

BUSINESS REPORT
MONTANA SENATE
62nd LEGISLATURE - REGULAR SESSION
SENATE FREE CONFERENCE COMMITTEE

Date: Tuesday, April 26, 2011
Place: Capitol

Time: 10:30 A.M.
Room: 317

BILLS and RESOLUTIONS HEARD:

EXECUTIVE ACTION TAKEN:

HB 316 - Redistribute certain revenue and income



SEN. DAVE LEWIS, Chair

MONTANA STATE SENATE

ROLL CALL

FREE

CONFERENCE COMMITTEE

Date: 4-26-11 HB / SB No. 316

NAME	PRESENT	ABSENT/ EXCUSED
Sen. LEWIS (CH.)	✓	
Sen. ZINKE	✓	
Sen. GILLAN	✓	
Rep. McNUTT (V.CH.)	✓	
Rep. ESP	✓	
Rep. SASSO	✓	

Staff: TARET COLES, TARYN PURDY

Secretary: GILDA CLANCY

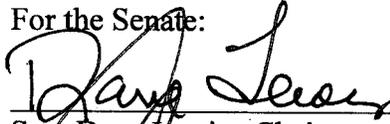


FREE CONFERENCE COMMITTEE
on House Bill 316
Report No. 001, April 26, 2011

Mr. President and Mr. Speaker:

We, your Free Conference Committee met and considered **House Bill 316** (reference copy -- salmon) and recommend this Free Conference Committee report be adopted.

For the Senate:



 Sen. Dave Lewis Chair

 Sen. Ryan Zinke

 Sen. Kim Gillan

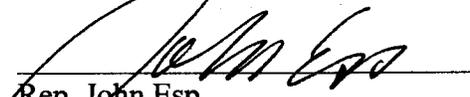


 Amendment Coordinator

For the House:



 Rep. Walter McNutt Vice Chair



 Rep. John Esp

 Rep. Jon Sesso

And, recommend that **House Bill 316** (reference copy -- salmon) be amended as follows:

1. Title, page 1, line 13.

Following: "~~TAXES,~~"

Insert: "REVISING THE ALLOCATION OF METALLIFEROUS MINES LICENSE TAXES;"

2. Title, page 1, line 20.

Following: "~~TAXES,~~"

ADOPT
REJECT

Amendment # HB 316-001

OK

Insert: "REVISING THE ALLOCATION OF THE LODGING FACILITY USE TAX;"

3. Title, page 1, line 27 through line 28.

Strike: "LIMITING" through "TAXES;"

4. Title, page 1, line 30.

Following: "~~15-37-117,~~"

Insert: "15-37-117,"

5. Title, page 2, line 1.

Following: "~~16-11-119,~~"

Insert: "15-65-121,"

6. Title, page 2, line 3.

Strike: "AN"

7. Title, page 2, line 4.

Strike: "DATE" through "DATE"

Insert: "DATES AND TERMINATION DATES"

8. Page 8, line 25.

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

"15-37-117. Disposition of metalliferous mines license taxes. (1) Metalliferous mines license taxes collected under the provisions of this part must, in accordance with the provisions of 17-2-124, be allocated as follows:

(a) to the credit of the general fund of the state, ~~57%~~ 60.45% of total collections each year;

(b) to the state special revenue fund to the credit of a hard-rock mining impact trust account, ~~2.5%~~ 2.25% of total collections each year;

(c) to the hard-rock mining reclamation debt service fund established in 82-4-312, 8.5% of total collections each year;

(d) to the natural resources operations state special revenue account established in 15-38-301, ~~7%~~ 6.3% of total collections each year; and

(e) within 60 days of the date the tax is payable pursuant to 15-37-105, to the county or counties identified as experiencing fiscal and economic impacts, resulting in increased employment or local government costs, under an impact plan for a large-scale mineral development prepared and approved pursuant to 90-6-307, in direct proportion to the fiscal and economic impacts determined in the plan or, if an impact plan has not been prepared, to the county in which the mine is located, ~~25%~~ 22.5% of total collections each year, to be allocated by the county commissioners as follows:

(i) not less than 37.5% to the county hard-rock mine trust account established in 7-6-2225; and

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

(A) 33 1/3% is allocated to the county for general planning functions or economic development activities as described in 7-6-2225(3)(c) through (3)(e);

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

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

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

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

Renumber: subsequent sections

9. Page 20, line 14.

Insert: "Section 6. Section 15-65-121, MCA, is amended to read:

