

HOUSE BILL NO. 632

INTRODUCED BY J. TAYLOR, G. HENDRICK, P. INGRAHAM, D. KARY, D. KENNEDY, J. KNOX,
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A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THAT A PORTION OF THE EXPENDABLE PORTION OF COAL SEVERANCE TAX COLLECTIONS IN FISCAL YEARS BEGINNING AFTER JUNE 30, 2013, BE DEPOSITED IN THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM, THE SHERIFFS' RETIREMENT SYSTEM, THE GAME WARDENS' AND PEACE OFFICERS' RETIREMENT SYSTEM, AND THE TEACHERS' RETIREMENT SYSTEM; AMENDING SECTIONS 15-35-108 AND 90-6-1001, MCA; AND PROVIDING EFFECTIVE DATES."

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 17-2-124, 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. Beginning July 1, 2012, 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

1 described in 23-1-102.

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

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

8 (7) The amount of [5.8% through ~~September~~ June 30, 2013, and beginning ~~October~~ July 1, 2013, the
9 amount of] 2.9% must be credited to the coal natural resource account established in 90-6-1001(2).

10 (8) After the allocations are made under subsections (2) through (7), \$250,000 for the fiscal year must
11 be credited to the coal and uranium mine permitting and reclamation program account established in 82-4-244.

12 (9) (a) Subject to subsection (9)(b), all other revenue from severance taxes collected under the
13 provisions of this chapter must be credited to the general fund of the state.

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

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

17 (ii) \$625,000 for the growth through agriculture program provided for in Title 90, chapter 9;

18 (iii) \$1.275 million to the research and commercialization state special revenue account created in
19 90-3-1002;

20 (iv) to the department of commerce:

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

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

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

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

25 and

26 (E) \$300,000 for export trade enhancement. (Terminates June 30, 2013--sec. 5, Ch. 459, L. 2009.)

27 **15-35-108. (Effective July 1, 2013) Disposal of severance taxes.** Severance taxes collected under
28 this chapter must, in accordance with the provisions of 17-2-124, be allocated as follows:

29 (1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX,
30 section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under

1 17-6-203(6) and invested by the board of investments as provided by law.

2 (2) ~~The~~ Beginning July 1, 2013:

3 (a) ~~the dollar~~ amount of equal to 12% of coal severance tax collections in fiscal year 2013 is allocated
4 to the long-range building program account established in 17-7-205-;

5 ~~(3)(b) The~~ the dollar amount of equal to 5.46% of coal severance tax collections in fiscal year 2013 must
6 be credited to an account in the state special revenue fund to be allocated by the legislature for provision of basic
7 library services for the residents of all counties through library federations and for payment of the costs of
8 participating in regional and national networking, conservation districts, and the Montana Growth Through
9 Agriculture Act. Expenditures of the allocation may be made only from this account. Money may not be transferred
10 from this account to another account other than the general fund. Beginning July 1, 2012, any unreserved fund
11 balance at the end of each fiscal year must be deposited in the general fund.

12 ~~(4)(c) The~~ the dollar amount of equal to 1.27% of coal severance tax collections in fiscal year 2013 must
13 be allocated to a permanent fund account for the purpose of parks acquisition or management. Income from this
14 permanent fund account, excluding unrealized gains and losses, must be appropriated for the acquisition,
15 development, operation, and maintenance of any sites and areas described in 23-1-102.

16 ~~(5)(d) The~~ the dollar amount of equal to 0.95% of coal severance tax collections in fiscal year 2013 must
17 be allocated to the debt service fund type to the credit of the renewable resource loan debt service fund-;

18 ~~(6)(e) The~~ the dollar amount of equal to 0.63% of coal severance tax collections in fiscal year 2013 must
19 be allocated to a trust fund for the purpose of protection of works of art in the capitol and for other cultural and
20 aesthetic projects. Income from this trust fund account, excluding unrealized gains and losses, must be
21 appropriated for protection of works of art in the state capitol and for other cultural and aesthetic projects.

