~~ To the extent that funds are available after the appropriations in ~~subsections~~ subsection
 12 ~~(3)(a) and (3)(b)~~, the department may, as appropriate, seek authorization from the legislature or, when the
 13 legislature is not in session, through the budget amendment process provided for in Title 17, chapter 7, part
 14 4, to spend funds for:

15 (i) state participation in remedial action under section 104 of CERCLA;

16 (ii) state costs for maintenance of sites at which remedial action under CERCLA has been
 17 completed; and

18 (iii) the state share to obtain matching federal funds for underground storage tank corrective action.

19 (4) For the purposes of subsection ~~(3)(e)~~ (3)(b), the legislature finds that a need for state special
 20 revenue to obtain matching federal funds for underground storage tank corrective action or for remedial
 21 action under section 104 of CERCLA constitutes a serious unforeseen and unanticipated circumstance for
 22 the purpose of meeting the definition of "emergency" in 17-7-102. The legislature further finds that the
 23 inability of the department to match the federal funds as the funds become available would seriously impair
 24 the functions of the department in carrying out its responsibilities under Title 75, chapter 10, parts 4 and
 25 6.

26 (5) There is no dollar limit to the hazardous waste/CERCLA account. Unused balances remain in
 27 the account until appropriated by the legislature for the purposes specified in this section."

28
 29 **Section 10.** Section 75-10-704, MCA, is amended to read:

30 **"75-10-704. Environmental quality protection fund.** (1) There is in the state special revenue fund

1 an environmental quality protection fund to be administered as a revolving fund by the department. The
2 department is authorized to expend amounts from the fund necessary to carry out the purposes of this part.

3 (2) The fund may be used by the department only to carry out the provisions of this part and for
4 remedial actions taken by the department pursuant to this part in response to a release of hazardous or
5 deleterious substances.

6 (3) The department shall:

7 (a) except as provided in subsection (7), establish and implement a system for prioritizing sites for
8 remedial action based on potential effects on human health and the environment; and

9 (b) investigate, negotiate, and take legal action, as appropriate, to identify liable persons, to obtain
10 the participation and financial contribution of liable persons for the remedial action, to achieve remedial
11 action, and to recover costs and damages incurred by the state.

12 (4) There must be deposited in the fund:

13 (a) all penalties, forfeited financial assurance, natural resource damages, and remedial action costs
14 recovered pursuant to 75-10-715;

15 (b) all administrative penalties assessed pursuant to 75-10-714 and all civil penalties assessed
16 pursuant to 75-10-711(5); and

17 (c) funds ~~appropriated~~ allocated to the fund by the legislature; ~~and~~

18 ~~(d) funds received from the interest income of the resource indemnity trust fund pursuant to~~
19 ~~45-38-202.~~

20 (5) Whenever a legislative appropriation is insufficient to carry out the provisions of this part and
21 additional money remains in the fund, the department shall seek additional authority to spend money from
22 the fund through the budget amendment process provided for in Title 17, chapter 7, part 4.

23 (6) Whenever the amount of money in the fund is insufficient to carry out remedial action, the
24 department may apply to the governor for a grant from the environmental contingency account established
25 pursuant to 75-1-1101.

26 (7) (a) There is established a state special revenue account for all funds donated or granted from
27 private parties to remediate a specific release at a specific facility. There must be deposited into the account
28 the interest income earned on the account. A person is not liable under 75-10-715 solely as a result of
29 contributing to this account.

30 (b) Funds donated or granted for a specific project pursuant to this subsection (7) must be

1 accumulated in the fund until the balance of the donated or granted funds is sufficient, as determined by
2 the department, to remediate the facility pursuant to the requirements of 75-10-721 for which the funds
3 are donated.

4 (c) If the balance of the fund created in this subsection (7), as determined by the department
5 pursuant to the requirements of 75-10-721, is not sufficient to remediate the facility within 1 year from the
6 date of the initial contribution, all donated or granted funds, including any interest on those donated or
7 granted funds, must be returned to the grantor.

8 (d) If the balance for a specific project is determined by the department to be sufficient to
9 remediate the facility pursuant to the requirements of 75-10-721, the department shall give that site high
10 priority for remedial action, using the funds donated under this subsection (7).

