

# Interest Earnings

**Capital Land Grant Interest**  
**Coal Trust Interest**  
**Common School Interest & Income**  
**Cultural & Aesthetics Trust Interest**  
**Deaf & Blind Trust Interest**  
**Parks Trust Interest**

**Pine Hills Trust Interest & Income**  
**Regional Water Trust Interest**  
**Resource Indemnity Trust Interest**  
**Tobacco Settlement Trust Interest**  
**Treasure State Endowment Interest**  
**Treasury Cash Account Interest**



**Legislative Fiscal Division**



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# Legislative Fiscal Division

## Revenue Estimate Profile

### Capital Land Grant Interest and Income

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**Revenue Description:** Lands granted by the federal government to the state generate income from a variety of sources. Section 12 of the *Enabling Act* requires that income generated on certain sections of federally granted land be used for public buildings at the state capital for construction, repair, renovation, and other permanent improvements of state buildings. Capital land grant funds can also be used for the acquisition of land for such buildings, as well as the payment of principal and interest on bonds issued for any of these purposes.

Non-permanent sources of revenue generated from capital land grant lands include: grazing fees, agricultural fees, miscellaneous fees and rentals, and oil and natural gas leases and penalties. Statute requires that 3.0 percent of total non-permanent revenue be diverted to the Department of Natural Resources and Conservation (DNRC) for resource development purposes. Senate Bill 48, passed by the 1999 legislature, allows an amount up to 10 percent of the previous year's revenue to be diverted each year to a state special revenue account used to fund the Trust Land Management Division of DNRC. Permanent sources of revenue generated from capital land grant lands include timber sales and oil and natural gas royalties. A portion of timber sale revenue is diverted to DNRC to fund a portion of its timber program based on the amount appropriated by the legislature (the remaining portion is funded with timber sale revenue from the common school and other land trusts that generate timber revenue).

**Applicable Tax Rate(s):** N/A

**Distribution:** After divisions for DNRC administration, all remaining capital land grant income is deposited into a capital projects fund to be used for projects on the state capital complex in accordance with the provisions of Section 12 of the *Enabling Act*.

**Summary of Legislative Action:** The 59th Legislature did not enact legislation that impacted this revenue source.

**Statutory Reference:**

- Tax Rate – NA
- Tax Distribution (MCA) – 18-2-107
- Other (MCA) – DNRC trust land administration diversion (77-1-109)
  - DNRC timber sale program diversion (77-1-613)
  - DNRC land bank administration diversion (77-2-362)
  - DNRC resource development diversion (77-1-607)
- Enabling Act, Sections 10, 12 & 17

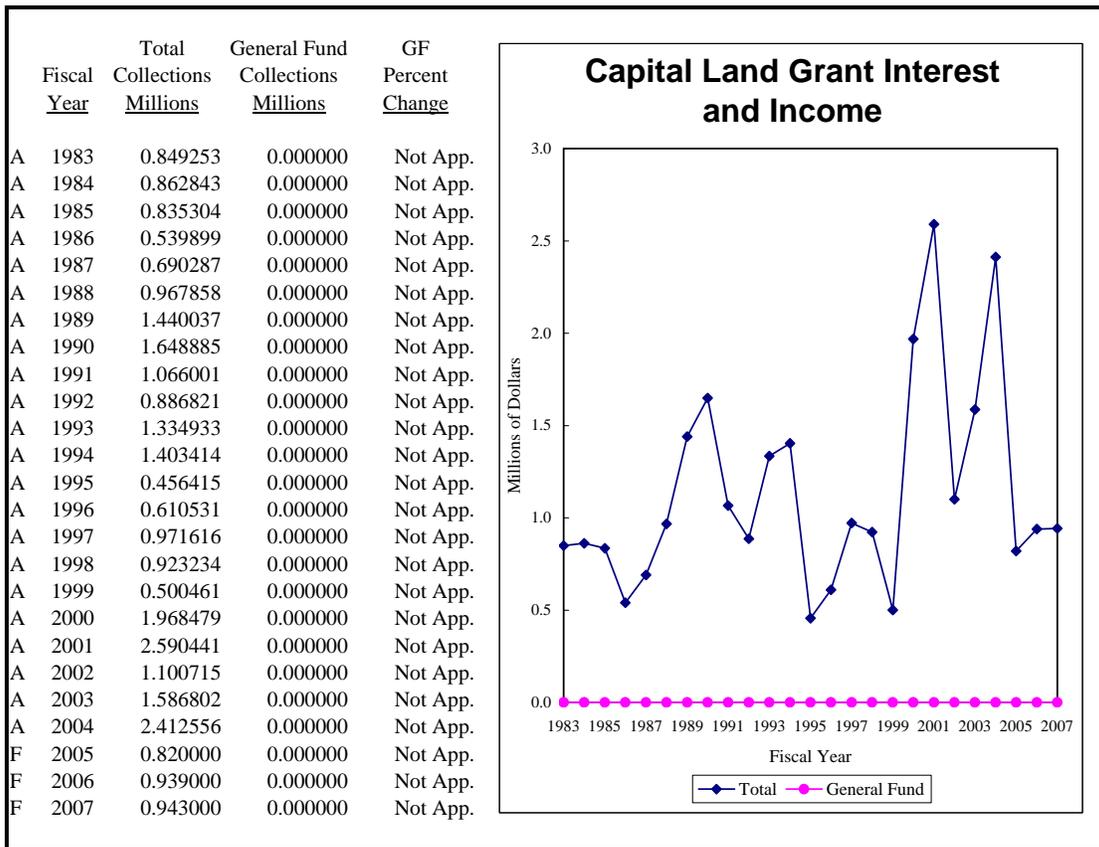
**% of Total FY 2004 General Fund Revenue:** N/A

# Legislative Fiscal Division

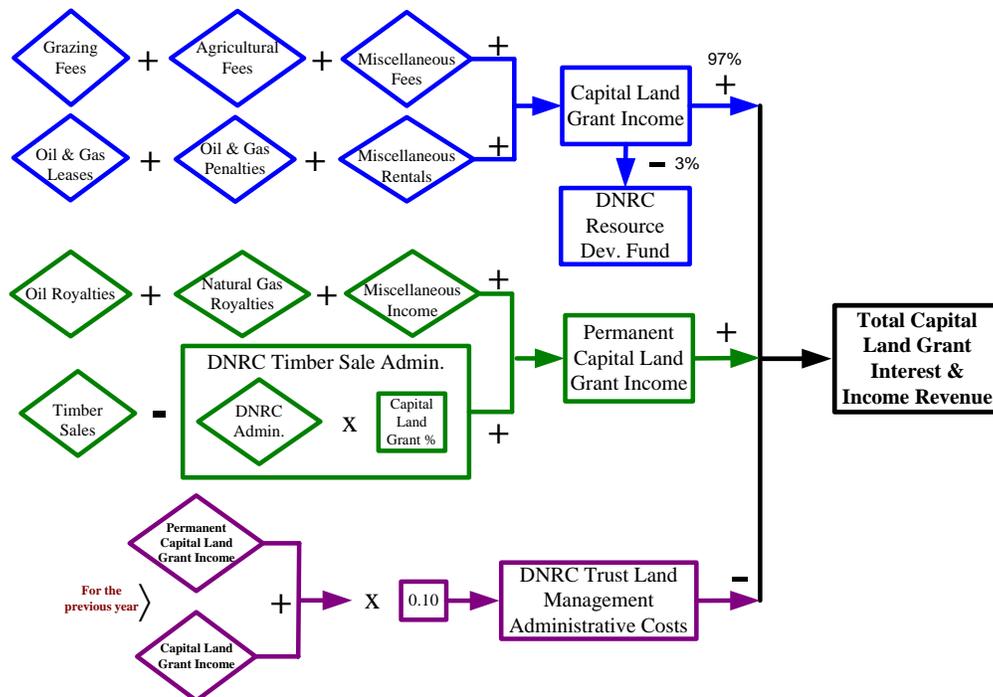
## Revenue Estimate Profile

### Capital Land Grant Interest and Income

#### Revenue Projection:



#### Forecast Methodology



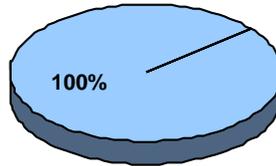
# Legislative Fiscal Division

## Revenue Estimate Profile

### Capital Land Grant Interest and Income

#### Distribution Methodology

**Capital Projects Fund**



#### Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2005 legislature that may affect future estimates of this revenue source.

	<u>Fiscal</u>	<u>Total Rev.</u> <u>Millions</u>	<u>GF Rev.</u> <u>Millions</u>	<u>TFBP</u> <u>Interest</u> <u>Millions</u>	<u>STIP</u> <u>Interest</u> <u>Millions</u>	<u>Capital</u> <u>Land Share</u> <u>T&amp;L</u>
Actual	2000	1.968479	0.000000			0.000000
Actual	2001	2.590441	0.000000			0.000000
Actual	2002	1.100715	0.000000	29.670198	0.102471	0.000000
Actual	2003	1.586802	0.000000	29.146744	0.068370	0.000000
Actual	2004	2.412556	0.000000	30.087011	0.053502	0.000000
Forecast	2005	0.820000	0.000000	28.087916	0.167656	0.000000
Forecast	2006	0.939000	0.000000	27.119869	0.169614	0.000000
Forecast	2007	0.943000	0.000000	27.217701	0.186859	0.000000

	<u>Fiscal</u>	<u>Trust Income</u> <u>New Deposit</u> <u>Millions</u>	<u>Trust Land</u> <u>Admin.</u> <u>Millions</u>	<u>New Deposit</u> <u>Long Term</u> <u>Rate</u>	<u>Non Pool</u> <u>STIP</u> <u>Rate</u>	<u>Non Pool</u> <u>STIP Bal</u> <u>Millions</u>
Actual	2000	10.962021		7.0160%	5.4440%	11.676486
Actual	2001	12.667782	-0.048140	6.8830%	4.7420%	6.984553
Actual	2002	2.105811	-0.151480	6.3370%	2.5670%	7.334239
Actual	2003	2.345732	29.129953	5.7290%	1.5020%	6.242273
Actual	2004	2.936728	30.041549	5.3680%	1.4050%	7.049634
Forecast	2005	3.326972	-0.241256	5.4930%	2.1200%	7.049634
Forecast	2006	1.666932	-0.149939	5.8690%	3.0840%	7.049634
Forecast	2007	1.666932	-0.154533	6.1860%	3.4440%	7.049634