22 ~~(7)(f) The~~ the dollar amount of ~~[5.8% through September 30, 2013, and beginning October 1, 2013, the~~
23 ~~amount of]~~ equal to 2.9% of coal severance tax collections in fiscal year 2013 must be credited to the coal natural
24 resource account established in 90-6-1001(2)-; and

25 ~~(8)(g) After~~ after the allocations are made under subsections (2)(a) through ~~(7) (2)(f)~~, \$250,000 for the
26 fiscal year must be credited to the coal and uranium mine permitting and reclamation program account
27 established in 82-4-244.

28 (3) (a) Except as provided in subsection (3)(b), the separate dollar amounts calculated pursuant to
29 subsections (2)(a) through (2)(g) must be increased or decreased each year by the change in the consumer price
30 index, as defined in 15-30-2101, for the preceding year.

1 (b) (i) Except as provided in subsection (3)(b)(ii), if the amount of revenue collected in any fiscal year
 2 pursuant to this chapter is less than the amount collected in fiscal year 2013, the amounts to be credited pursuant
 3 to subsections (2)(a) through (2)(g) revert to the amounts credited in fiscal year 2013 but reduced by the
 4 percentage by which the amount of revenue collected under this chapter in the current fiscal year differs from the
 5 amount of revenue collected in fiscal year 2013.

6 (ii) If any of the revenue allocated under subsections (2)(a) through (2)(g) is dedicated to the payment
 7 of principal and interest on bonds, the amount dedicated to the payment of the principal and interest may not be
 8 reduced but must be paid from the account or fund specified for the payment. If the account or fund from which
 9 the principal and interest are required to be paid does not have sufficient funds to fully pay the principal and
 10 interest, the amount remaining to be paid must be reallocated from the other accounts and funds by
 11 proportionately reducing the amounts credited to the other accounts and funds pursuant to subsections (2)(a)
 12 through (2)(g).

13 ~~(9)(4)~~ (a) Subject to ~~subsection (9)(b)~~, subsections (4)(b) and (5), all other revenue from severance taxes
 14 collected under the provisions of this chapter must be credited to the ~~general fund of the state~~ respective trust
 15 funds for the public employees' retirement system defined benefit plan provided for in 19-3-103, the sheriffs'
 16 retirement system provided for in 19-7-102, the game wardens' and peace officers' retirement system provided
 17 for in 19-8-102, and the teachers' retirement system provided for in 19-20-102 in the proportion that the unfunded
 18 actuarial liability of each of the systems bears to the sum of the unfunded actuarial liabilities of all four systems.

19 (b) If any of the retirement systems listed in subsection (4)(a) is funded on an actuarially sound basis,
 20 as defined in 19-2-409, the revenue to be credited to the retirement systems pursuant to subsection (4)(a) must
 21 be allocated proportionately to the systems that are not funded on an actuarially sound basis.

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

- 24 (i) \$65,000 to the cooperative development center;
- 25 (ii) \$1.25 million for the growth through agriculture program provided for in Title 90, chapter 9;
- 26 (iii) \$3.65 million to the research and commercialization state special revenue account created in
 27 90-3-1002;
- 28 (iv) to the department of commerce:
- 29 (A) \$125,000 for a small business development center;
- 30 (B) \$50,000 for a small business innovative research program;

- 1 (C) \$425,000 for certified regional development corporations;
 2 (D) \$200,000 for the Montana manufacturing extension center at Montana state university-Bozeman;
 3 and
 4 (E) \$300,000 for export trade enhancement.

5 (5) If the amount of coal severance tax revenue credited to the retirement systems under subsections
 6 (2) through (4) exceeds the amount needed to fund all of the retirement systems listed in subsection (4)(a) on
 7 an actuarially sound basis, as defined in 19-2-409, the excess amount must be credited to the state general fund.
 8 (Terminates June 30, 2019--secs. 2, 3, Ch. 459, L. 2009.)