11 (e) This subsection (7) is not intended to interfere with or to diminish the authority or actions of
12 the department to investigate, negotiate, and take legal action, as appropriate, to identify liable persons,
13 to obtain the participation and financial contribution of liable persons for the remedial action, to achieve
14 remedial action, and to recover costs and damages incurred by the state. Subsections (7) and (8) do not
15 pertain to facilities where the department has initiated actions under this part.

16 (f) The department shall expend the funds in a manner that maximizes the application of the funds
17 to physically remediating the specific release.

18 (8) (a) A person may donate in-kind services to remediate a specific release at a specific facility
19 pursuant to subsection (7). A person that donates in-kind services is not liable under 75-10-715 solely as
20 a result of the contribution of in-kind services.

21 (b) A person ~~who~~ that donates in-kind services with respect to remediating a specific release at
22 a specific facility is not liable under this part to any person for injuries, costs, damages, expenses, or other
23 liability that results from the release or threatened release, including but not limited to claims for
24 indemnification or contribution and claims by third parties for death, personal injury, illness, loss of or
25 damage to property, or economic loss.

26 (c) Immunity from liability, pursuant to subsection (8)(b), does not apply in the case of a release
27 that is caused by conduct of the entity providing in-kind services that is negligent or grossly negligent or
28 that constitutes intentional misconduct.

29 (d) This subsection does not minimize the liability, lessen the standard of liability, or otherwise
30 shield from liability a potentially liable person under 75-10-715 or section 107 of CERCLA for costs or

1 damages incurred as a result of a release or threatened release of a hazardous or deleterious substance.

2 (e) Any donated in-kind services that are employed as part of a remedial action pursuant to this
3 subsection (8) must be approved by the department as appropriate remedial action."
4

5 **Section 11.** Section 82-11-161, MCA, is amended to read:

6 **"82-11-161. Oil and gas production damage mitigation account -- statutory appropriation.** (1)

7 There is an oil and gas production damage mitigation account within the state special revenue fund
8 established in 17-2-102. The oil and gas production damage mitigation account is controlled by the board.

9 (2) At the beginning of each ~~biennium~~ fiscal year, there must be allocated to the oil and gas
10 production damage mitigation account ~~\$50,000~~ \$600,000 from the interest income of the resource
11 indemnity trust fund, except if at the beginning of a biennium the unobligated cash balance in the oil and
12 gas production damage mitigation account:

13 (a) equals or exceeds ~~\$200,000~~ \$1,200,000, no allocation will be made; or

14 (b) is less than ~~\$200,000~~ \$1,200,000, then an amount less than or equal to the difference
15 between the unobligated cash balance and ~~\$200,000~~ \$1,200,000, ~~but not more than \$50,000~~, must be
16 allocated to the oil and gas production damage mitigation account from the interest income of the resource
17 indemnity trust fund.

18 (3) In addition to the allocation provided in subsection (2), there must be deposited in the oil and
19 gas production damage mitigation account:

20 (a) all funds received by the board pursuant to 82-11-136; and

21 (b) all fees received by the board from owners of producing wells pursuant to 82-11-162.

22 (4) If a sufficient balance exists in the account, funds are statutorily appropriated, as provided in
23 17-7-502, from the oil and gas production damage mitigation account, upon the authorization of the board,
24 to pay the reasonable costs of properly plugging a well and either reclaiming or restoring, or both, a drill
25 site or other drilling or producing area damaged by oil and gas operations if the board determines that the
26 well, sump, hole, drill site, or drilling or producing area has been abandoned and the responsible person
27 cannot be identified or located or if the responsible person fails or refuses to properly plug, reclaim, or
28 restore the well, drill site, or drilling or producing area within a reasonable time after demand by the board.
29 The responsible person shall, however, pay costs to the extent of that person's available resources and is
30 subsequently liable to fully reimburse the account or is subject to a lien on property as provided in

1 82-11-164 for costs expended from the account to properly plug, reclaim, or restore the well, drill site, or
 2 drilling or producing area and to mitigate any damage for which the person is responsible.

3 (5) Interest from funds in the oil and gas production damage mitigation account accrues to that
 4 account."