"15-65-121. Distribution of tax proceeds. (1) The proceeds of the tax imposed by 15-65-111 must, in accordance with the provisions of 17-2-124, be deposited in an account in the state special revenue fund to the credit of the department. The department may spend from that account in accordance with an expenditure appropriation by the legislature based on an estimate of the costs of collecting and disbursing the proceeds of the tax. Before allocating the balance of the tax proceeds in accordance with the provisions of 17-2-124 and as provided in subsections (1)(a) through ~~(1)(e)~~ (1)(f) of this section, the department shall determine the expenditures by state agencies for in-state lodging for each reporting period and deduct 4% of that amount from the tax proceeds received each reporting period. The amount deducted must be deposited in the fund or funds from which in-state lodging expenditures were paid by state agencies. The amount of ~~\$400,000~~ \$360,000 each year must be deposited in the Montana heritage preservation and development account provided for in 22-3-1004, and the amount of \$40,000 each year must be deposited in the state general fund. The balance of the tax proceeds received each reporting period and not deducted pursuant to the expenditure appropriation, deposited in the fund or funds from which in-state lodging expenditures were paid by state agencies, ~~or~~ deposited in the heritage preservation and development account, or deposited in the state general fund under this section is statutorily appropriated, as provided in 17-7-502, and must be transferred to an account in the state special revenue fund to the credit of the department of commerce for tourism promotion and promotion of the state as a location

for the production of motion pictures and television commercials, to the Montana historical society, to the university system, and to the department of fish, wildlife, and parks, as follows:

(a) ~~1%~~ 0.9% to the Montana historical society to be used for the installation or maintenance of roadside historical signs and historic sites;

(b) ~~2.5%~~ 2.25% to the university system for the establishment and maintenance of a Montana travel research program;

(c) ~~6.5%~~ 5.85% to the department of fish, wildlife, and parks for the maintenance of facilities in state parks that have both resident and nonresident use;

(d) ~~67.5%~~ 60.75% to be used directly by the department of commerce; ~~and~~

(e) (i) except as provided in subsection (1)(e)(ii), ~~22.5%~~ 20.25% to be distributed by the department to regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total proceeds collected statewide; and

(ii) if ~~22.5%~~ 20.25% of the proceeds collected annually within the limits of a city, consolidated city-county, resort area, or resort area district exceeds ~~\$35,000~~ \$31,500, 50% of the amount available for distribution to the regional nonprofit tourism corporation in the region where the city, consolidated city-county, resort area, or resort area district is located, to be distributed to the nonprofit convention and visitors bureau in that city, consolidated city-county, resort area, or resort area district; ~~and~~

(f) the remainder to be deposited in the state general fund.

(2) If a city, consolidated city-county, resort area, or resort area district qualifies under this section for funds but fails to either recognize a nonprofit convention and visitors bureau or submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds must be allocated to the regional nonprofit tourism corporation in the region in which the city, consolidated city-county, resort area, or resort area district is located.

(3) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit tourism corporation may be used by the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials.""

Renumber: subsequent sections

10. Page 20, line 27 through page 21, line 10.

Strike: section 6 in its entirety

Renumber: subsequent sections

11. Page 39, line 6 through line 7.

Strike: section 12 in its entirety

Renumber: subsequent sections

12. Page 39, line 8.

Insert: "COORDINATION SECTION. **Section 13. Coordination**

instruction. If House Bill No. 477 and [this act] are both passed and approved and if both of these bills contain a section that amends 15-65-121, then the sections amending 15-65-121 are void and 15-65-121 must be amended as follows:

"15-65-121. Distribution of tax proceeds. (1) The proceeds of the tax imposed by 15-65-111 must, in accordance with the provisions of 17-2-124, be deposited in an account in the state special revenue fund to the credit of the department. The department may spend from that account in accordance with an expenditure appropriation by the legislature based on an estimate of the costs of collecting and disbursing the proceeds of the tax. Before allocating the balance of the tax proceeds in accordance with the provisions of 17-2-124 and as provided in subsections ~~(1)(a)~~ (2)(a) through ~~(1)(e)~~ (2)(g) of this section, the department shall determine the expenditures by state agencies for in-state lodging for each reporting period and deduct 4% of that amount from the tax proceeds received each reporting period. The amount deducted must be deposited in the fund or funds from which in-state lodging expenditures were paid by state agencies. The amount of ~~\$400,000~~ \$360,000 each year must be deposited in the Montana heritage preservation and development account provided for in 22-3-1004, and the amount of \$40,000 each year must be deposited in the state general fund.

