

HOUSE BILL NO. 572

INTRODUCED BY M. CUFFE

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A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS RELATED TO THE TREASURE STATE ENDOWMENT REGIONAL WATER PROGRAM; CONTINUING TRANSFERS TO THE TREASURE STATE ENDOWMENT REGIONAL WATER SYSTEM FUND; AMENDING SECTION 17-5-703, MCA; REPEALING SECTION 6, CHAPTER 495, LAWS OF 1999, SECTION 1, CHAPTER 70, LAWS OF 2001, SECTIONS 15 AND 16, CHAPTER 389, LAWS OF 2011, AND SECTIONS 8, 9, AND 10, CHAPTER 390, LAWS OF 2013; AND PROVIDING AN EFFECTIVE DATE."

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

**Section 1.** Section 17-5-703, MCA, is amended to read:

**"17-5-703. (Temporary) Coal severance tax trust funds.** (1) The trust established under Article IX, section 5, of the Montana constitution is composed of the following funds:

- (a) a coal severance tax bond fund into which the constitutionally dedicated receipts from the coal severance tax must be deposited;
- (b) a treasure state endowment fund;
- (c) a treasure state endowment regional water system fund;
- (d) a coal severance tax permanent fund;
- (e) a coal severance tax income fund; and
- (f) a big sky economic development fund.

(2) (a) The state treasurer shall determine, on July 1 of each year, the amount necessary to meet all principal and interest payments on bonds payable from the coal severance tax bond fund during the next 12 months and retain that amount in the coal severance tax bond fund.

(b) The amount in the coal severance tax bond fund in excess of the amount required in subsection (2)(a) must be transferred from that fund as provided in subsections (3) and (4).

(3) (a) Until June 30, 2016, the state treasurer shall quarterly transfer to the treasure state endowment fund 50% of the amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund.



1 (b) ~~Until June 30, 2016, the~~ The state treasurer shall quarterly transfer to the treasure state endowment  
 2 regional water system fund 25% of the amount in the coal severance tax bond fund in excess of the amount that  
 3 is specified in subsection (2) to be retained in the fund.

4 (c) The state treasurer shall monthly transfer from the treasure state endowment fund to the treasure  
 5 state endowment special revenue account the amount of earnings, excluding unrealized gains and losses,  
 6 required to meet the obligations of the state that are payable from the account in accordance with 90-6-710.  
 7 Earnings not transferred to the treasure state endowment special revenue account must be retained in the  
 8 treasure state endowment fund.

9 (d) The state treasurer shall monthly transfer from the treasure state endowment regional water system  
 10 fund to the treasure state endowment regional water system special revenue account the amount of earnings,  
 11 excluding unrealized gains and losses, required to meet the obligations of the state that are payable from the  
 12 account for regional water systems authorized under 90-6-715. Earnings not transferred to the treasure state  
 13 endowment regional water system special revenue account must be retained in the treasure state endowment  
 14 regional water system fund.

15 (4) (a) From July 1, 2005, through June 30, 2025, the state treasurer shall quarterly transfer to the big  
 16 sky economic development fund 25% of the amount in the coal severance tax bond fund in excess of the amount  
 17 that is specified in subsection (2) to be retained in the fund.

18 (b) The state treasurer shall monthly transfer from the big sky economic development fund to the  
 19 economic development special revenue account, provided for in 90-1-205, the amount of earnings, excluding  
 20 unrealized gains and losses, required to meet the obligations of the state that are payable from the account in  
 21 accordance with 90-1-204. Earnings not transferred to the economic development special revenue account must  
 22 be retained in the big sky economic development fund.

23 (5) Any amount in the coal severance tax bond fund in excess of the amount that is specified in  
 24 subsection (2)(a) to be retained in the fund and that is not otherwise allocated under this section must be  
 25 deposited in the coal severance tax permanent fund. ~~(Terminates June 30, 2016--secs. 8 through 10, Ch. 390,~~  
 26 ~~L. 2013.)~~

27 ~~—————17-5-703. (Effective July 1, 2016) Coal severance tax trust funds. (1) The trust established under~~  
 28 ~~Article IX, section 5, of the Montana constitution is composed of the following funds:~~

29 ~~—————(a) a coal severance tax bond fund into which the constitutionally dedicated receipts from the coal~~  
 30 ~~severance tax must be deposited;~~

1 ~~—— (b) a treasure state endowment fund;~~

2 ~~—— (c) a coal severance tax permanent fund;~~

3 ~~—— (d) a coal severance tax income fund; and~~

4 ~~—— (e) a big sky economic development fund.~~

5 ~~—— (2) (a) The state treasurer shall determine, on July 1 of each year, the amount necessary to meet all~~  
 6 ~~principal and interest payments on bonds payable from the coal severance tax bond fund during the next 12~~  
 7 ~~months and retain that amount in the coal severance tax bond fund.~~

8 ~~—— (b) The amount in the coal severance tax bond fund in excess of the amount required in subsection~~  
 9 ~~(2)(a) must be transferred from that fund as provided in subsections (3) and (4).~~

10 ~~—— (3) (a) Until June 30, 2016, the state treasurer shall quarterly transfer to the treasure state endowment~~  
 11 ~~fund 50% of the amount in the coal severance tax bond fund in excess of the amount that is specified in~~  
 12 ~~subsection (2) to be retained in the fund.~~

13 ~~—— (b) The state treasurer shall monthly transfer from the treasure state endowment fund to the treasure~~  
 14 ~~state endowment special revenue account the amount of earnings, excluding unrealized gains and losses,~~  
 15 ~~required to meet the obligations of the state that are payable from the account in accordance with 90-6-710.~~  
 16 ~~Earnings not transferred to the treasure state endowment special revenue account must be retained in the~~  
 17 ~~treasure state endowment fund.~~

18 ~~—— (4) (a) From July 1, 2005, through June 30, 2025, the state treasurer shall quarterly transfer to the big~~  
 19 ~~sky economic development fund 25% of the amount in the coal severance tax bond fund in excess of the amount~~  
 20 ~~that is specified in subsection (2) to be retained in the fund.~~

21 ~~—— (b) The state treasurer shall monthly transfer from the big sky economic development fund to the~~  
 22 ~~economic development special revenue account, provided for in 90-1-205, the amount of earnings, excluding~~  
 23 ~~unrealized gains and losses, required to meet the obligations of the state that are payable from the account in~~  
 24 ~~accordance with 90-1-204. Earnings not transferred to the economic development special revenue account must~~  
 25 ~~be retained in the big sky economic development fund.~~

26 ~~—— (5) Any amount in the coal severance tax bond fund in excess of the amount that is specified in~~  
 27 ~~subsection (2)(a) to be retained in the fund and that is not otherwise allocated under this section must be~~  
 28 ~~deposited in the coal severance tax permanent fund."~~

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30 NEW SECTION. Section 2. Repealer. Section 6, Chapter 495, Laws of 1999, section 1, Chapter 70,

1 Laws of 2001, sections 15 and 16, Chapter 389, Laws of 2011, and sections 8, 9, and 10, Chapter 390, Laws of  
2 2013, are repealed.

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4 NEW SECTION. **Section 3. Effective date.** [This act] is effective July 1, 2015.

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