5
 6 **Section 12.** Section 85-1-604, MCA, is amended to read:

7 **"85-1-604. Renewable resource grant and loan program state special revenue account created --**
 8 **revenue allocated -- limitations on appropriations from account.** (1) There is created a renewable resource
 9 grant and loan program state special revenue account within the state special revenue fund established in
 10 17-2-102.

11 (2) Except to the extent that they are required to be credited to the renewable resource loan debt
 12 service fund pursuant to 85-1-603, there must be paid into the renewable resource grant and loan program
 13 state special revenue account:

14 (a) all revenue of the works and other money as provided in 85-1-332;

15 ~~(b) the interest income of the resource indemnity trust fund as provided in and subject to the~~
 16 ~~conditions of 15-38-202;~~

17 ~~(c)~~(b) the excess of the coal severance tax proceeds allocated by 85-1-603 to the renewable
 18 resource loan debt service fund above debt service requirements as provided in and subject to the
 19 conditions of 85-1-619;

20 ~~(d)~~(c) any fees or charges collected by the department pursuant to 85-1-616 for the servicing of
 21 loans, including arrangements for obtaining security interests; and

22 ~~(e) the resource indemnity tax proceeds as provided in 15-38-106(2)(b).~~

23 (d) any funds allocated by the legislature.

24 (3) Appropriations may be made from the renewable resource grant and loan program state special
 25 revenue account for the following purposes and subject to the following conditions:

26 ~~(a) The amount of resource indemnity trust fund interest earnings allocated under~~
 27 ~~15-38-202(2)(b)(iii) must be used for renewable resource grants.~~

28 ~~(b)~~(a) An amount less than or equal to that paid into the account under 85-1-332 and only that
 29 amount may be appropriated for the operation and maintenance of state-owned projects and works. If the
 30 amount of money available for appropriation under this subsection ~~(b)~~ (3)(a) is greater than that necessary

1 for operation and maintenance expenses, the excess may be appropriated as provided in subsection ~~(3)(e)~~
 2 (3)(b).

3 ~~(e)(b)~~ An amount less than or equal to that paid into the account from the resource indemnity trust
 4 account plus any excess from subsection ~~(3)(b)~~ (3)(a) and only that amount may be appropriated from the
 5 account for expenditures that meet the policies and objectives of the renewable resource grant and loan
 6 program. If the amount of money available for appropriation under this subsection ~~(e)~~ (3)(b) is greater than
 7 that necessary for operation and maintenance expenses, the excess may be appropriated as provided in
 8 subsection ~~(3)(d)~~ (3)(c).

9 ~~(d)(c)~~ An amount less than or equal to that paid into the account from the sources provided for in
 10 subsections ~~(2)(e)~~ (2)(b) and ~~(2)(d)~~ (2)(c) and any excess from subsection ~~(3)(e)~~ (3)(b) and only that amount
 11 may be appropriated from the account for loans and grants for renewable resource projects; for purchase
 12 of liens and operation of property as provided in 85-1-615; for administrative expenses, including but not
 13 limited to the salaries and expenses of personnel, equipment, and office space; for the servicing of loans,
 14 including arrangements for obtaining security interests; and for other necessities incurred in administering
 15 the loans and grants."
 16

17 **Section 13.** Section 85-1-615, MCA, is amended to read:

18 **"85-1-615. Security interests -- purchase, operation, and resale of encumbered property.** (1) The
 19 state has a lien upon a project constructed with money from the renewable resource grant and loan state
 20 special revenue account or the renewable resource loan proceeds account for the amount of the loan and
 21 interest due the state. This lien may attach to any project facilities, equipment, easements, real property,
 22 and property of any kind or nature owned by the debtor, including all water rights. The department shall
 23 file with the county clerk and recorder of each county in which a part of the project is located either a
 24 financing statement or a real estate mortgage covering the loan, its amount, terms, and a description of
 25 the security. The county clerk and recorder shall record and index the lien as other liens are required by law
 26 to be recorded and indexed. The lien is valid until paid in full or otherwise discharged. The lien must be
 27 foreclosed in accordance with applicable state law governing foreclosure of mortgages and liens.