	<u>Fiscal</u>	<u>Grazing</u> <u>Millions</u>	<u>Agriculture</u> <u>Millions</u>	<u>Misc.</u> <u>Millions</u>	<u>O&amp;G Lease</u> <u>Millions</u>	<u>O&amp;G Bonus</u> <u>Millions</u>	<u>O&amp;G Penalty</u> <u>Millions</u>	<u>Misc.</u> <u>Millions</u>
Actual	2000	0.132580	0.044452	0.000000	0.019153	0.009104	0.002343	0.048046
Actual	2001	0.159924	0.043153	0.000000	0.013722	0.002980	0.003287	0.064391
Actual	2002	0.173945	0.030825	0.000000	0.018286	0.002180	0.004428	0.090509
Actual	2003	0.170050	0.043195	0.000000	0.018497	0.001020	0.004170	0.069849
Actual	2004	0.132298	0.088177	0.000000	0.017818	0.000000	0.005399	0.059222
Forecast	2005	0.160081	0.043600	0.000000	0.018200	0.000000	0.004666	0.067120
Forecast	2006	0.143272	0.043316	0.000000	0.018172	0.000000	0.004745	0.068485
Forecast	2007	0.132298	0.043370	0.000000	0.018063	0.000000	0.004937	0.067803

**Legislative Fiscal Division**  
**Revenue Estimate Profile**  
**Capital Land Grant Interest and Income**

	<u>t</u>	<u>Int. Land</u>	<u>Int. STIP</u>	<u>Int. Trust</u>	<u>Res. Dev.</u>	<u>Lease Total</u>	<u>Timber Cost</u>
	<u>Fiscal</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>
Actual	2000	0.000000	0.000000	0.000000	-0.007670	0.248008	
Actual	2001	0.000000	0.000000	0.000000	-0.008268	0.279189	
Actual	2002	0.000000	0.000000	0.000000	-0.008838	0.311335	
Actual	2003	0.000000	0.000000	0.000000	-0.009311	0.297470	0.000000
Actual	2004	0.000000	0.000000	0.000000	-0.012622	0.290292	0.000000
Forecast	2005	0.000000	0.000000	0.000000	-0.008810	0.284857	-0.429222
Forecast	2006	0.000000	0.000000	0.000000	-0.008340	0.269650	-0.447630
Forecast	2007	0.000000	0.000000	0.000000	-0.007994	0.258477	-0.448291

	<u>t</u>	<u>Oil Roy.</u>	<u>Gas Roy.</u>	<u>Timber</u>	<u>Misc.</u>	<u>Perm. Total</u>
	<u>Fiscal</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>
Actual	2000	0.004394	0.004489	1.675671	0.028247	1.712801
Actual	2001	0.005659	0.008068	2.278363	0.010894	2.302984
Actual	2002	0.003264	0.002190	0.769197	0.005891	0.780542
Actual	2003	0.004461	0.013330	1.238901	0.023329	1.280021
Actual	2004	0.003492	0.027817	1.231369	0.846964	2.109642
Forecast	2005	0.003166	0.027817	1.155222	0.019516	0.776499
Forecast	2006	0.002987	0.027817	1.216130	0.020404	0.819708
Forecast	2007	0.002904	0.027817	1.235970	0.020927	0.839327

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# Legislative Fiscal Division

## Revenue Estimate Profile

### Coal Trust Interest

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**Revenue Description:** Article IX, Section 5 of the Montana Constitution requires that 50.0 percent of all coal severance tax revenue be deposited in a permanent coal trust fund and that the principal of the trust "shall forever remain inviolate unless appropriated by a three-fourths vote of each house". Coal severance tax funds flowing into the trust fund are first used to secure and subsidize state bonds issued to finance water resource and renewable resource development projects and activities. With the enactment of House Bill 249 by the 2005 legislature, beginning fiscal 2006 the remaining funds are then split 50 percent (25 percent of total revenue) to the treasure state endowment trust fund, 25 percent (12.5 percent of total revenue) to the treasure state endowment regional water system trust fund, and 25 percent (12.5 percent of total revenue) to the big sky economic development trust fund (HB 249). The permanent trust fund no longer receives coal severance tax revenue (HB 249). By statute, interest earned on the permanent trust that is not earmarked to other programs is deposited to the general fund. When calculating interest earnings, the impact of loans made from the trust, such as the in-state investment program, are taken into account.

As of October 1, 1995, all fixed-income investments held by the state's major trust funds were transferred to a newly-created trust fund bond pool (TFBP). The majority of permanent coal tax trust funds are invested as part of the TFBP. Some funds, however, are invested on a short-term basis in the state's short-term investment pool (STIP). In addition, state law provides that trust funds may be used for in-state commercial loans to stimulate economic development. The state Constitution prohibits the investment of the permanent trust in common stock.

**Applicable Tax Rate(s):** N/A

**Distribution:** Interest earned on the permanent coal tax trust fund is deposited into the general fund. Statute further annually transfers and statutorily appropriates interest income from \$140 million of the coal severance tax permanent fund as follows:

Fiscal 2006 - 2010

- \$3,650,000 – to the research and commercialization state special revenue account
- \$1,250,000 – for the growth through agriculture program
- \$425,000 – to the Department of Commerce for certified regional development corporations
- \$300,000 – to the Department of Commerce for export trade enhancement
- \$200,000 – to the Department of Commerce for the Montana manufacturing extension center at MSU-Bozeman
- \$125,000 – to the Department of Commerce for a small business development center
- \$65,000 – to the Cooperative Development Center
- \$50,000 – to the Department of Commerce for a small business innovative research program
- \$6,065,000

**Summary of Legislative Action:**

House Bill 201 – The Department of Justice is appropriated the unexpended amount from the \$650,000 of loan proceeds appropriated by the 2003 legislature for the 2005 biennium from the coal severance tax permanent fund. The unexpended amount is estimated to be \$440,000. The purpose of the loan and appropriation is to conduct the natural resource damage assessment and litigation and to pursue Montana's remaining natural resource damage claims and any appeals against the Atlantic Richfield Company. Because the removal of the money from the trust results in a smaller invested balance, the resulting loss in transfers of trust interest earnings to the general fund is expected to be \$13,706 in FY 2006 and \$27,324 in FY 2007. If any reimbursements of the money spent are received, they must be deposited in the coal severance tax permanent fund. The appropriation is effective July 1, 2005.

House Bill 249 – Beginning FY 2006, the 25 percent of remaining coal severance tax revenue (after deposits, if any, in the coal tax bond fund and the school bond contingency loan fund) that previously had been deposited in the coal severance tax permanent fund (12.5% of total revenue), is now deposited in the new Big Sky Economic Development fund within the coal trust. On July 1, 2005, \$20.0 million of fund balance in the permanent trust fund is transferred to the Big Sky Economic Development fund. Interest earnings from this new fund are statutorily appropriated to the Department of Commerce for grants and loans to local governments for economic development projects and to certified regional development corporations. Money not spent for administration must be used: 1) 75 percent to local governments for job creation efforts; and 2) 25 percent to certified regional development corporations and economic development organizations. The elimination of all deposits to the permanent fund and the one-time \$20.0 million reduction in fund balance result in a

# Legislative Fiscal Division

## Revenue Estimate Profile

### Coal Trust Interest

loss in transfers of trust interest earnings to the general fund of \$1,338,000 in FY 2006 and \$1,581,000 in FY 2007. State special revenue increases by the same amounts. The legislation is effective July 1, 2005.

Coal Trust Interest -- Legislation Passed by 59th Legislature Estimated General Fund Impact for the 2007 Biennium			
<u>Bill Number and Short Title</u>	<u>Fiscal 2005</u>	<u>Fiscal 2006</u>	<u>Fiscal 2007</u>
HB0201 Fund natural resource damage litigation		(13,706)	(27,324)
HB0249 Economic development trust fund		(1,338,000)	(1,581,000)
Total Estimated General Fund Impact	<u>\$0</u>	<u>(\$1,351,706)</u>	<u>(\$1,608,324)</u>

#### Statutory Reference:

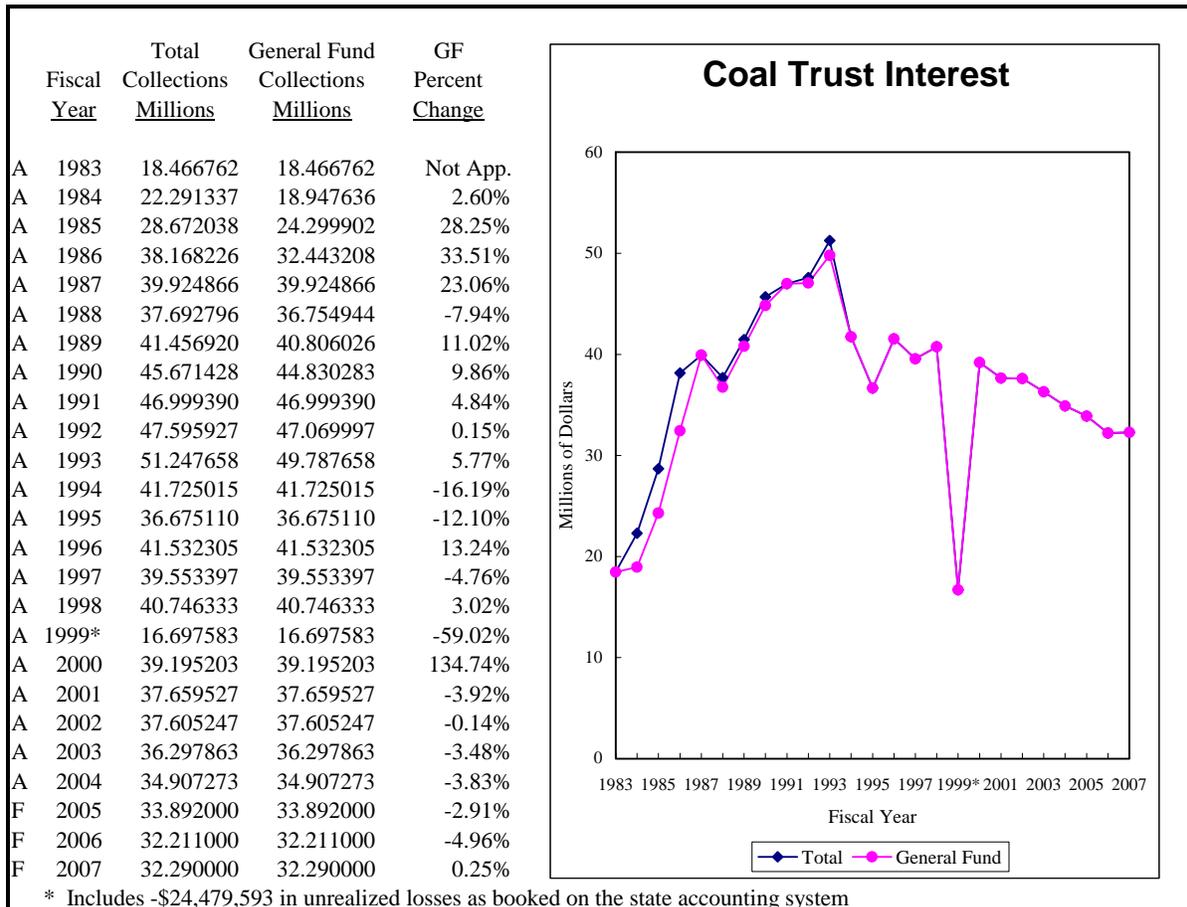
Tax Rate – NA

Distribution (MCA)– Montana Constitution, Article IX, Section 5; 17-5-704; 15-35-108(7)