9 **15-35-108. (Effective July 1, 2019) Disposal of severance taxes.** Severance taxes collected under
 10 this chapter must, in accordance with the provisions of 17-2-124, be allocated as follows:

11 (1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX,
 12 section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under
 13 17-6-203(6) and invested by the board of investments as provided by law.

14 (2) ~~The~~ Beginning July 1, 2013:

15 (a) the dollar amount of equal to 12% of coal severance tax collections in fiscal year 2013 is allocated
 16 to the long-range building program account established in 17-7-205-;

17 ~~(3)(b) The~~ the dollar amount equal to of 5.46% of coal severance tax collections in fiscal year 2013 must
 18 be credited to an account in the state special revenue fund to be allocated by the legislature for provision of basic
 19 library services for the residents of all counties through library federations and for payment of the costs of
 20 participating in regional and national networking, conservation districts, and the Montana Growth Through
 21 Agriculture Act. Expenditures of the allocation may be made only from this account. Money may not be transferred
 22 from this account to another account other than the general fund. Beginning July 1, 2012, any unreserved fund
 23 balance at the end of each fiscal year must be deposited in the general fund.

24 ~~(4)(c) The~~ the dollar amount of equal to 1.27% of coal severance tax collections in fiscal year 2013 must
 25 be allocated to a permanent fund account for the purpose of parks acquisition or management. Income from this
 26 permanent fund account, excluding unrealized gains and losses, must be appropriated for the acquisition,
 27 development, operation, and maintenance of any sites and areas described in 23-1-102.

28 ~~(5)(d) The~~ the dollar amount of equal to 0.95% of coal severance tax collections in fiscal year 2013 must
 29 be allocated to the debt service fund type to the credit of the renewable resource loan debt service fund-;

30 ~~(6)(e) The~~ the dollar amount of equal to 0.63% of coal severance tax collections in fiscal year 2013 must

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

4 ~~(7)(f)~~ The the dollar amount of equal to 2.9% of coal severance tax collections in fiscal year 2013 must
 5 be credited to the coal natural resource account established in 90-6-1001(2); and

6 ~~(8)(g)~~ After after the allocations are made under subsections (2)(a) through ~~(7)(2)(f)~~, \$250,000 for the
 7 fiscal year must be credited to the coal and uranium mine permitting and reclamation program account
 8 established in 82-4-244.

9 (3) (a) Except as provided in subsection (3)(b), the separate dollar amounts calculated pursuant to
 10 subsections (2)(a) through (2)(g) must be increased or decreased each year by the change in the consumer price
 11 index, as defined in 15-30-2101, for the preceding year.

12 (b) (i) Except as provided in subsection (3)(b)(ii), if the amount of revenue collected in any fiscal year
 13 pursuant to this chapter is less than the amount collected in fiscal year 2013, the amounts to be credited pursuant
 14 to subsections (2)(a) through (2)(g) revert to the amounts credited in fiscal year 2013 reduced by the percentage
 15 by which the amount of revenue collected under this chapter in the current fiscal year differs from the amount of
 16 revenue collected in fiscal year 2013.

17 (ii) If any of the revenue allocated under subsections (2)(a) through (2)(g) is dedicated to the payment
 18 of principal and interest on bonds, the amount dedicated to the payment of the principal and interest may not be
 19 reduced but must be paid from the account or fund specified for the payment. If the account or fund from which
 20 the principal and interest are required to be paid does not have sufficient funds to fully pay the principal and
 21 interest, the amount remaining to be paid must be reallocated from the other accounts and funds by
 22 proportionately reducing the amounts credited to the other accounts and funds pursuant to subsections (2)(a)
 23 through (2)(g).

24 ~~(9)(4)~~ (a) All Subject to subsections (4)(b) and (5), all other revenue from severance taxes collected
 25 under the provisions of this chapter must be credited to the ~~general fund of the state~~ respective trust funds for
 26 the public employees' retirement system defined benefit plan provided for in 19-3-103, the sheriffs' retirement
 27 system provided for in 19-7-102, the game wardens' and peace officers' retirement system provided for in
 28 19-8-102, and the teachers' retirement system provided for in 19-20-102 in the proportion that the unfunded
 29 actuarial liability of each of the systems bears to the sum of the unfunded actuarial liabilities of all four systems.