28 (2) From the funds available under 85-1-604~~(3)(d)~~(3)(c) or 85-1-617, the state may:

29 (a) purchase a lien that is prior to the state's lien if:

30 (i) the director of the department determines that the loan is in default and the prospects for

1 collecting the loan may be materially increased by purchasing the prior lien; and

2 (ii) the amount to be paid for the prior lien does not exceed the appraised value of the property;

3 (b) operate property that is subject to the state's lien if the director of the department determines
4 that the loan is in default and the prospects for collecting the loan may be materially increased by operating
5 the property that is subject to the state's lien; or

6 (c) purchase a prior lien as provided in subsection (2)(a) and operate property as provided in
7 subsection (2)(b).

8 (3) Any property acquired under the provisions of this section must be resold as expeditiously as
9 possible to recover funds used under this section and funds loaned to the borrower."

10
11 **Section 14.** Section 85-2-905, MCA, is amended to read:

12 **"85-2-905. Ground water assessment account.** (1) There is a ground water assessment account
13 within the state special revenue fund established in 17-2-102. The Montana bureau of mines and geology
14 is authorized to expend amounts from the account necessary to carry out the purposes of this part.

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

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

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

21 (a) at the beginning of each fiscal year, ~~14.1% of the proceeds from the resource indemnity and~~
22 ~~ground water assessment tax, as authorized by 15-38-106, and 2.2% of the proceeds from the~~
23 ~~metalliferous mines license taxes, as authorized by 15-37-117, \$666,000 from the interest income of the~~
24 resource indemnity trust fund unless at the beginning of the fiscal year the unobligated cash balance in the
25 ground water assessment account:

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

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

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

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

5
6 **NEW SECTION. Section 15. Resource interest account.** (1) There is a resource interest account
7 within the state special revenue fund established in 17-2-102.

8 (2) There must be paid into the resource interest account the remaining resource indemnity trust
9 interest income pursuant to 15-38-202(2)(c).

10 (3) Appropriations may be made from the resource interest account but are limited to the following
11 purposes and subject to the following conditions:

12 (a) to protect and restore the environment from damages resulting from mineral development;

13 (b) to protect and restore the environment from damages resulting from the production or release
14 of a hazardous waste, as defined in 75-10-403, or a hazardous substance, as defined in 75-10-602;

15 (c) to assess the state's ground water resources; and

16 (d) to develop and protect the state's renewable resources.

17 (4) Appropriations from the resource interest account may not be made to fund general operating
18 expenses of state government.

19
20 **NEW SECTION. Section 16. Repealer.** Sections 15-38-203, 85-1-631, 90-2-1101, 90-2-1102,
21 90-2-1103, 90-2-1104, 90-2-1105, 90-2-1111, 90-2-1112, 90-2-1113, 90-2-1114, and 90-2-1121, MCA,
22 are repealed.

23
24 **NEW SECTION. Section 17. Codification instruction.** [Section 15] is intended to be codified as
25 an integral part of Title 15, chapter 38, part 2, and the provisions of Title 15, chapter 38, part 2, apply to
26 [section 15].

27
28 **NEW SECTION. Section 18. Coordination instruction.** (1) If [this act] is passed and approved and
29 if it includes an amendment to 15-37-117, then Senate Bill No. 7 is void.

30 (2) If ___ Bill No. ___ [LC 0759] is passed and approved and does not include provisions for an orphan

1 share fund, then 15-38-202(2)(b)(iii) of [this act] is void.

2 (3) If __ Bill No. __ [LC 0759] is not passed and approved, then 15-38-202(2)(b)(iii) of [this act] is
3 void.

4

5 NEW SECTION. **Section 19. Effective date.** [This act] is effective July 1, 1997.

6

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0267, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act revising the disposition of the metalliferous mines license taxes; limiting the uses of spendable revenue from the resource indemnity trust; eliminating the diversion of resource indemnity and ground water assessment tax proceeds; eliminating a statutory appropriation of interest income to Montana State University-Northern; reallocating the interest income from the resource indemnity trust fund; creating a resource interest account.

