

HOUSE BILL NO. 533

INTRODUCED BY D. ANKNEY, LANGE, LARSON, MCCHESENEY, OLSON

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE COAL SEVERANCE TAX ALLOCATION TO THE OIL, GAS, AND COAL NATURAL RESOURCE ACCOUNT; AMENDING SECTION 15-35-108, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

**Section 1.** Section 15-35-108, MCA, is amended to read:

**"15-35-108. (Temporary) Disposal of severance taxes.** Severance taxes collected under this chapter must, in accordance with the provisions of 15-1-501, be allocated as follows:

(1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX, section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the board of investments as provided by law.

(2) The amount of 12% of coal severance tax collections is allocated to the long-range building program account established in 17-7-205.

(3) The amount of 5.46% must be credited to an account in the state special revenue fund to be allocated by the legislature for provision of basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking, conservation districts, and the Montana Growth Through Agriculture Act. Expenditures of the allocation may be made only from this account. Money may not be transferred from this account to another account other than the general fund. Any unreserved fund balance at the end of each fiscal year must be deposited in the general fund.

(4) The amount of 1.27% must be allocated to a permanent fund account for the purpose of parks acquisition or management. Income from this permanent fund account, excluding unrealized gains and losses, must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.

(5) The amount of 0.95% must be allocated to the debt service fund type to the credit of the renewable resource loan debt service fund.

(6) The amount of 0.63% must be allocated to a trust fund for the purpose of protection of works of art



1 in the capitol and for other cultural and aesthetic projects. Income from this trust fund account, excluding  
 2 unrealized gains and losses, must be appropriated for protection of works of art in the state capitol and for other  
 3 cultural and aesthetic projects.

4 (7) The amount of ~~2.9%~~ ~~19%~~ ~~16%~~ ~~3.5%~~ 10% must be credited to the oil, gas, and coal natural resource  
 5 account established in 90-6-1001.

6 (8) (a) Subject to subsection (8)(b), all other revenue from severance taxes collected under the  
 7 provisions of this chapter must be credited to the general fund of the state.

8 (b) The interest income from \$140 million of the coal severance tax permanent fund that is deposited  
 9 in the general fund is statutorily appropriated, as provided in 17-7-502, on an annual basis as follows:

10 (i) \$65,000 to the cooperative development center;

11 (ii) \$1.25 million for the growth through agriculture program provided for in Title 90, chapter 9;

12 (iii) \$3.65 million to the research and commercialization state special revenue account created in  
 13 90-3-1002;

14 (iv) to the department of commerce:

15 (A) \$125,000 for a small business development center;

16 (B) \$50,000 for a small business innovative research program;

17 (C) \$425,000 for certified regional development corporations;

18 (D) \$200,000 for the Montana manufacturing extension center at Montana state university-Bozeman;

19 and

20 (E) \$300,000 for export trade enhancement. (Terminates June 30, 2010--sec. 6, Ch. 481, L. 2003.)

21 **15-35-108. (Effective July 1, 2010) Disposal of severance taxes.** Severance taxes collected under  
 22 this chapter must, in accordance with the provisions of 15-1-501, be allocated as follows:

23 (1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX,  
 24 section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under  
 25 17-6-203(6) and invested by the board of investments as provided by law.

26 (2) The amount of 12% of coal severance tax collections is allocated to the long-range building program  
 27 account established in 17-7-205.

28 (3) The amount of 5.46% must be credited to an account in the state special revenue fund to be allocated  
 29 by the legislature for provision of basic library services for the residents of all counties through library federations  
 30 and for payment of the costs of participating in regional and national networking, conservation districts, and the

1 Montana Growth Through Agriculture Act. Expenditures of the allocation may be made only from this account.  
2 Money may not be transferred from this account to another account other than the general fund. Any unreserved  
3 fund balance at the end of each fiscal year must be deposited in the general fund.

4 (4) The amount of 1.27% must be allocated to a permanent fund account for the purpose of parks  
5 acquisition or management. Income from this permanent fund account, excluding unrealized gains and losses,  
6 must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas  
7 described in 23-1-102.

8 (5) The amount of 0.95% must be allocated to the debt service fund type to the credit of the renewable  
9 resource loan debt service fund.

10 (6) The amount of 0.63% must be allocated to a trust fund for the purpose of protection of works of art  
11 in the capitol and for other cultural and aesthetic projects. Income from this trust fund account, excluding  
12 unrealized gains and losses, must be appropriated for protection of works of art in the state capitol and for other  
13 cultural and aesthetic projects.

14 (7) The amount of ~~2.9%~~ 19% ~~16%~~ 3.5% ~~10%~~ must be credited to the oil, gas, and coal natural resource  
15 account established in 90-6-1001.

16 (8) All other revenue from severance taxes collected under the provisions of this chapter must be  
17 credited to the general fund of the state."  
18

19 ~~NEW SECTION. SECTION 2. CONTINGENT VOIDNESS. IF HOUSE BILL NO. 798 IS NOT PASSED AND APPROVED,~~  
20 ~~THEN [THIS ACT] IS VOID.~~

21  
22 NEW SECTION. Section 2. Effective date. [This act] is effective July 1, 2007.

23  
24 NEW SECTION. SECTION 3. APPLICABILITY. [THIS ACT] APPLIES TO SEVERANCE TAX COLLECTIONS FROM COAL  
25 PRODUCED AFTER JUNE 30, 2007.

26 - END -