30 (b) If any of the retirement systems listed in subsection (4)(a) is funded on an actuarially sound basis,

1 as defined in 19-2-402, the revenue to be credited to the retirement systems pursuant to subsection (4)(a) must
 2 be allocated proportionately to the systems that are not funded on an actuarially sound basis.

3 (5) If the amount of coal severance tax revenue credited to the retirement systems under subsections
 4 (2) through (4) exceeds the amount needed to fund all of the retirement systems listed in subsection (4)(a) on
 5 an actuarially sound basis, as defined in 19-2-402, the excess amount must be credited to the state general fund."

6

7 **Section 2.** Section 90-6-1001, MCA, is amended to read:

8 **"90-6-1001. Oil, gas, and coal natural resource accounts.** (1) There is an oil and gas natural resource
 9 distribution account in the state special revenue fund. The collections allocated to the account from
 10 15-36-304(7)(b) must be deposited in the account to be used as provided in 15-36-332(8) and (9).

11 (2) There is a coal natural resource account in the state special revenue fund. The collections allocated
 12 to the account ~~from 15-35-108(7)~~ pursuant to 15-35-108(2)(f) must be deposited in the account. The money in
 13 the account is allocated to the coal board provided for in 2-15-1821 and may be used only for local impact grants
 14 provided for in 90-6-205 through 90-6-207 and costs related to the administration of the grant awards."

15

16 COORDINATION SECTION. SECTION 3. COORDINATION INSTRUCTION. IF HOUSE BILL NO. 316 AND [THIS
 17 ACT] ARE BOTH PASSED AND APPROVED AND IF BOTH OF THESE BILLS CONTAIN A SECTION THAT AMENDS 15-35-108, THEN
 18 SECTIONS AMENDING 15-35-108 ARE VOID AND 15-35-108 MUST BE AMENDED AS FOLLOWS:

19 **"15-35-108. (Temporary) Disposal of severance taxes.** Severance taxes collected under this chapter
 20 must, in accordance with the provisions of 17-2-124, be allocated as follows:

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

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

26 (3) The amount of 5.46% must be credited to an account in the state special revenue fund to be allocated
 27 by the legislature for provision of basic library services for the residents of all counties through library federations
 28 and for payment of the costs of participating in regional and national networking, conservation districts, and the
 29 Montana Growth Through Agriculture Act. Expenditures of the allocation may be made only from this account.
 30 Money may not be transferred from this account to another account other than the general fund. Beginning July

1 1, 2012, any unreserved fund balance at the end of each fiscal year must be deposited in the general fund.

2 (4) The amount of ~~4.27%~~ 1.143% must be allocated to a permanent fund account for the purpose of
3 parks acquisition or management. Income from this permanent fund account, excluding unrealized gains and
4 losses, must be ~~appropriated~~ used for the acquisition, development, operation, and maintenance of any sites and
5 areas described in 23-1-102.

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

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

12 (7) The amount of [5.8% through ~~September~~ June 30, 2013, and beginning ~~October~~ July 1, 2013, the
13 amount of] 2.9% must be credited to the coal natural resource account established in 90-6-1001(2).

14 (8) After the allocations are made under subsections (2) through (7), ~~\$250,000~~ \$225,000 for the fiscal
15 year must be credited to the coal and uranium mine permitting and reclamation program account established in
16 82-4-244.

17 (9) (a) Subject to subsection (9)(b), all other revenue from severance taxes collected under the
18 provisions of this chapter must be credited to the general fund of the state.