ASSUMPTIONS:

Department of Natural Resources and Conservation (DNRC):

1. Assume Revenue Oversight Committee (ROC) revenue estimates.
2. For additional deposits of RIGWAT proceeds and metal mines tax proceeds, assume that the taxes are deposited on April 1, 1998, and April 1, 1999.
3. For additional deposits of oil and gas tax proceeds, assume that taxes are deposited quarterly.
4. Assume that interest rates for deposits to the resource indemnity trust (RIT) fund are 6.48% in fiscal year 1998 and 6.33% in fiscal year 1999 (ROC). This will increase interest earnings by \$36,598 in fiscal year 1998 and \$119,794 in fiscal year 1999.

Department of Environmental Quality (DEQ):

5. The numbers used in the Fiscal Impact Section are from Table 2 of the RIT Trust, Interest Earnings, and Related Expenditure Accounts.
6. The DEQ is currently funded through appropriations from the reclamation and development account, the hazardous waste CERCLA account, and the environmental quality protection fund (EQPF).
7. The percentage allocation that is in current statute is 40% to the reclamation and development account, 18% to the hazardous waste CERCLA account, and 6% to the EQPF.
8. The expenditure numbers for DEQ represent what is requested in the proposed Executive Budget for the three accounts that help fund DEQ expenditures.
9. This bill restructures the current RIT distribution and eliminates the percentage funding allocation from the RIT trust interest for the three accounts that currently provide revenue to the DEQ.
10. This bill allocates \$900,000 each year of the biennium to an orphan shares account.
11. The bill creates a new resource interest account which receives the balance of the funds not otherwise allocated by this bill.
12. The bill specifies criteria restricting the use of funds appropriated from the resource interest account. All programs in DEQ that are currently funded from these sources meet the criteria for funding from the resource interest account.
13. The bill allows the legislature to appropriate funds for existing programs. For purposes of this fiscal note, it is assumed the legislature will appropriate funds at the levels requested in the Executive Budget.
14. If the legislature does not appropriate funds to replace those being de-earmarked, the following programs would be impacted: a) Water Quality Management, b) Superfund CECRA (state), c) Water Pollution Control d) Superfund CERCLA (federal), e) Groundwater, f) Leaking Underground Storage Tanks (LUST), g) Underground Storage Tanks (UST), h) Hazardous Waste, i) Open Cut Mining, j) MEPA/EIS, k) Hard Rock Mining, l) Radon, m) Coal and Uranium, and n) Public Water Supply
15. If RIT funds are not appropriated, and a replacement funding source is not provided, DEQ would be subject to the loss of federal funds in the amount of \$8,105,846 during the 1999 biennium because these funds are used as match during the biennium. Excluding orphan shares of \$1.8 million, the total impact would be about \$13.5 million.

(Continued)

Dave Lewis 2-11-97
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

Tom Keating 2/13/97
TOM KEATING, PRIMARY SPONSOR DATE

Fiscal Note for SB0267, as introduced

SB 267

Governor's Office:

16. The Flathead Basin Commission within the Governor's Office receives an appropriation directly out of the RIT renewable resource account. With the de-earmarking of the RIT contained in this bill, this appropriation would be moved to the general fund. Currently, the Executive Budget recommends \$41,756 in fiscal year 1998 and \$46,754 in fiscal year 1999.

Judiciary:

17. This legislation allows appropriations to be made from the resource interest account for specific purposes, subject to various conditions. Appropriations from the resource interest account may not be made to fund general operating expenses of state government.
18. The Montana Water Court is currently funded from the renewable resource account which funds \$1,133,718 during the 1999 biennium to operate the Water Court. If the operation of the Montana Water Court is considered to be a general operating expense of state government, then this legislation prohibits the funding of the Water Court from the resource interest account.
19. Unless funding from other sources is identified, the Montana Water Court will cease its operations June 30, 1997.

Commissioner of Higher Education:

20. This legislation strikes the statutory appropriation contained in 15-38-202(2), MCA, for Montana State University-Northern.
21. Currently the funds are used for support and operation of the environmental sciences, water/wastewater program. One classroom lab was completely updated and new equipment necessary to support the program was purchased.
22. There are debt service obligations of \$101,678 in fiscal year 1998 and \$93,941 in fiscal year 1999.
23. Outstanding debt will be as of June 30, 1997, \$509,133; June 30, 1998, \$412,111; and June 30, 1999, \$319,483.