(2) The balance of the tax proceeds received each reporting period and not deducted pursuant to the expenditure appropriation, deposited in the fund or funds from which in-state lodging expenditures were paid by state agencies, or deposited in the heritage preservation and development account, or deposited in the state general fund under this section is statutorily appropriated, as provided in 17-7-502, and must be transferred to an account in the state special revenue fund to the credit of the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials, to the Montana historical interpretation state special revenue account, to the Montana historical society, to the university system, and to the department of fish, wildlife, and parks, as follows:

(a) ~~1%~~ 0.9% to the Montana historical society to be used for the installation or maintenance of roadside historical signs and historic sites;

(b) ~~2.5%~~ 2.25% to the university system for the establishment and maintenance of a Montana travel research program;

(c) ~~6.5%~~ 5.85% to the department of fish, wildlife, and parks for the maintenance of facilities in state parks that have both resident and nonresident use;

(d) ~~67.5%~~ 58.41% to be used directly by the department of

commerce; and

(e) (i) except as provided in subsection ~~(1)(e)(ii)~~ (2)(e)(ii), ~~22.5%~~ 20.25% to be distributed by the department to regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total proceeds collected statewide; and

(ii) if ~~22.5%~~ 20.25% of the proceeds collected annually within the limits of a city, consolidated city-county, resort area, or resort area district exceeds ~~\$35,000~~ \$31,500, 50% of the amount available for distribution to the regional nonprofit tourism corporation in the region where the city, consolidated city-county, resort area, or resort area district is located, to be distributed to the nonprofit convention and visitors bureau in that city, consolidated city-county, resort area, or resort area district;

(f) 2.34% to the Montana historical interpretation state special revenue account established in [section 1 of House Bill No. 477]; and

(g) the remainder to be deposited in the general fund.

~~(2)(3)~~ (3) If a city, consolidated city-county, resort area, or resort area district qualifies under this section for funds but fails to either recognize a nonprofit convention and visitors bureau or submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds must be allocated to the regional nonprofit tourism corporation in the region in which the city, consolidated city-county, resort area, or resort area district is located.

~~(3)(4)~~ (4) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit tourism corporation may be used by the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials.

(5) The tax proceeds received that are transferred to a state special revenue account pursuant to subsections (2)(a) through (2)(e) are statutorily appropriated to the entities as provided in 17-7-502.

(6) The tax proceeds received that are transferred to the Montana historical interpretation state special revenue account pursuant to subsection (2)(f) are subject to appropriation by the legislature."

Insert: "COORDINATION SECTION. Section 14. Coordination

instruction. If House Bill No. 477 and [this act] are both passed and approved and if both of these bills contain a section that amends 15-65-121, then the sections amending 15-65-121 are void and 15-65-121 must be amended as follows:

"15-65-121. Distribution of tax proceeds. (1) The proceeds of the tax imposed by 15-65-111 must, in accordance with the provisions of 17-2-124, be deposited in an account in the state special revenue fund to the credit of the department. The

department may spend from that account in accordance with an expenditure appropriation by the legislature based on an estimate of the costs of collecting and disbursing the proceeds of the tax. Before allocating the balance of the tax proceeds in accordance with the provisions of 17-2-124 and as provided in subsections ~~(1)(a)~~ (2)(a) through ~~(1)(e)~~ (2)(f) of this section, the department shall determine the expenditures by state agencies for in-state lodging for each reporting period and deduct 4% of that amount from the tax proceeds received each reporting period. The amount deducted must be deposited in the fund or funds from which in-state lodging expenditures were paid by state agencies. The amount of \$400,000 each year must be deposited in the Montana heritage preservation and development account provided for in 22-3-1004.

(2) The balance of the tax proceeds received each reporting period and not deducted pursuant to the expenditure appropriation, deposited in the fund or funds from which in-state lodging expenditures were paid by state agencies, or deposited in the heritage preservation and development account ~~is statutorily appropriated, as provided in 17-7-502,~~ and must be transferred to an account in the state special revenue fund to the credit of the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials, to the Montana historical interpretation state special revenue account, to the Montana historical society, to the university system, and to the department of fish, wildlife, and parks, as follows:

(a) 1% to the Montana historical society to be used for the installation or maintenance of roadside historical signs and historic sites;

(b) 2.5% to the university system for the establishment and maintenance of a Montana travel research program;

(c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state parks that have both resident and nonresident use;

(d) ~~67.5%~~ 64.9% to be used directly by the department of commerce; ~~and~~

(e) (i) except as provided in subsection ~~(1)(e)(ii)~~ (2)(e)(ii), 22.5% to be distributed by the department to regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total proceeds collected statewide; and

(ii) if 22.5% of the proceeds collected annually within the limits of a city, consolidated city-county, resort area, or resort area district exceeds \$35,000, 50% of the amount available for distribution to the regional nonprofit tourism corporation in the region where the city, consolidated city-county, resort area, or resort area district is located, to be distributed to the nonprofit convention and visitors bureau in that city, consolidated city-county, resort area, or resort area district; and

(f) 2.6% to the Montana historical interpretation state

special revenue account established in [section 1 of House Bill No. 477].