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

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

22 (ii) \$625,000 for the growth through agriculture program provided for in Title 90, chapter 9;

23 (iii) ~~\$1.275~~ \$1.031 million to the research and commercialization state special revenue account created
24 in 90-3-1002;

25 (iv) to the department of commerce:

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

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

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

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

30 and

- 1 (E) \$300,000 for export trade enhancement. (Terminates June 30, 2013--sec. 5, Ch. 459, L. 2009.)
- 2 **15-35-108. (Effective July 1, 2013) Disposal of severance taxes.** Severance taxes collected under
- 3 this chapter must, in accordance with the provisions of 17-2-124, be allocated as follows:
- 4 (1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX,
- 5 section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under
- 6 17-6-203(6) and invested by the board of investments as provided by law.
- 7 (2) ~~The~~ Beginning July 1, 2013:
- 8 (a) the dollar amount of equal to 12% of coal severance tax collections in fiscal year 2013 is allocated
- 9 to the long-range building program account established in 17-7-205-;
- 10 ~~(3)(b) The~~ the dollar amount of equal to 5.46% of coal severance tax collections in fiscal year 2013 must
- 11 be credited to an account in the state special revenue fund to be allocated by the legislature for provision of basic
- 12 library services for the residents of all counties through library federations and for payment of the costs of
- 13 participating in regional and national networking, conservation districts, and the Montana Growth Through
- 14 Agriculture Act. Expenditures of the allocation may be made only from this account. Money may not be transferred
- 15 from this account to another account other than the general fund. Beginning July 1, 2012, any unreserved fund
- 16 balance at the end of each fiscal year must be deposited in the general fund.
- 17 ~~(4)(c) The~~ the dollar amount of equal to 1.27% of coal severance tax collections in fiscal year 2013 must
- 18 be allocated to a permanent fund account for the purpose of parks acquisition or management. Income from this
- 19 permanent fund account, excluding unrealized gains and losses, must be ~~appropriated~~ used for the acquisition,
- 20 development, operation, and maintenance of any sites and areas described in 23-1-102.
- 21 ~~(5)(d) The~~ the dollar amount of equal to 0.95% of coal severance tax collections in fiscal year 2013 must
- 22 be allocated to the debt service fund type to the credit of the renewable resource loan debt service fund-;
- 23 ~~(6)(e) The~~ the dollar amount of equal to 0.63% of coal severance tax collections in fiscal year 2013 must
- 24 be allocated to a trust fund for the purpose of protection of works of art in the capitol and for other cultural and
- 25 aesthetic projects. Income from this trust fund account, excluding unrealized gains and losses, must be
- 26 ~~appropriated~~ used for protection of works of art in the state capitol and for other cultural and aesthetic projects.
- 27 ~~(7)(f) The~~ the dollar amount of [5.8% through September 30, 2013, and beginning October 1, 2013, the
- 28 ~~amount of]~~ equal to 2.9% of coal severance tax collections in fiscal year 2013 must be credited to the coal natural
- 29 resource account established in 90-6-1001(2)-; and
- 30 ~~(8)(g) After~~ after the allocations are made under subsections (2)(a) through ~~(7)~~ (2)(f), \$250,000 for the

1 fiscal year must be credited to the coal and uranium mine permitting and reclamation program account
2 established in 82-4-244.

3 (3) (a) Except as provided in subsection (3)(b), the separate dollar amounts calculated pursuant to
4 subsections (2)(a) through (2)(g) must be increased or decreased each year by the change in the consumer price
5 index, as defined in 15-30-2101, for the preceding year.

6 (b) (i) Except as provided in subsection (3)(b)(ii), if the amount of revenue collected in any fiscal year
7 pursuant to this chapter is less than the amount collected in fiscal year 2013, the amounts to be credited pursuant
8 to subsections (2)(a) through (2)(g) revert to the amounts credited in fiscal year 2013 but reduced by the
9 percentage by which the amount of revenue collected under this chapter in the current fiscal year differs from the
10 amount of revenue collected in fiscal year 2013.