State Library:

24. The Natural Resource Information System (NRIS) would not qualify to receive RIT funds beginning July 1, 1997.
25. Under this proposal, NRIS would lose over 56% of its core budget and all present law base FTE. The performance measures as presented in the Executive Budget would not be able to be accomplished.
26. The State Library would reduce 4.00 FTE each year and \$331,820 in fiscal year 1998 and \$324,330 in fiscal year 1999.

Environmental Quality Council (EQC):

27. For the 1997 biennium, the Environmental Quality Council committee (EQC) received a biennial appropriation from the reclamation and development account to provide funding for statutory functions of the EQC.
28. The 1999 budget request for the Legislative Branch, Legislative Services Division, includes a \$26,623 biennial appropriation from the reclamation and development account to provide funding for the EQC. This amount represents 51% of the committee's total funding for the 1999 biennium. The EQC would be unable to perform its statutorily-required functions should this level of funding be reduced.
29. The reclamation and development account is eliminated under the provisions of this bill.
30. To replace funding lost from the reclamation and development account, the Legislature will appropriate \$26,623 from the resource interest account created by this bill, or from the state general fund, to the EQC in the Legislative Services Division.

Fiscal Impact:

Department of Natural Resources and Conservation (DNRC):

SB 267 has significant fiscal impact to grant programs, water storage projects, and agency budgets that are funded from RIGWA tax proceeds, metal mines tax proceeds and resource indemnity trust interest earnings.

1. Funding for renewable resource grants is eliminated. Under current law, there is \$2 million available for these grants. The grants that would be affected are included in HB 6.

(continued)

2. Funding for reclamation and development grants is eliminated. Under current law, there is \$3 million available for these grants. The grants that would be affected are included in HB 7.
3. Funding for the water storage account would be eliminated. This would significantly affect the state cost share on the Tongue River Dam rehabilitation project in Big Horn County. The \$500,000 that would be deposited into the water storage account in fiscal 1998 has already been appropriated through HB 5 passed in 1995. The state has already entered into contracts with the federal government obligating this \$500,000.

Expenditures:

Eliminating RIGWA tax proceeds and RIT interest deposits to the state special revenue accounts that currently receive this revenue will create large deficits in these accounts. Further, two of these accounts are eliminated in "Section 16. Repealer": Reclamation and Development (02458) and Water Storage (02216). Because of continuing appropriations of revenue from these accounts, SB 267 will not only affect new appropriations, but will impact appropriations made in prior biennia.

If SB 267 passes the fiscal year 1999 ending fund balances in the accounts receiving RIGWA proceeds and RIT interest earnings would be:

Renewable Resource Account	(7,528,162)	
Reclamation and Development Account	(9,247,445)	eliminated in Section 16
Hazardous Waste / CERCLA Account	(1,790,535)	
Environmental Quality Protection Fund	(386,876)	eliminated in Section 16

These accounts support a variety of agency appropriations for operations and projects. Agencies affected include the Department of Natural Resources and Conservation, Department of Environmental Quality, Governor's Office, Water Court, Library Commission - NRIS, and the Environmental Quality Council.

Revenues:

<u>Accounting Entity</u>	<u>FY98</u>	<u>FY99</u>	<u>Total</u>
Renewable Resource (02272)	(3,033,727)	(3,131,351)	(6,165,078)
Reclamation and Development (02458)	(4,898,709)	(4,265,814)	(9,164,524)
Hazardous Waste/CERCLA (02070)	(389,162)	(1,438,602)	(1,827,764)
Environmental Quality Protection (02162)	(129,721)	(479,534)	(609,255)
Water Storage Account (02216)	(500,000)	(0)	(500,000)
RIT Trust Fund	1,772,121	1,821,884	3,594,005
Oil & Gas Damage Mitigation (02010)	550,000	600,000	1,150,000
Orphan Share Account (LC 0759)	900,000	900,000	1,800,000
Resource Interest Account	5,582,608	5,946,029	11,528,637
Ground Water Assessment	183,188	167,183	350,371

Net Impact:

Loss of RIGWA tax proceeds, metal mines tax proceeds, and RIT interest revenue, without assurance of other revenues to replace these funds, has a much greater affect than the RIT and tax revenue directly impacted by SB 267. The water storage account allocation of \$500,000 matches \$31.5 million of federal funds. In the Renewable Resource Grant Program, the \$2 million of grants are matched by \$19 million in other funds. The \$3 million of Reclamation and Development Grants are matched with \$5.5 million in other funds. The DEQ funding is matched with \$8.1 million of federal funds.