Date Due - NA

**% of Total FY 2004 General Fund Revenue:** 2.53%

#### Revenue Projection:

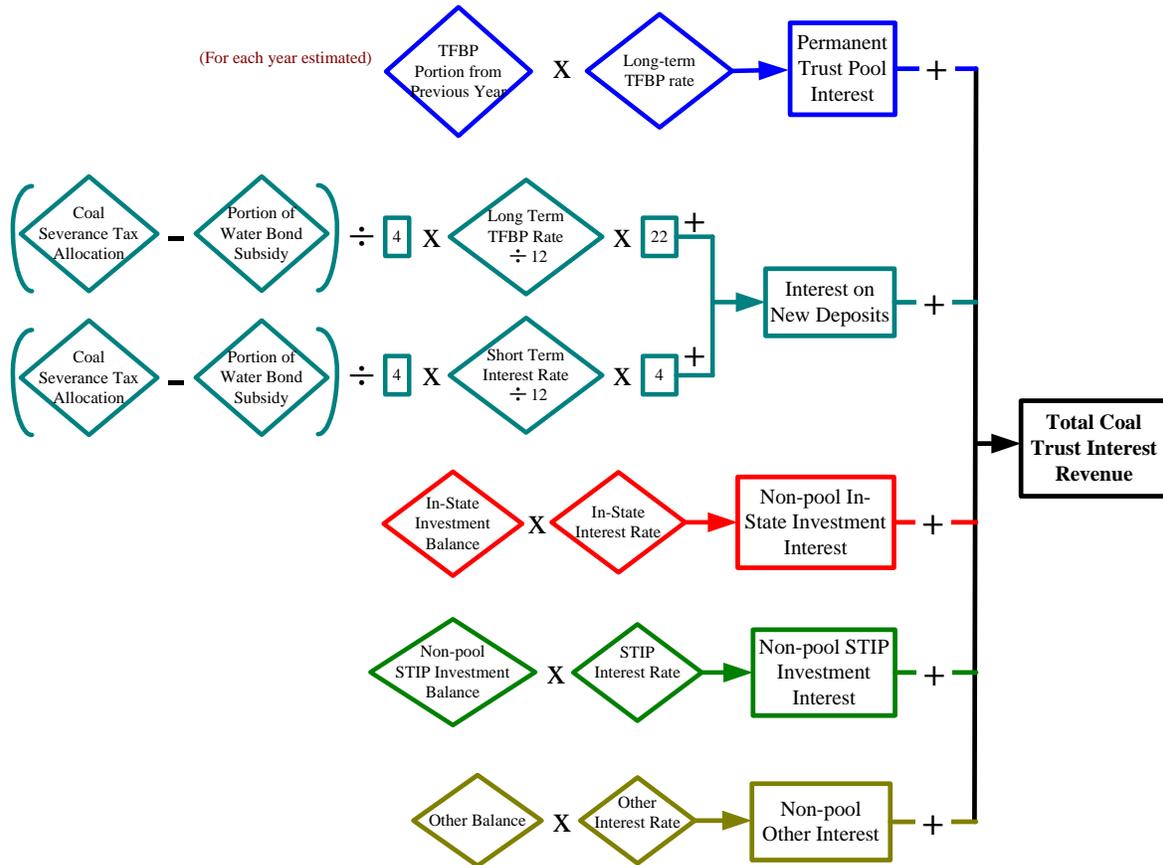


# Legislative Fiscal Division

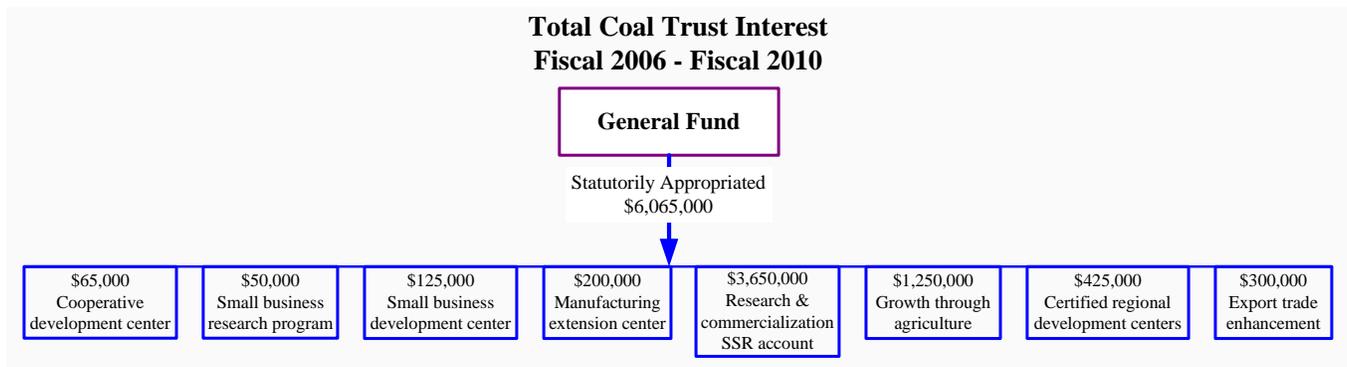
## Revenue Estimate Profile

### Coal Trust Interest

#### Forecast Methodology



#### Distribution Methodology



# Legislative Fiscal Division

## Revenue Estimate Profile

### Coal Trust Interest

#### Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2005 legislature that may affect future estimates of this revenue source.

	<u>t</u>	<u>Total Rev.</u>	<u>GF Rev.</u>	<u>TFBP</u>	<u>In_State</u>	<u>Loan</u>	<u>STIP</u>	<u>Payback</u>
	<u>Fiscal</u>	<u>Millions</u>	<u>Millions</u>	<u>Interest</u>	<u>Interest</u>	<u>Interest</u>	<u>Interest</u>	<u>Interest</u>
				<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>
Actual	2000	39.195203	39.195203					
Actual	2001	37.659527	37.659527					
Actual	2002	37.605247	37.605247	24.373985	8.764717	3.369609	1.096936	
Actual	2003	36.297863	36.297863	21.079491	10.501432	4.328664	0.388276	
Actual	2004	34.907273	34.907273	22.273639	8.721596	3.460652	0.451386	
Forecast	2005	33.892000	33.892000	21.258277	8.418899	3.271684	0.826241	0.116562
Forecast	2006	33.563000	33.563000	20.617450	8.418899	3.085659	1.162317	0.278702
Forecast	2007	33.898000	33.898000	20.849276	8.418899	2.863313	1.293974	0.472501

	<u>t</u>	<u>Net Coal Tax</u>	<u>Bond</u>	<u>New Deposit</u>	<u>Non Pool</u>	<u>Non Pool</u>	<u>Non Pool</u>
	<u>Fiscal</u>	<u>New Deposit</u>	<u>Subsidy</u>	<u>Long Term</u>	<u>STIP</u>	<u>In State</u>	<u>Loan</u>
		<u>Millions</u>	<u>Millions</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
Actual	2000	0.000000	0.193782	6.3370%	5.4440%	5.9500%	0.0000%
Actual	2001	0.000000	0.480790	6.8830%	4.7420%	5.7700%	0.0000%
Actual	2002	0.000000	0.264847	6.3370%	2.5670%	5.5860%	7.2673%
Actual	2003	0.000000	0.780492	5.7290%	1.5020%	5.5860%	7.0000%
Actual	2004	3.943085	1.473545	5.3680%	1.4050%	5.3917%	7.3445%
Forecast	2005	3.981000	1.309205	5.4930%	2.1200%	5.3917%	7.3445%
Forecast	2006	3.950000	1.183767	5.8690%	3.0840%	5.3917%	7.3445%
Forecast	2007	4.034000	0.691478	6.1860%	3.4440%	5.3917%	7.3445%

	<u>t</u>	<u>Non Pool</u>	<u>Non Pool</u>	<u>Non Pool</u>	<u>SB495 Loan</u>
	<u>Fiscal</u>	<u>STIP Bal</u>	<u>In-State Bal</u>	<u>Loan Bal</u>	<u>Payment</u>
		<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>
Actual	2000	15.334577	127.567412	0.000000	
Actual	2001	22.784722	145.401756	0.000000	
Actual	2002	26.721811	168.249355	46.366904	
Actual	2003	37.107451	169.737929	46.366904	
Actual	2004	41.478106	156.145542	46.366904	
Forecast	2005	41.478106	156.145542	44.546044	1.820860
Forecast	2006	41.478106	156.145542	42.013200	2.532844
Forecast	2007	41.478106	156.145542	38.985813	3.027387

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# Legislative Fiscal Division

## Revenue Estimate Profile

### Common School Interest and Income

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**Revenue Description:** Lands granted by the federal government to the state for the benefit of public schools generate income. The common school trust is actually part of the trust and legacy trust fund that includes nine other trusts. Prior to fiscal 1996, interest and income from the common school trust was deposited in the state equalization account. Beginning in fiscal 1996, this interest and income was deposited in the general fund, as mandated by SB 83, passed by the 1995 legislature. Beginning fiscal 2003, House Bill 7 from the August 2002 special legislative session changed the deposit to the state special revenue guarantee account and statutorily appropriated the money for schools. The estimates show the amount of revenue deposited to the guarantee account and are net of amounts diverted (of mineral royalties, timber sale revenue, and income) for DNRC administration costs. Included is timber revenue for school technology and the amounts of mineral royalty revenue that is required to pay interest and principal on the SB 495 loan. These items are explained below.