11 (ii) If any of the revenue allocated under subsections (2)(a) through (2)(g) is dedicated to the payment
12 of principal and interest on bonds, the amount dedicated to the payment of the principal and interest may not be
13 reduced but must be paid from the account or fund specified for the payment. If the account or fund from which
14 the principal and interest are required to be paid does not have sufficient funds to fully pay the principal and
15 interest, the amount remaining to be paid must be reallocated from the other accounts and funds by
16 proportionately reducing the amounts credited to the other accounts and funds pursuant to subsections (2)(a)
17 through (2)(g).

18 ~~(9)(4)~~ (a) Subject to ~~subsection (9)(b)~~, subsections (4)(b) and (5), all other revenue from severance taxes
19 collected under the provisions of this chapter must be credited to the ~~general fund of the state~~ respective trust
20 funds for the public employees' retirement system defined benefit plan provided for in 19-3-103, the sheriffs'
21 retirement system provided for in 19-7-102, the game wardens' and peace officers' retirement system provided
22 for in 19-8-102, and the teachers' retirement system provided for in 19-20-102 in the proportion that the unfunded
23 actuarial liability of each of the systems bears to the sum of the unfunded actuarial liabilities of all four systems.

24 (b) If any of the retirement systems listed in subsection (4)(a) is funded on an actuarially sound basis,
25 as defined in 19-2-409, the revenue to be credited to the retirement systems pursuant to subsection (4)(a) must
26 be allocated proportionately to the systems that are not funded on an actuarially sound basis.

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

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

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

- 1 (iii) \$3.65 million to the research and commercialization state special revenue account created in
 2 90-3-1002;
- 3 (iv) to the department of commerce:
- 4 (A) \$125,000 for a small business development center;
- 5 (B) \$50,000 for a small business innovative research program;
- 6 (C) \$425,000 for certified regional development corporations;
- 7 (D) \$200,000 for the Montana manufacturing extension center at Montana state university-Bozeman;
- 8 and
- 9 (E) \$300,000 for export trade enhancement.

10 (5) If the amount of coal severance tax revenue credited to the retirement systems under subsections
 11 (2) through (4) exceeds the amount needed to fund all of the retirement systems listed in subsection (4)(a) on
 12 an actuarially sound basis, as defined in 19-2-409, the excess amount must be credited to the state general fund.
 13 (Terminates June 30, 2019--secs. 2, 3, Ch. 459, L. 2009.)

14 **15-35-108. (Effective July 1, 2019) Disposal of severance taxes.** Severance taxes collected under
 15 this chapter must, in accordance with the provisions of 17-2-124, be allocated as follows:

16 (1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX,
 17 section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under
 18 17-6-203(6) and invested by the board of investments as provided by law.

19 (2) ~~The~~ Beginning July 1, 2013:

20 (a) the dollar amount of equal to 12% of coal severance tax collections in fiscal year 2013 is allocated
 21 to the long-range building program account established in 17-7-205-;

22 ~~(3)(b) The~~ the dollar amount equal to of 5.46% of coal severance tax collections in fiscal year 2013 must
 23 be credited to an account in the state special revenue fund to be allocated by the legislature for provision of basic
 24 library services for the residents of all counties through library federations and for payment of the costs of
 25 participating in regional and national networking, conservation districts, and the Montana Growth Through
 26 Agriculture Act. Expenditures of the allocation may be made only from this account. Money may not be transferred
 27 from this account to another account other than the general fund. Beginning July 1, 2012, any unreserved fund
 28 balance at the end of each fiscal year must be deposited in the general fund.

29 ~~(4)(c) The~~ the dollar amount of equal to 1.27% of coal severance tax collections in fiscal year 2013 must
 30 be allocated to a permanent fund account for the purpose of parks acquisition or management. Income from this

1 permanent fund account, excluding unrealized gains and losses, must be ~~appropriated~~ used for the acquisition,
2 development, operation, and maintenance of any sites and areas described in 23-1-102.