Page 5 contains a table showing the 1999 biennium revenue and expenditure projections from the proposed bill.

EFFECT ON COUNTY OR LOCAL REVENUES OR EXPENDITURES:

1. Local governments receive the majority of grants funded through the Renewable Resource Grant Program. In HB 6, 22 of the 27 grants that would be funded by \$2 million in RIT interest are grants to local governments. Without these grant funds many of these local government projects would not be started. In HB 7, 7 of the 12 grants that would be funded by \$3 million in RIT interest are grants to local governments. Without these grant funds these local government projects would not be started.

(Continued)

(continued)

2. The currently authorized RIT revenues for the DEQ match federal grants that could have significant impacts on counties or activity in local areas. Following are some of those grants: a) Superfund, b) LUST for leaking tank cleanup projects, c) public water supply programs where the counties are paid according to statute for plan and spec reviews.

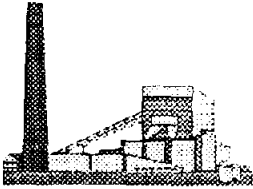
LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

1. SB 267 would not only eliminate funding for grants in fiscal years 1998 and 1999, but also would eliminate funding for any future grants to local government and state agencies.
2. The long-range effects of this legislation would be a significant reduction of staff and programs if no replacement state funding was identified and appropriated.

TECHNICAL NOTES:

1. Section 16 of SB 267 repeals the statutes creating two state special revenue accounts: reclamation and development (02458) and water storage (02216). Both of these accounts have continuing appropriations that have been obligated based on prior legislative action and subsequent contracts being executed. Without funding, the state will be in violation of its contracts.
2. The proposed legislation amends the temporary distribution of metal mines license tax which terminates on July 1, 1997. However, the proposed legislation is not effective until July 1, 1997; therefore, the amendments to the temporary distribution of metal mines license tax are unnecessary.

(Continued)