Common school lands produce two kinds of revenue: 1) distributable income such as interest earnings, agricultural rents or crop shares, and timber sale revenue; and 2) permanent income that is returned to the trust such as income from the sale of minerals (see the effects of Senate Bill 495 from the 2003 legislative session below), land, and easements. Excluding the amount of timber sale revenue diverted for DNRC administration and school technology and after a 3.0 percent deduction of the revenue for use by the Department of Natural Resources and Conservation (DNRC), 95 percent of distributable revenue is available to fund schools and, due to Senate Bill 48 (discussed below), the remaining 5.0 percent is available to fund the Trust Land Management Division of DNRC. The 3.0 percent allocation to DNRC is used for resource development purposes. Timber revenue is allocated: 1) first to DNRC to fund a portion of its timber program based on the amount appropriated by the legislature (the remaining portion is funded with timber sale revenue from the capital land grant and other land trusts that generate timber revenue); 2) the amount received from production over 18 million board feet is deposited into the state special revenue fund for school technology equipment and training and is statutorily appropriated to OPI (House Bill 41 enacted by the 2001 legislature and House Bill 7 from the August 2002 special legislative session); and 3) any remainder for the support of public schools.

Senate Bill 48, passed by the 1999 legislature, provides for the diversion of the following funds for the purpose of funding the Trust Land Management Division in the DNRC: 1) mineral royalties; 2) revenues from the sale of easements; and 3) 5.0 percent of interest and income previously credited to the common school trust. The amount of the money diverted from the common school trust reduces the growth of the trust fund balance and, hence, reduces the amount of distributable interest earnings.

As of October 1, 1995, all fixed-income investments held by the state's major trust funds (which include the trust and legacy fund of which the common school trust is a part), were transferred to a newly-created Trust Fund Bond Pool (TFBP). The majority of common school trust funds are invested as part of the TFBP. Some funds, however, are invested on a short-term basis in the state's Short Term Investment Pool (STIP). The state Constitution prohibits the investment of common school trust funds in common stock. Interest income is distributed 95 percent to the guarantee account and 5 percent is available for DNRC administration with the remainder deposited to the trust.

Senate Bill 495 (enacted by the 2001 legislature) authorized DNRC to purchase the mineral production rights (with a loan from the coal severance trust) from the common school trust. The department subsequently purchased \$138.9 million of future mineral royalties (over an approximate 30-year period) from the school trust for \$46.4 million. Since these royalties will no longer be deposited to the trust, interest earnings from the trust corpus are lessened. However, additional interest earnings are generated from the proceeds of the sale, but it is estimated that interest losses will exceed interest gains after fiscal 2012. It is estimated that the trust balance will be \$94.7 million less after the 30-year period. For further information and analysis on Senate Bill 495 contact the Legislative Fiscal Division for a copy of the two-part report: "Senate Bill 495-Implementation, Impacts and Implications".

**Applicable Tax Rate(s):** N/A

**Distribution:** As described above, interest and income from common school lands (including a portion of timber sales and after amounts diverted for DNRC administration) are distributed 95.0 percent to the state special revenue guarantee account and is statutorily appropriated for schools. The remaining 5.0 percent is available to fund the Trust Land Management Division with the remainder deposited to the trust fund. The amounts deposited to the guarantee account are shown in this revenue source.

#### **Summary of Legislative Action:**

House Bill 2 - The amount of money appropriated from certain accounts inversely impacts the amount of revenue from various sources. Although these revenue amounts are estimated prior to the session based on present law appropriations requested in the Executive Budget and finalized in HJR 2, final appropriations set by the legislature, such as those in HB 2, may differ and, thus, may affect

# Legislative Fiscal Division

## Revenue Estimate Profile

### Common School Interest and Income

revenue. Changes in state special revenue appropriations from the trust land administration account administered by the Department of Natural Resources and Conservation change the amount of revenue deposited in the account from common school trust lands income. This in turn, changes the amount of money deposited to the school trust and the amount available in the guarantee account that is statutorily appropriated for schools. Due to changes in appropriations, state special revenue deposited to the guarantee account decreases by \$5,290 in FY 2006 and increases by \$5,290 in FY 2007.

House Bill 447 – Money to pay for salary and benefit increases for state employees is appropriated in the legislation. The amount of money appropriated from certain accounts inversely impacts the amount of revenue from various sources. Although these revenue amounts are estimated prior to the session based on present law appropriations requested in the Executive Budget and finalized in HJ 2, final appropriations set by the legislature, such as those in HB 447, may differ and, thus, may affect revenue. Increases in state special revenue appropriations from the trust land administration account and the timber sale account administered by the Department of Natural Resources and Conservation increase the amount of revenue deposited in the accounts from common school trust lands income. This in turn, decreases the amount of money deposited to the school trust and the amount available in the guarantee account that is statutorily appropriated for schools. Due to increases in appropriations, state special revenue deposited to the guarantee account decreases \$131,498 in FY 2006 and \$343,021 in FY 2007.

Common School Interest and Income -- Legislation Passed by 59th Legislature			
Estimated State Special Revenue Fund Impact for the 2007 Biennium			
<u>Bill Number and Short Title</u>	<u>Fiscal 2005</u>	<u>Fiscal 2006</u>	<u>Fiscal 2007</u>
HB0002 General appropriations act		(5,290)	5,290
HB0447 Increase state employee pay		(131,498)	(343,021)
Total Estimated General Fund Impact	<u>\$0</u>	<u>(\$136,788)</u>	<u>(\$337,731)</u>

#### Statutory Reference:

Tax Rate – NA

Distribution (MCA) – Montana Constitution Article X, Section 5; 20-9-342 (school technology); 20-9-622 (guarantee account)

Other (MCA) – DNRC trust land administration diversion (77-1-109)

DNRC timber sale program diversion (77-1-613)

DNRC land bank administration diversion (77-2-362)

DNRC resource development diversion (77-1-607)

Enabling Act, Section 10

Date Due - the last business day of February following the calendar year in which the money was received (20-9-342).

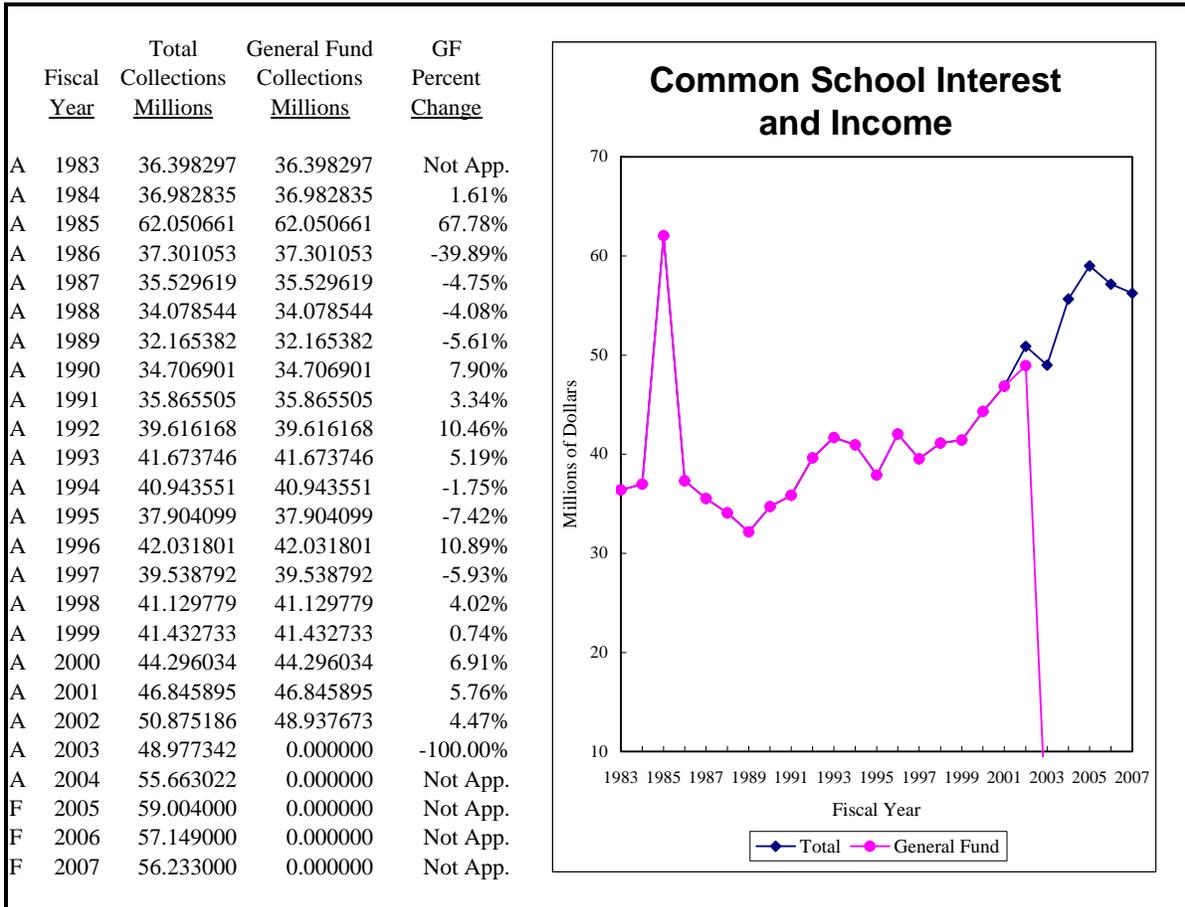
**% of Total FY 2004 General Fund Revenue:** 0.00%