3 ~~(5)(d) The the dollar amount of equal to 0.95% of coal severance tax collections in fiscal year 2013~~ must
4 be allocated to the debt service fund type to the credit of the renewable resource loan debt service fund;

5 ~~(6)(e) The the dollar amount of equal to 0.63% of coal severance tax collections in fiscal year 2013~~ must
6 be allocated to a trust fund for the purpose of protection of works of art in the capitol and for other cultural and
7 aesthetic projects. Income from this trust fund account, excluding unrealized gains and losses, must be
8 ~~appropriated~~ used for protection of works of art in the state capitol and for other cultural and aesthetic projects.

9 ~~(7)(f) The the dollar amount of equal to 2.9% of coal severance tax collections in fiscal year 2013~~ must
10 be credited to the coal natural resource account established in 90-6-1001(2); and

11 ~~(8)(g) After after~~ the allocations are made under subsections (2)(a) through (7) ~~(2)(f)~~, \$250,000 for the
12 fiscal year must be credited to the coal and uranium mine permitting and reclamation program account
13 established in 82-4-244.

14 (3) (a) Except as provided in subsection (3)(b), the separate dollar amounts calculated pursuant to
15 subsections (2)(a) through (2)(g) must be increased or decreased each year by the change in the consumer price
16 index, as defined in 15-30-2101, for the preceding year.

17 (b) (i) Except as provided in subsection (3)(b)(ii), if the amount of revenue collected in any fiscal year
18 pursuant to this chapter is less than the amount collected in fiscal year 2013, the amounts to be credited pursuant
19 to subsections (2)(a) through (2)(g) revert to the amounts credited in fiscal year 2013 reduced by the percentage
20 by which the amount of revenue collected under this chapter in the current fiscal year differs from the amount of
21 revenue collected in fiscal year 2013.

22 (ii) If any of the revenue allocated under subsections (2)(a) through (2)(g) is dedicated to the payment
23 of principal and interest on bonds, the amount dedicated to the payment of the principal and interest may not be
24 reduced but must be paid from the account or fund specified for the payment. If the account or fund from which
25 the principal and interest are required to be paid does not have sufficient funds to fully pay the principal and
26 interest, the amount remaining to be paid must be reallocated from the other accounts and funds by
27 proportionately reducing the amounts credited to the other accounts and funds pursuant to subsections (2)(a)
28 through (2)(g).

29 ~~(9)(4) (a) All~~ Subject to subsections (4)(b) and (5), all other revenue from severance taxes collected
30 under the provisions of this chapter must be credited to the ~~general fund of the state~~ respective trust funds for

1 the public employees' retirement system defined benefit plan provided for in 19-3-103, the sheriffs' retirement
2 system provided for in 19-7-102, the game wardens' and peace officers' retirement system provided for in
3 19-8-102, and the teachers' retirement system provided for in 19-20-102 in the proportion that the unfunded
4 actuarial liability of each of the systems bears to the sum of the unfunded actuarial liabilities of all four systems.

5 (b) If any of the retirement systems listed in subsection (4)(a) is funded on an actuarially sound basis,
6 as defined in 19-2-402, the revenue to be credited to the retirement systems pursuant to subsection (4)(a) must
7 be allocated proportionately to the systems that are not funded on an actuarially sound basis.

8 (5) If the amount of coal severance tax revenue credited to the retirement systems under subsections
9 (2) through (4) exceeds the amount needed to fund all of the retirement systems listed in subsection (4)(a) on
10 an actuarially sound basis, as defined in 19-2-402, the excess amount must be credited to the state general fund."

11
12 NEW SECTION. SECTION 4. COORDINATION INSTRUCTION. (1) IF HOUSE BILL NO. 122 IS NOT PASSED AND
13 APPROVED, THEN [THIS ACT] IS VOID.

14 (2) IF SENATE BILL NO. 54 IS NOT PASSED AND APPROVED, THEN [THIS ACT] IS VOID.

15
16 NEW SECTION. Section 5. Effective dates. (1) Except as provided in subsection (2), [this act] is
17 effective July 1, 2011.

18 (2) [Section 2] is effective July 1, 2013.

19 - END -