Table 2 RIT Trust, Interest Earnings and Related Expenditure Accounts 1999 Biennium Projections						
RIT Trust Revenues (ROC Estimates)	Fiscal 1994	Fiscal 1995	Fiscal 1996	Fiscal 1997	Fiscal 1998	Fiscal 1999
RIGWAT Proceeds-Coal & other (100%)	\$556,401	\$779,360	\$581,546	\$539,325	\$1,219,000	\$1,201,000
RIGWAT Proceeds-Oil (100%)	706,119	612,640	766,565	566,168	1,181,416	1,169,325
RIGWAT Proceeds-Natural Gas (100%)	251,727	206,150	190,079	66,997	172,103	171,583
Metal Mine Tax Proceeds (15.50%)	955,653	700,217	0	0	864,435	989,675
Total Deposits	\$2,581,901	\$2,298,406	\$1,538,190	\$1,194,491	\$3,436,954	\$3,531,583
Trust Balance	\$89,313,612	\$91,612,018	\$93,150,208	\$94,344,699	\$97,781,653	\$101,313,236
RIT Trust Interest Earnings Projections	Fiscal 1998	Fiscal 1999	Biennium Total			
Priority Statutory Appropriations of Interest (Biennial)	7,923,608	8,112,029	\$16,035,637			
Environmental Contingency Account (02107)**	(175,000)	0	(175,000)			
Oil & Gas Damage Mitigation Account (02010)**	(600,000)	(600,000)	(1,200,000)			
Ground Water Assessment Account (02289)	(666,000)	(666,000)	(1,332,000)			
Orphan Share Account (LC 0759)	(900,000)	(900,000)	(1,800,000)			
Renewable Res. Grant & Loan Program (grants)	0	0	0			
Reclamation & Development Grants (grants)	0	0	0			
Water Storage Account (02216)	0	0	0			
Total Allocations	(\$2,341,000)	(\$2,166,000)	(\$4,507,000)			
Distribution to Resource Interest Account	\$5,582,608	\$5,946,029	\$11,528,637			
Related Accounts (1999 Biennium Totals)	Renewable Resource (02272)	Reclamation & Development (02458)	Hazardous Waste/CERCLA (02070)	Environmental Quality Protection (02162)	Groundwater Assessment (02289)***	Water Storage (02216)
Further Distribution % of RITT Interest:	0%	0%	0%	0%	0%	0%
Beginning Fiscal 1997 Fund Balance	\$2,107,086	\$1,976,208	\$667,133	\$977,549	\$91,626	\$554,623
Reserved for continuing appropriations	(4,167,430)	(2,965,337)	0	0	0	(854,916)
Reserved for long-term assets (loans outstanding)	(1,257,511)	0	0	0	0	0
Reserved for long-term advances	0	0	0	(115,000)	0	0
Fiscal 1997 appropriations	(2,027,027)	(2,953,662)	(1,416,719)	(907,665)	(666,000)	(102,716)
Fiscal 1997 adjustments	0	0	0	0	92,035	0
Fiscal 1997 revenues	4,252,646	4,054,574	1,400,148	753,383	482,118	0
Available Fund Balance Beginning FY98	(\$1,092,236)	\$111,783	\$650,561	\$708,266	\$0	(\$503,109)
Revenues (ROC, agency estimates)						
RIT Trust Interest-direct	\$0	\$0			\$1,332,000	\$0
RIT Trust Interest-further distribution (above %)	0	0	0	0	0	0
RIGWAT Proceeds (0%, 0%, 0%)	0	0			0	
Metal Mines Tax (0%, 0%)	0	0			0	
Coal Tax (Sweep from accts. 04011 and 04008)	550,000					
RRD Loan Repayments	224,000					
STIP Interests:			0			0
Cost Recoveries				600,000		
Administrative Fees	12,000					
State-owned Project Revenue	452,243					
Total Revenues	\$1,238,243	\$0	\$0	\$600,000	\$1,332,000	\$0
Appropriations (Executive Budget)						
House Bills 6 and 7	\$2,000,000	\$3,000,000				
House Bill 6-Emergency Grants	125,000					
MSU-Northern (Statutorily appropriated)	0				1,332,000	
MSU-Bureau of Mines						
DNRC Centralized Services Division	626,495	230,296				
DNRC Centralized Services New Proposal	22,645					
DNRC-Conservation and Res. Devel. Division	1,268,158	830,600				
DNRC-CARDD Debt Service (Statutory approp.)	37,592					
DNRC-Water Resources Division	1,589,324	2,021,261				
DNRC-Water Resources New Proposal	310,000					
DNRC-Reserved Water Rights Compact Comm.	49,606	675,936				
DEQ-Planning, Prevention, & Assistance		98,340	527,901	25,036		
DEQ-Enforcement		11,648	174,258	13,658		
DEQ-Remediation			321,923	1,631,456		
DEQ-Remediation New Proposal				4,104		
DEQ-Permitting & Compliance		1,962,957	1,379,776			
Governor's Office-Flathead Basin Commission	88,510					
Judiciary-Water Court	1,133,718					
Judiciary-New Proposal	6,772					
Library Commission-NRIS	348,054	308,096				
Legislature-Environmental Quality Council		28,092				
Proposed Executive Pay Plan	68,091	92,002	37,236	20,878	0	0
Total Appropriations	\$7,674,169	\$9,359,728	\$2,441,095	\$1,695,142	\$1,332,000	\$0
Projected 1999 Biennium Ending Balance	(\$7,528,162)	(\$9,247,445)	(\$1,790,535)	(\$386,876)	\$0	(\$503,109)

* The governor must report on the expenditures from the environmental contingency account in the executive budget. Expenditures are statutorily appropriated.
 ** Amounts are deposited to the oil & gas damage mitigation account to bring the balance up to \$200,000 (R2-11-1e1, MCA). All money in the account is statutorily appropriated.
 *** Amounts are deposited to the groundwater assessment account to bring the balance up to \$666,000. Any excess goes to the RIT trust (R5-2-905, MCA).