# Legislative Fiscal Division

## Revenue Estimate Profile

### Common School Interest and Income

**Revenue Projection:**

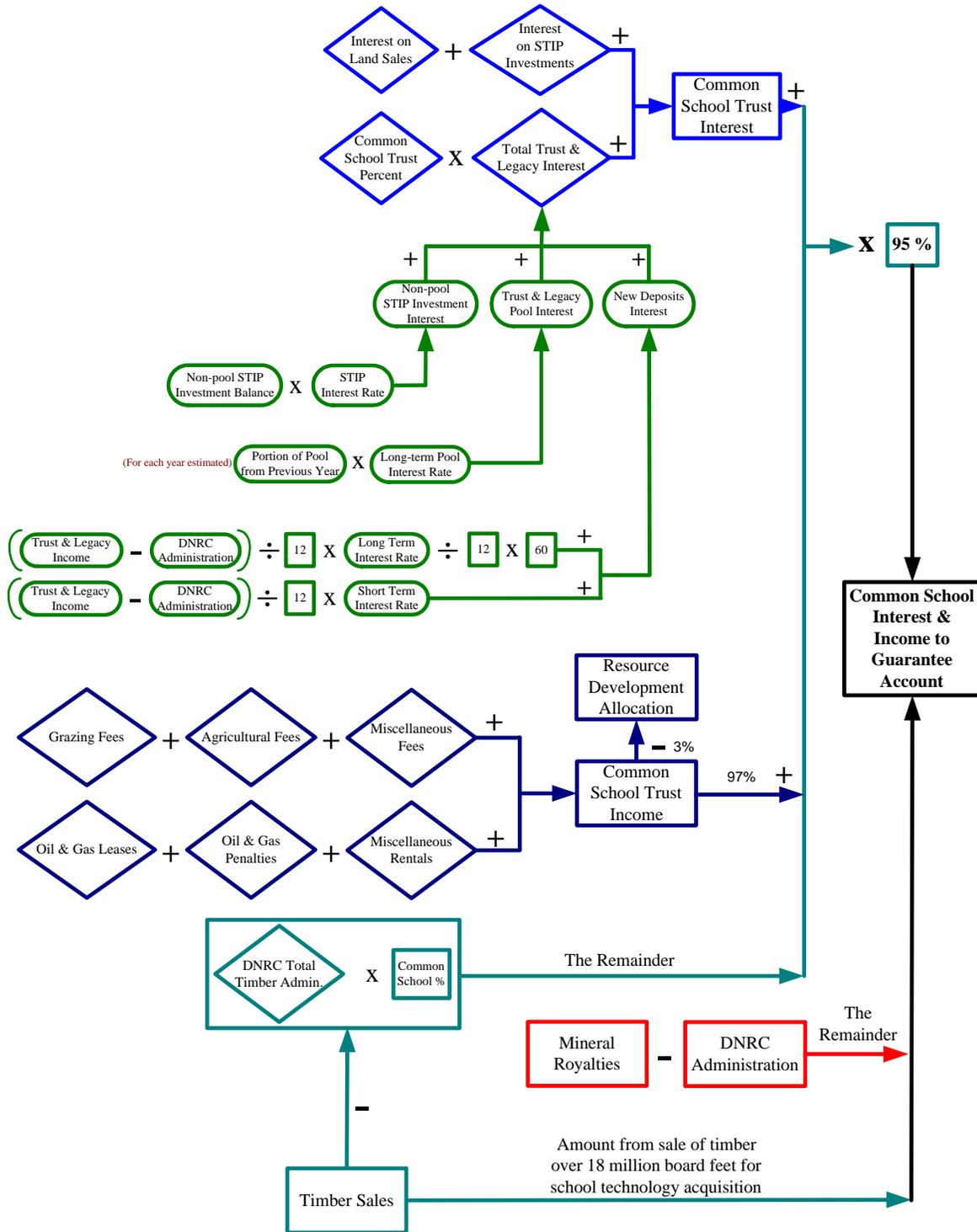


# Legislative Fiscal Division

## Revenue Estimate Profile

### Common School Interest and Income

#### Forecast Methodology



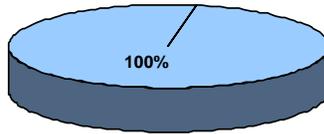
# Legislative Fiscal Division

## Revenue Estimate Profile

### Common School Interest and Income

#### Distribution Methodology

**State Special Revenue Fund**



#### Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2005 legislature that may affect future estimates of this revenue source.

	<u>Fiscal</u>	<u>Total Rev.</u> <u>Millions</u>	<u>GF Rev.</u> <u>Millions</u>	<u>TFBP</u> <u>Interest</u> <u>Millions</u>	<u>STIP</u> <u>Interest</u> <u>Millions</u>	<u>Common</u> <u>School Share</u> <u>T&amp;L</u>	<u>SB495</u> <u>Loan Pay.</u> <u>Millions</u>	<u>Trust Land</u> <u>Expense</u> <u>Millions</u>
Actual	2000	44.296034	44.296034			0.938562		
Actual	2001	46.845895	46.845895			0.923235		
Actual	2002	50.875186	48.937673	29.670198	0.102471	0.932906		
Actual	2003	48.977342	0.000000	29.146744	0.068370	0.931091	0.000000	-3.477507
Actual	2004	55.663022	0.000000	30.087011	0.053502	0.928698	-1.820860	-3.367569
Forecast	2005	59.004000	0.000000	28.087916	0.167656	0.928698	-2.532844	-3.762020
Forecast	2006	57.286000	0.000000	27.119869	0.169614	0.928698	-3.027387	-3.723091
Forecast	2007	56.571000	0.000000	27.217701	0.186859	0.928698	-2.888652	-3.727938

	<u>Fiscal</u>	<u>Trust Income</u> <u>New Deposit</u> <u>Millions</u>	<u>New Deposit</u> <u>Long Term</u> <u>Rate</u>	<u>Non Pool</u> <u>STIP</u> <u>Rate</u>	<u>Non Pool</u> <u>STIP Bal</u> <u>Millions</u>	<u>SB495</u> <u>Interest</u> <u>Millions</u>
Actual	2000	10.962021	7.0160%	5.4440%	11.676486	
Actual	2001	12.667782	6.8830%	4.7420%	6.984553	
Actual	2002	2.105811	6.3370%	2.5670%	7.334239	
Actual	2003	2.345732	5.7290%	1.5020%	6.242273	
Actual	2004	2.936728	5.3680%	1.4050%	7.049634	
Forecast	2005	3.326972	5.4930%	2.1200%	7.049634	-3.271684
Forecast	2006	1.666932	5.8690%	3.0840%	7.049634	-3.085659
Forecast	2007	1.666932	6.1860%	3.4440%	7.049634	-2.863313

	<u>Fiscal</u>	<u>Grazing</u> <u>Millions</u>	<u>Agriculture</u> <u>Millions</u>	<u>Misc.</u> <u>Millions</u>	<u>O&amp;G Lease</u> <u>Millions</u>	<u>O&amp;G Bonus</u> <u>Millions</u>	<u>O&amp;G Penalty</u> <u>Millions</u>	<u>Misc.</u> <u>Millions</u>
Actual	2000	4.065911	9.053155	0.000000	1.328220	1.277231	0.261334	1.127779
Actual	2001	4.850839	8.376539	0.000000	1.448285	7.118093	0.355322	1.121433
Actual	2002	5.467322	6.998644	0.000000	1.540472	0.478224	0.334699	1.243778
Actual	2003	5.243241	7.974945	0.000000	1.575356	0.300943	0.399347	1.348894
Actual	2004	4.970961	8.051131	0.000000	1.648808	0.870693	0.533758	2.156382
Forecast	2005	6.014863	8.134205	0.686875	1.710287	0.870693	0.300323	1.479381
Forecast	2006	5.383302	8.053427	0.686875	1.750523	0.870693	0.316366	1.567445
Forecast	2007	4.970961	8.026501	0.686875	1.783975	0.870693	0.327899	1.647899

# Legislative Fiscal Division

## Revenue Estimate Profile

### Common School Interest and Income

	t	Int. Land	Int. STIP	Int. Trust	Timber	Res. Dev.
	<u>Fiscal</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>
Actual	2000	0.000566	0.706653	23.905761	5.379555	-0.513416
Actual	2001	0.000290	0.715090	24.206450	1.623592	-0.698124
Actual	2002	0.000063	0.305319	27.775111	3.624785	-0.504023
Actual	2003	0.019744	0.188794	27.201941	3.605510	-0.499362
Actual	2004	0.002900	0.199526	27.991422	6.147357	-0.517845
Forecast	2005	0.003176	0.279677	26.240893	1.950001	-0.575899
Forecast	2006	0.003176	0.401287	25.343688	1.946999	-0.558859
Forecast	2007	0.003176	0.446021	25.450560	1.930999	-0.549444

	t	Total	Timber	School	Oil	Gas	Coal	Other
	<u>Fiscal</u>	<u>Timber</u>	<u>Sales Pgm.</u>	<u>Technology</u>	<u>Royalties</u>	<u>Royalties</u>	<u>Royalties</u>	<u>Royalties</u>
		<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>
Actual	2000	7.067954	-1.688399	0.000000				
Actual	2001	3.200298	-1.576706	0.000000				
Actual	2002	5.753895	-2.129110	1.822162	2.390492	1.523062	2.836919	0.144369
Actual	2003	5.507588	-1.674571	0.000000	3.681611	1.995499	3.877054	0.148393
Actual	2004	9.244105	-2.952003	3.178988	4.851597	2.718035	4.676964	0.169754
Forecast	2005	8.688036	-3.228036	1.600000	6.249826	3.523033	6.480205	0.173178
Forecast	2006	8.936471	-3.366471	1.700000	6.452395	3.876761	5.330303	0.173178
Forecast	2007	8.885449	-3.371449	1.700000	6.987200	3.936339	4.185829	0.173178

	t	Oil	Gas	Coal	Oil	Gas	Coal
	<u>Fiscal</u>	<u>Production</u>	<u>Production</u>	<u>Production</u>	<u>Price</u>	<u>Price</u>	<u>Price</u>
		<u>Barrels</u>	<u>MCF's</u>	<u>Tons</u>	<u>\$/Barrel</u>	<u>\$/MCF</u>	<u>\$/Ton</u>
Actual	2000	0.923777	5.050552	3.273552	21.666084	1.732951	10.980000
Actual	2001	0.889786	6.294741	3.285378	28.029154	3.775439	11.440000
Actual	2002	0.911057	5.892287	1.835880	21.394771	2.249212	11.500000
Actual	2003	1.017463	5.380950	3.494901	28.140000	3.200000	9.590000
Actual	2004	1.122987	5.720200	3.911826	31.020000	3.950000	8.600000
Forecast	2005	1.340506	6.408044	6.056798	35.863760	4.398263	8.559248
Forecast	2006	1.532037	7.011222	5.020664	32.397265	4.423492	8.493384
Forecast	2007	1.694761	7.526791	3.932936	31.714026	4.183816	8.514411

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# Legislative Fiscal Division

## Revenue Estimate Profile Cultural Trust Interest

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**Revenue Description:** Beginning in fiscal 1976, a portion of coal severance tax revenue was deposited into the Parks Acquisition and Arts Protection trust fund. The 1991 legislature split the principal of this trust into two separate trusts, the Parks Acquisition trust and the Arts Protection trust (cultural trust), with coal severance taxes allocated to each one. The 1997 legislature appropriated \$3.9 million from the cultural trust fund for the immediate purchase of Virginia and Nevada City properties. This action resulted in a loss of trust interest revenue that otherwise would be used to fund cultural and aesthetic (C&A) projects in the state during the 1999 biennium. Thus, beginning July 1, 1997, and ending June 30, 1999, 0.87 percent in coal severance tax revenue was allocated to an account in the state special revenue fund to compensate for the lost interest earnings and the previous 0.63 percent distribution of coal severance tax to the cultural trust was eliminated. Except for fiscal 2003, beginning July 1, 1999, the amount of 0.63 percent is once again statutorily allocated to the cultural trust, the interest from which is to be used for the purpose of protection of works of art in the capitol and for other cultural and aesthetic projects. The August 2002 special legislative session eliminated the allocation for fiscal 2003 only. In the 2005 session, \$3,412,500 of general fund was transferred to the cultural trust as replacement of the money used to purchase Virginia and Nevada City properties.

