

1 HOUSE BILL NO. 15

2 INTRODUCED BY R. BUZZAS

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE \$350,000 ANNUAL STATUTORY
5 APPROPRIATION ALLOCATED TO THE GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT;
6 AMENDING SECTION 15-35-108, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

7

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

9

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

11 **"15-35-108. (Temporary) Disposal of severance taxes.** Severance taxes collected under this chapter
12 must, in accordance with the provisions of 15-1-501, be allocated as follows:

13 (1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article
14 IX, section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under
15 17-6-203(6) and invested by the board of investments as provided by law.

16 (2) Twelve percent of coal severance tax collections is allocated to the long-range building program
17 account established in 17-7-205.

18 (3) The amount of 8.36% must be credited to an account in the state special revenue fund to be
19 allocated by the legislature for local impacts, county land planning, provision of basic library services for the
20 residents of all counties through library federations and for payment of the costs of participating in regional and
21 national networking, conservation districts, and the Montana Growth Through Agriculture Act. Expenditures of
22 the allocation may be made only from this account. Money may not be transferred from this account to another
23 account other than the general fund. Any unreserved fund balance at the end of each fiscal year must be
24 deposited in the general fund.

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

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

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

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

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

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

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

11 (iii) to the department of commerce:

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

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

14 (C) \$425,000 for certified communities;

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

16 and

17 (E) \$300,000 for export trade enhancement;

18 ~~(iv) \$350,000 to the office of economic development for business recruitment and retention; and~~

19 ~~(iv)~~ (iv) \$600,000 to the department of administration for the purpose of reimbursing tax increment
 20 financing industrial districts as provided in 7-15-4299. Reimbursement must be made to qualified districts on a
 21 proportional basis to the loss of taxable value as a result of Chapter 285, Laws of 1999, and as documented by
 22 the department of revenue. This documentation must be provided to the budget director and to the legislative
 23 fiscal analyst. The reimbursement may not be used to pay debt service on tax increment bonds to the extent that
 24 the bonds are secured by a guaranty, a letter of credit, or a similar arrangement provided by or on behalf of an
 25 owner of property within the district.

26 (c) Beginning July 1, 2001, there is transferred annually from the interest income referred to in
 27 subsection (7)(b) \$4.85 million to the research and commercialization state special revenue account created in
 28 90-3-1002. (Terminates June 30, 2005--sec. 10(2), Ch. 10, Sp. L. May 2000.)

29 **15-35-108. (Effective July 1, 2005) Disposal of severance taxes.** Severance taxes collected under
 30 this chapter must, in accordance with the provisions of 15-1-501, be allocated as follows:

1 (1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article
2 IX, section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under
3 17-6-203(6) and invested by the board of investments as provided by law.

4 (2) Twelve percent of coal severance tax collections is allocated to the long-range building program
5 account established in 17-7-205.

6 (3) The amount of 8.36% must be credited to an account in the state special revenue fund to be
7 allocated by the legislature for local impacts, county land planning, provision of basic library services for the
8 residents of all counties through library federations and for payment of the costs of participating in regional and
9 national networking, conservation districts, and the Montana Growth Through Agriculture Act. Expenditures of
10 the allocation may be made only from this account. Money may not be transferred from this account to another
11 account other than the general fund. Any unreserved fund balance at the end of each fiscal year must be
12 deposited in the general fund.

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

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

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

23 (7) All other revenue from severance taxes collected under the provisions of this chapter must be
24 credited to the general fund of the state."

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26 **NEW SECTION. Section 2. Effective date.** [This act] is effective on passage and approval.

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