~~(2)~~(3) If a city, consolidated city-county, resort area, or resort area district qualifies under this section for funds but fails to either recognize a nonprofit convention and visitors bureau or submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds must be allocated to the regional nonprofit tourism corporation in the region in which the city, consolidated city-county, resort area, or resort area district is located.

~~(3)~~(4) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit tourism corporation may be used by the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials.

(5) The tax proceeds received that are transferred to a state special revenue account pursuant to subsections (2) (a) through (2) (e) are statutorily appropriated to the entities as provided in 17-7-502.

(6) The tax proceeds received that are transferred to the Montana historical interpretation state special revenue account pursuant to subsection (2) (f) are subject to appropriation by the legislature."

{Internal References to 15-65-121:

15-65-122x 15-65-131x 15-65-131x 17-7-502x }

Renumber: subsequent sections

13. Page 39, line 13.

Strike: "date"

Insert: "dates"

Strike: "[This act] "

Insert: "(1) Except as provided in subsection (2), [this act]"

14. Page 39, line 14.

Following: line 13

Insert: "(2) The amendments to 15-65-121 contained in [section 14] are effective July 1, 2014."

15. Page 39, line 15 through 16.

Strike: "EXCEPT" on page 39, line 15 through "TERMINATES" on line 16

Insert: "[Sections 1, 2, 4, 5, and 7 through 12] terminate"

16. Page 39, line 17.

Strike: "[SECTION 6] TERMINATES"

Insert: "[Sections 3 and 6 and the amendments to 15-65-121 contained in section 13] terminate"

MONTANA STATE SENATE

ROLL CALL VOTE

**FREE CONFERENCE
COMMITTEE**

Date: 4-26-11 HB/SB No. 316 ^{AMENDMENT (EXHIBIT 2)}

NAME	AYE	NO
Sen. LEWIS (CH.)	✓	
Sen. ZINKE	✓	
Sen. GILLAN		✓
Rep. McNUTT (V. CH.)	✓	
Rep. ESP	✓	
Rep. SESSO		✓

Vote by chamber:

Senate: Aye 2 No 1

House: Aye 2 No 1

MONTANA STATE SENATE
 ROLL CALL VOTE
**FREE CONFERENCE
 COMMITTEE**

Date: 4-21-11 (HB) SB No. 316 AMENDMENT (EXHIBIT D)
 WISEN. ZINKE'S
 CONCEPTUAL
 AMENDMENT

NAME	AYE	NO
Sen. LEWIS	✓	
Sen. ZINKE	✓	
Sen. GILLAN		✓
Rep. McNUTT	✓	
Rep. ESP	✓	
Rep. SESSO		✓

Vote by chamber:

Senate: Aye 2 No 1
 House: Aye 2 No 1

MONTANA STATE SENATE

ROLL CALL VOTE

FREE CONFERENCE COMMITTEE

Date: 4-26-11 (HB)/SB No. 316 ^{AMENDMENT (EXHIBIT 4)}

NAME	AYE	NO
Sen. LEWIS		✓
Sen. ZINKE		✓
Sen. GILLAN	✓	
Rep. McNUTT		✓
Rep. ESP		✓
Rep. SESSO	✓	

Vote by chamber:

Senate: Aye 1 No 2

House: Aye 1 No 2

MONTANA STATE SENATE

ROLL CALL VOTE

FREE CONFERENCE COMMITTEE

Date: 4-26-11 (HB)/SB No. 316 ^{AMENDMENT (EXHIBIT 7)}

NAME	AYE	NO
Sen. LEWIS		✓
Sen. ZINKE		✓
Sen. GILLAN	✓	
Rep. MCNUTT		✓
Rep. ESP		✓
Rep. SESSO	✓	

Vote by chamber:

Senate: Aye 1 No 2

House: Aye 1 No 2

MONTANA STATE SENATE

ROLL CALL VOTE

FREE CONFERENCE COMMITTEE

Date: 4-26-11 (HB) SB No. 316
AS AMENDED

NAME	AYE	NO
Sen. LEWIS	✓	
Sen. ZINKE	✓	
Sen. GILLAN		✓
Rep. McNUTT	✓	
Rep. ESP	✓	
Rep. SESSO		✓

Vote by chamber:

Senate: Aye 2 No 1

House: Aye 2 No 1