**Applicable Tax Rate(s):** N/A

**Distribution:** All income from the trust is deposited in a state special revenue fund to be appropriated for protection of works of art in the state capitol and for other cultural and aesthetic projects.

### Summary of Legislative Action:

House Bill 9 – This legislation increases the interest earned on the cultural trust \$411,377 in the 2007 biennium by increasing the trust corpus with a one-time general fund transfer of \$3,412,500. The transfer of funds replaced dollars spent from the trust in the 1997 purchase of Virginia and Nevada Cities. HB 9 directs the transfer to take place at the beginning of FY 2006 so that new interest will be earned throughout the entire 2007 biennium. Revenues from the cultural trust increase \$200,280 in FY 2006 and \$211,097 in FY 2007. The legislation is effective July 1, 2005.

Cultural Trust Interest -- Legislation Passed by 59th Legislature Estimated State Special Revenue Fund Impact for the 2007 Biennium			
<u>Bill Number and Short Title</u>	<u>Fiscal 2005</u>	<u>Fiscal 2006</u>	<u>Fiscal 2007</u>
HB0009 Cultural and aesthetic grant appropriations		200,280	211,097
Total Estimated General Fund Impact	<u>\$0</u>	<u>\$200,280</u>	<u>\$211,097</u>

### Statutory Reference:

Tax Rate – NA

Distribution (MCA) – 15-35-108(6), 22-2-305

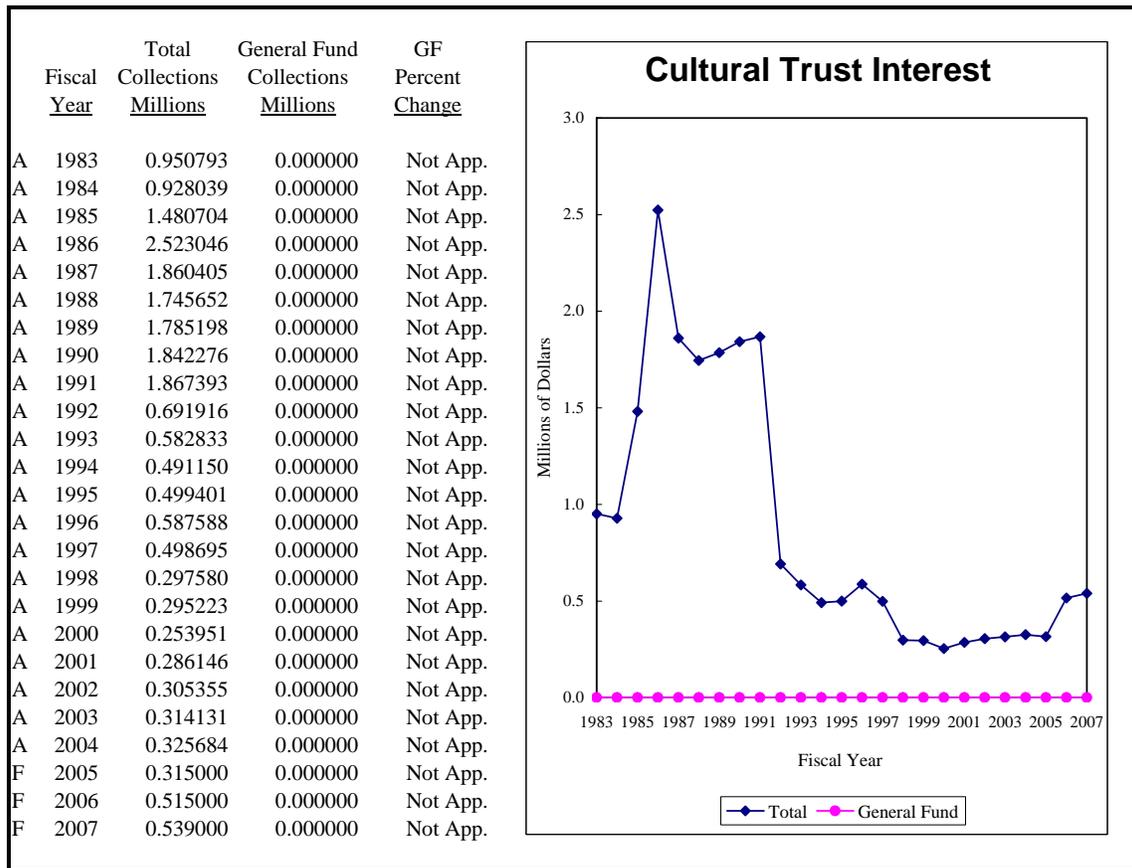
Date Due - NA

**% of Total FY 2004 General Fund Revenue:** N/A

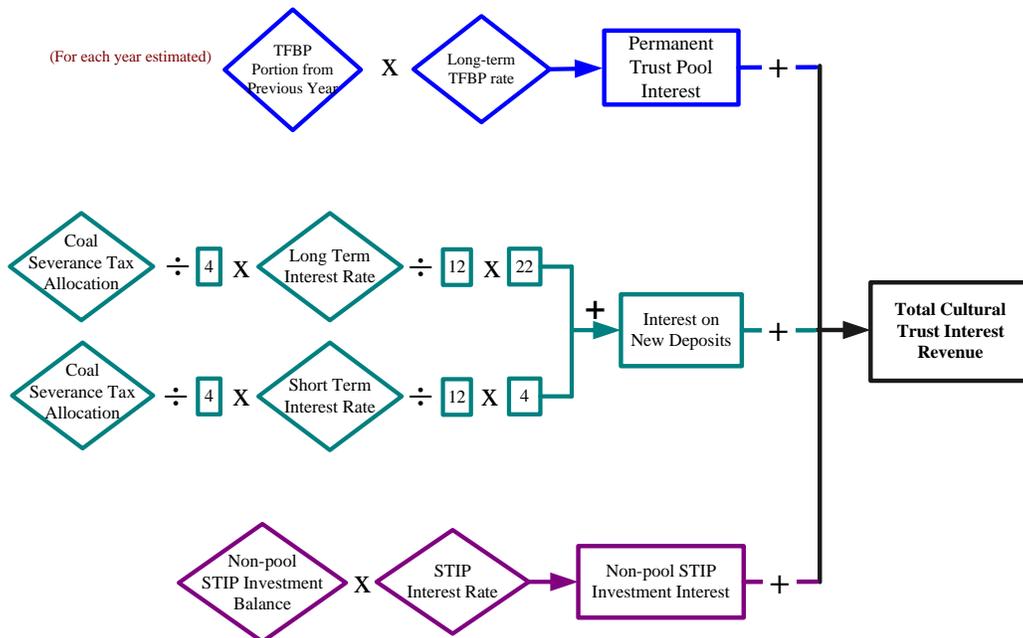
# Legislative Fiscal Division

## Revenue Estimate Profile Cultural Trust Interest

### Revenue Projection:



### Forecast Methodology

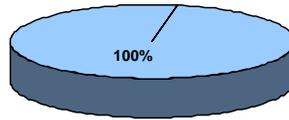


# Legislative Fiscal Division

## Revenue Estimate Profile Cultural Trust Interest

### Distribution Methodology

State Special Revenue Fund



### Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2005 legislature that may affect future estimates of this revenue source.

	t	Total Rev.	GF Rev.	TFBP	STIP
	<u>Fiscal</u>	<u>Millions</u>	<u>Millions</u>	<u>Interest</u>	<u>Interest</u>
				<u>Millions</u>	<u>Millions</u>
Actual	2000	0.253951	0.000000		
Actual	2001	0.286146	0.000000		
Actual	2002	0.305355	0.000000	0.304399	0.000955
Actual	2003	0.314131	0.000000	0.310495	0.003636
Actual	2004	0.325684	0.000000	0.324526	0.001158
Forecast	2005	0.315000	0.000000	0.307129	0.007673
Forecast	2006	0.315000	0.000000	0.305961	0.008834
Forecast	2007	0.328000	0.000000	0.317640	0.009655

	t	Net Coal Tax	New Deposit	Non Pool	Non Pool
	<u>Fiscal</u>	<u>New Deposit</u>	<u>Long Term</u>	<u>STIP</u>	<u>STIP Bal</u>
		<u>Millions</u>	<u>Rate</u>	<u>Rate</u>	<u>Millions</u>
Actual	2000	0.212426	7.0160%	5.4440%	0.249639
Actual	2001	0.203724	6.8830%	4.7420%	0.028633
Actual	2002	0.199168	6.3370%	2.5670%	0.102287
Actual	2003	0.000000	5.7290%	1.5020%	0.062902
Actual	2004	0.198731	5.3680%	1.4050%	0.088412
Forecast	2005	0.209000	5.4930%	2.1200%	0.088412
Forecast	2006	0.199000	5.8690%	3.0840%	0.088412
Forecast	2007	0.203000	6.1860%	3.4440%	0.088412

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# Legislative Fiscal Division

## Revenue Estimate Profile

### Deaf and Blind Trust Interest and Income

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**Revenue Description:** Lands granted by the federal government to the state for the benefit of public schools and various state institutions generate income. These lands produce revenue through rents or crop shares for agricultural purposes, royalties from the sale of mineral rights, and sales of timber. Income from certain portions of public school/institution lands has been designated for support of the School for the Deaf and Blind. Thus, some of these funds are deposited into a component of the trust and legacy trust fund referred to as the Deaf and Blind trust, which generates interest earnings for the state. As of October 1, 1995, all fixed-income investments held by the state's major trust funds were transferred to a newly-created Trust Fund Bond Pool (TFBP). The majority of trust and legacy trust funds are invested as part of the TFBP. Some funds, however, are invested on a short-term basis in the state's Short Term Investment Pool (STIP). The state constitution prohibits the investment of any trust funds in common stock.

In accordance with statute, 3.0 percent of Deaf and Blind trust interest and income is diverted to the Department of Natural Resources and Conservation (DNRC) to be used for resource development purposes. Senate Bill 48, passed by the 1999 legislature, provides for the diversion of the following funds for the purpose of funding the Trust Land Management Division in the DNRC: 1) mineral royalties; 2) revenues from the sale of easements; and 3) 5.0 percent of interest and income previously credited to the common school trust. In addition, a portion of timber sale revenue is diverted to fund a portion of DNRC's timber program. The amount of the money diverted from the Deaf and Blind trust reduces the growth of the trust fund balance and, hence, reduces the amount of distributable interest earnings.

**Applicable Tax Rate(s):** N/A

**Distribution:** Interest and income from the trust, net of amounts to fund DNRC administration, are allocated to the School for the Deaf and Blind.

**Summary of Legislative Action:** The 59th Legislature did not enact legislation that impacted this revenue source.

**Statutory Reference:**

- Tax Rate – NA
- Distribution (MCA) – 20-8-110
- Other (MCA) – DNRC trust land administration diversion (77-1-109)
  - DNRC timber sale program diversion (77-1-613)
  - DNRC land bank administration diversion (77-2-362)
  - DNRC resource development diversion (77-1-607)
- Enabling Act, Sections 11 & 17

**% of Total FY 2004 General Fund Revenue:** N/A

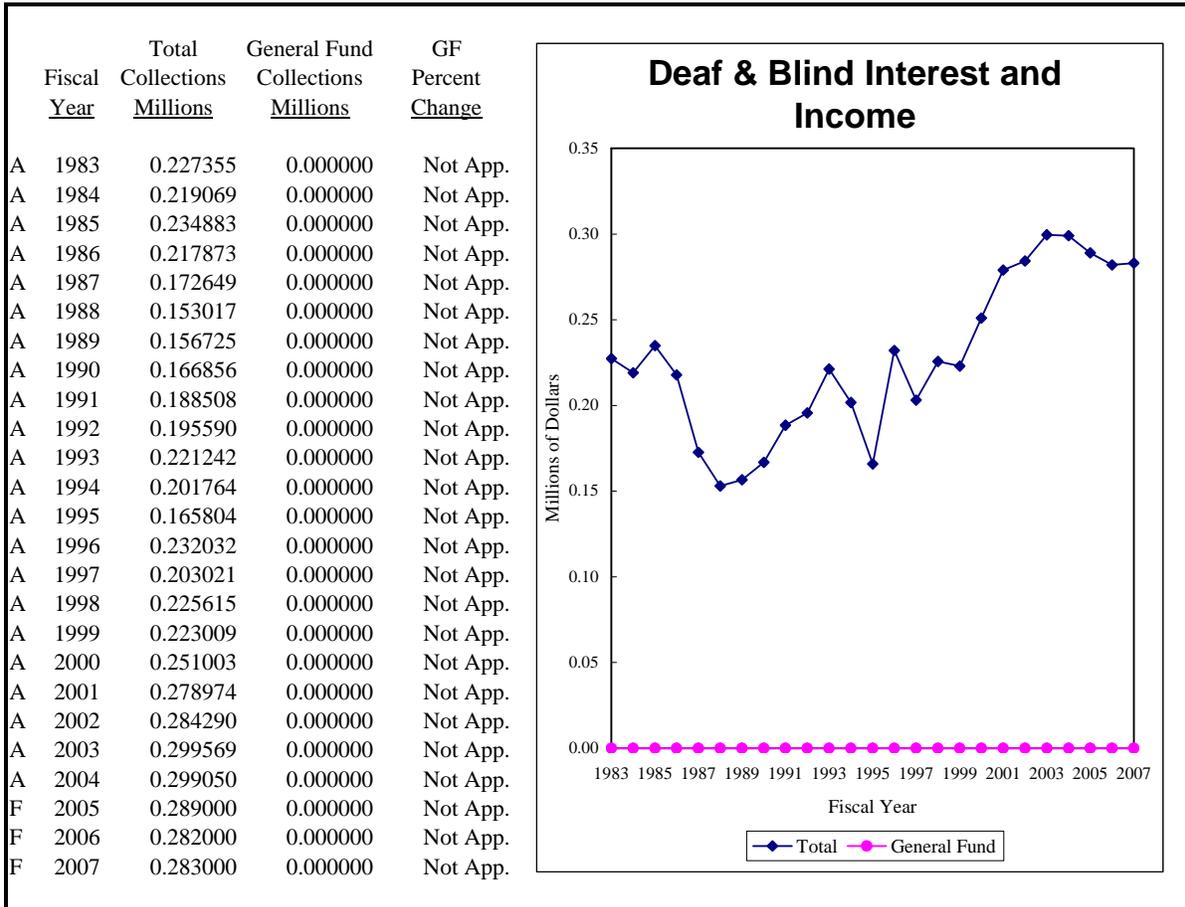
The amount of the money diverted from the Pine Hills trust reduces the growth of the trust fund balance and, hence, reduces the amount of distributable interest earnings.

# Legislative Fiscal Division

## Revenue Estimate Profile

### Deaf and Blind Trust Interest and Income

**Revenue Projection:**

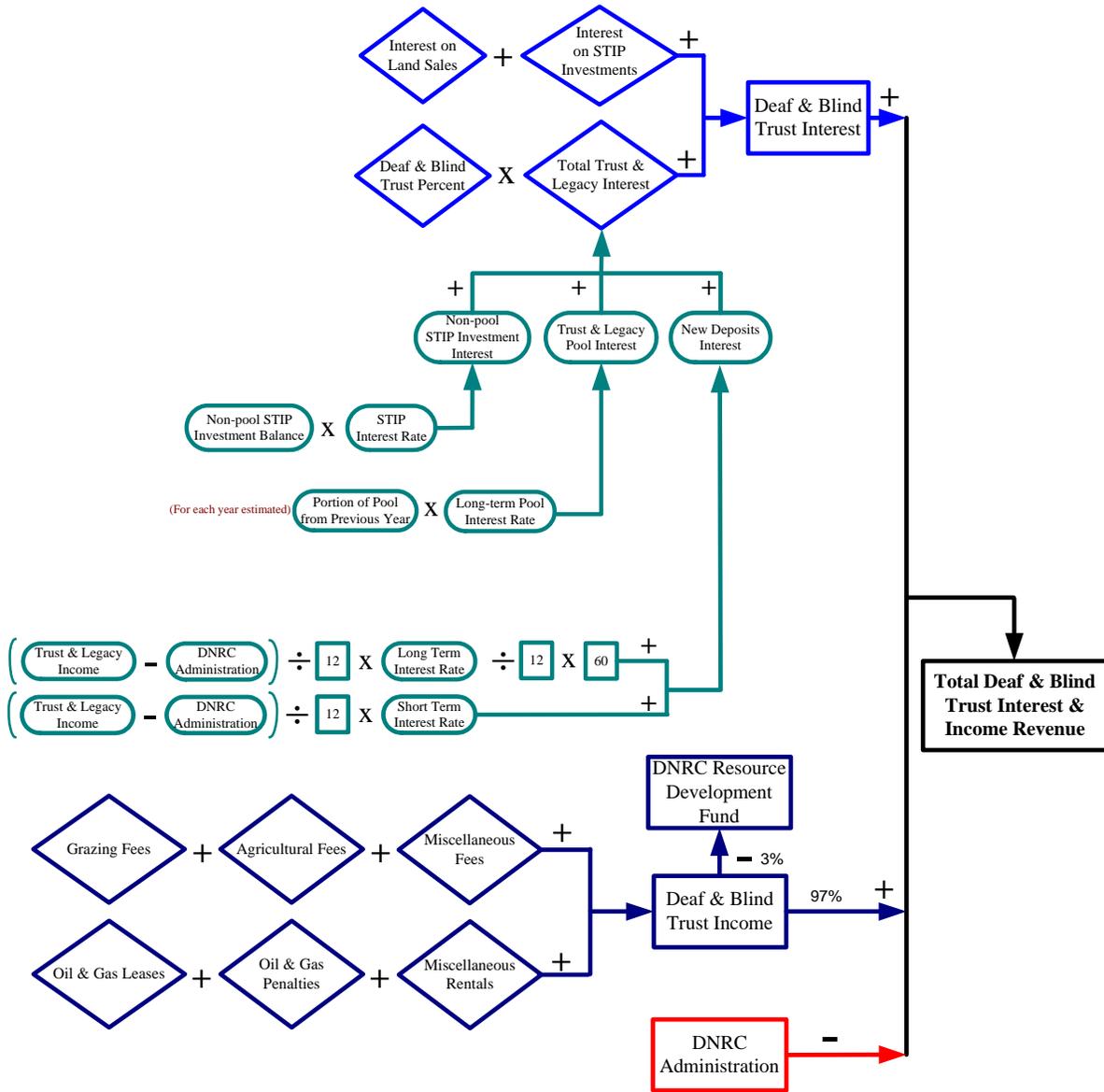


# Legislative Fiscal Division

## Revenue Estimate Profile

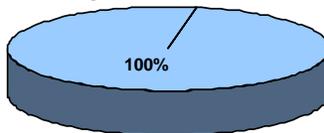
### Deaf and Blind Trust Interest and Income

#### Forecast Methodology



#### Distribution Methodology

##### State Special Revenue Fund



#### Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2005 legislature that may affect future estimates of this revenue source.

# Legislative Fiscal Division

## Revenue Estimate Profile

### Deaf and Blind Trust Interest and Income

	<u>t</u>	<u>Total Rev.</u>	<u>GF Rev.</u>	<u>TFBP</u>	<u>STIP</u>	<u>Deaf &amp;</u>
	<u>Fiscal</u>	<u>Millions</u>	<u>Millions</u>	<u>Interest</u>	<u>Interest</u>	<u>Blind Share</u>
				<u>Millions</u>	<u>Millions</u>	<u>T&amp;L</u>
Actual	2000	0.251003	0.000000			0.006369
Actual	2001	0.278974	0.000000			0.007485
Actual	2002	0.284290	0.000000	29.670198	0.102471	0.006697
Actual	2003	0.299569	0.000000	29.146744	0.068370	0.006947
Actual	2004	0.299050	0.000000	30.087011	0.053502	0.007029
Forecast	2005	0.289000	0.000000	28.087916	0.167656	0.007029
Forecast	2006	0.282000	0.000000	27.119869	0.169614	0.007029
Forecast	2007	0.283000	0.000000	27.217701	0.186859	0.007029

	<u>t</u>	<u>Trust Income</u>	<u>Trust Land</u>	<u>New Deposit</u>	<u>Non Pool</u>	<u>Non Pool</u>
	<u>Fiscal</u>	<u>New Deposit</u>	<u>Admin.</u>	<u>Long Term</u>	<u>STIP</u>	<u>STIP Bal</u>
		<u>Millions</u>	<u>Millions</u>	<u>Rate</u>	<u>Rate</u>	<u>Millions</u>
Actual	2000	10.962021		7.0160%	5.4440%	11.676486
Actual	2001	12.667782	0.000000	6.8830%	4.7420%	6.984553
Actual	2002	2.105811	0.000000	6.3370%	2.5670%	7.334239
Actual	2003	2.345732	0.000000	5.7290%	1.5020%	6.242273
Actual	2004	2.936728	0.000000	5.3680%	1.4050%	7.049634
Forecast	2005	3.326972	0.000000	5.4930%	2.1200%	7.049634
Forecast	2006	1.666932	0.000000	5.8690%	3.0840%	7.049634
Forecast	2007	1.666932	0.000000	6.1860%	3.4440%	7.049634

	<u>t</u>	<u>Grazing</u>	<u>Agriculture</u>	<u>Misc.</u>	<u>O&amp;G Lease</u>	<u>O&amp;G Bonus</u>	<u>O&amp;G Penalty</u>	<u>Misc.</u>
	<u>Fiscal</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>
Actual	2000	0.030113	0.008628	0.000000	0.001980	0.001280	0.000000	0.046783
Actual	2001	0.040496	0.020937	0.000000	0.001440	0.000480	0.000000	0.019365
Actual	2002	0.040733	0.014776	0.000000	0.001740	0.000050	0.000000	0.027618
Actual	2003	0.042676	0.022940	0.000000	0.001740	0.000000	0.000000	0.029242
Actual	2004	0.038658	0.016168	0.000000	0.001740	0.000000	0.000000	0.030636
Forecast	2005	0.040641	0.021958	0.000000	0.001740	0.000000	0.000000	0.029165
Forecast	2006	0.040677	0.020866	0.000000	0.001740	0.000000	0.000000	0.029681
Forecast	2007	0.040663	0.020734	0.000000	0.001740	0.000000	0.000000	0.029827

	<u>t</u>	<u>Int. Land</u>	<u>Int. STIP</u>	<u>Int. Trust</u>	<u>Timber</u>	<u>Res. Dev.</u>
	<u>Fiscal</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>
Actual	2000	0.000000	0.000000	0.162218	0.000000	-0.002664
Actual	2001	0.000000	0.000000	0.196256	0.000000	-0.002482
Actual	2002	0.000000	0.000000	0.199373	0.000000	-0.002548
Actual	2003	0.000000	0.000000	0.202971	0.000000	-0.002898
Actual	2004	0.000000	0.000000	0.211848	0.000000	-0.002616
Forecast	2005	0.000000	0.000000	0.198608	0.000000	-0.002805
Forecast	2006	0.000000	0.000000	0.191818	0.000000	-0.002789
Forecast	2007	0.000000	0.000000	0.192627	0.000000	-0.002789

# Legislative Fiscal Division

## Revenue Estimate Profile

### Parks Trust Interest

**Revenue Description:** Beginning in fiscal 1976, a portion of coal severance tax revenue was deposited into the Parks Acquisition and Arts Protection trust fund. The 1991 legislature split the principal of this trust into two separate trusts, the Parks Acquisition trust (parks trust) and the Arts Protection trust (cultural trust), with coal severance taxes allocated to each one. Except for fiscal 2003, the amount of 1.27 percent of coal tax revenues is statutorily allocated to the parks trust for the purpose of parks acquisition or management. The August 2002 special legislative session eliminated the allocation for fiscal 2003 only. Income from the parks trust must be appropriated for the acquisition, development, operation, and maintenance of state parks, state recreational areas, state monuments, and state historical sites under control of the Department of Fish, Wildlife and Parks.

**Applicable Tax Rate(s):** N/A

**Distribution:** Interest earnings on the parks trust are allocated to the Department of Fish, Wildlife, and Parks and deposited to a state special revenue fund.

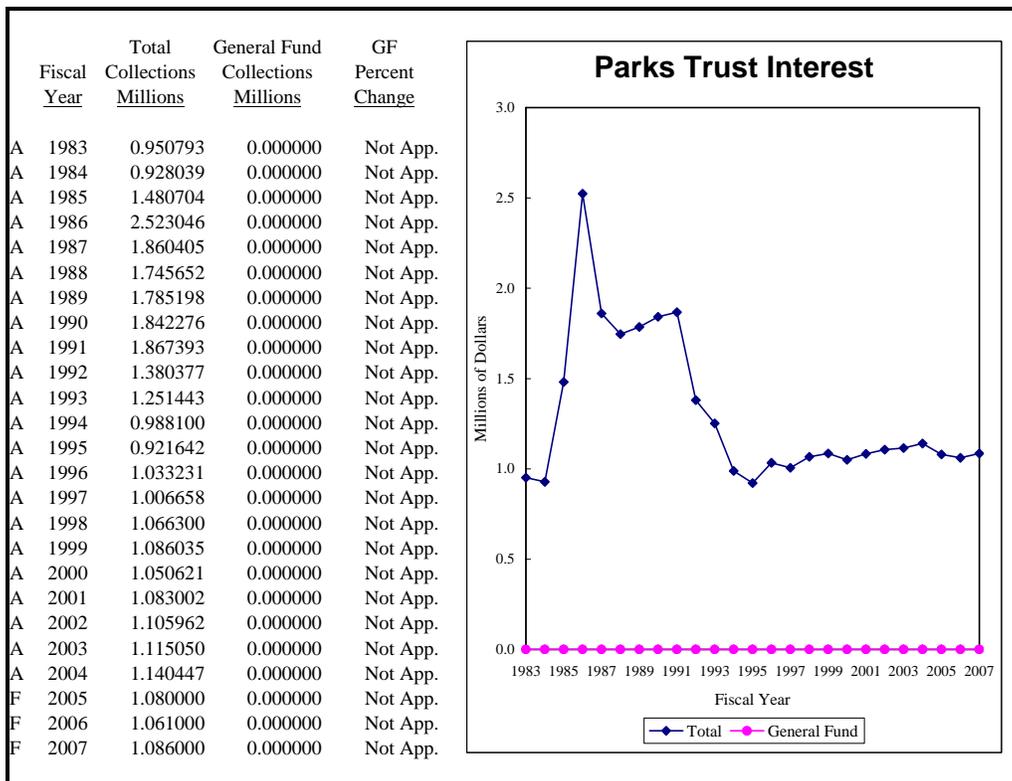
**Summary of Legislative Action:** The 59th Legislature did not enact legislation that impacted this revenue source.

#### Statutory Reference:

Tax Rate – NA  
 Distribution (MCA) – 15-35-108(4)  
 Date Due - NA

**% of Total FY 2004 General Fund Revenue:** N/A

#### Revenue Projection:

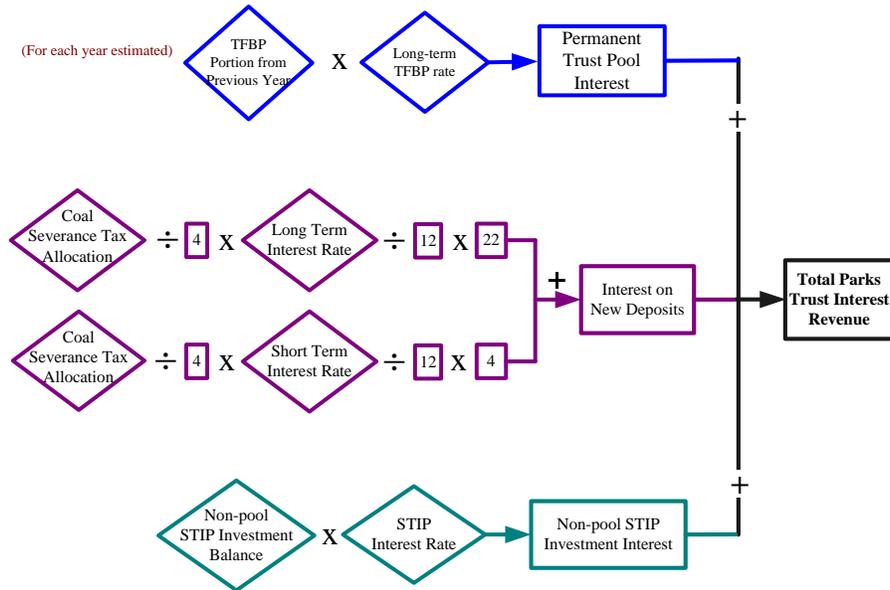


# Legislative Fiscal Division

## Revenue Estimate Profile

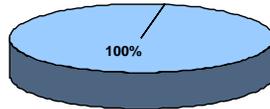
### Parks Trust Interest

#### Forecast Methodology



#### Distribution Methodology

State Special Revenue Fund



#### Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2005 legislature that may affect future estimates of this revenue source.

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# Legislative Fiscal Division

## Revenue Estimate Profile

### Parks Trust Interest

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	t	Total Rev.	GF Rev.	TFBP	STIP
	<u>Fiscal</u>	<u>Millions</u>	<u>Millions</u>	<u>Interest</u>	<u>Interest</u>
				<u>Millions</u>	<u>Millions</u>
Actual	2000	1.050621	0.000000		
Actual	2001	1.083002	0.000000		
Actual	2002	1.105962	0.000000	1.100428	0.005534
Actual	2003	1.115050	0.000000	1.101342	0.013709
Actual	2004	1.140447	0.000000	1.138429	0.002019
Forecast	2005	1.080000	0.000000	1.065482	0.014417
Forecast	2006	1.061000	0.000000	1.044952	0.016249
Forecast	2007	1.086000	0.000000	1.068487	0.017750

	t	Net Coal Tax	New Deposit	Non Pool	Non Pool
	<u>Fiscal</u>	<u>New Deposit</u>	<u>Long Term</u>	<u>STIP</u>	<u>STIP Bal</u>
		<u>Millions</u>	<u>Rate</u>	<u>Rate</u>	<u>Millions</u>
Actual	2000	0.450466	6.3370%	5.4440%	0.301775
Actual	2001	0.410682	6.8830%	4.7420%	0.177151
Actual	2002	0.401498	6.3370%	2.5670%	0.140270
Actual	2003	0.000000	5.7290%	1.5020%	0.328045
Actual	2004	0.400617	5.3680%	1.4050%	0.328045
Forecast	2005	0.422000	5.4930%	2.1200%	0.328045
Forecast	2006	0.401000	5.8690%	3.0840%	0.328045
Forecast	2007	0.410000	6.1860%	3.4440%	0.328045

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# Legislative Fiscal Division

## Revenue Estimate Profile

### Pine Hills Interest and Income

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**Revenue Description:** Lands granted by the federal government to the state for the benefit of public schools and various state institutions generate income. These lands produce revenue through rents or crop shares for agricultural purposes, royalties from the sale of mineral rights, and sales of timber. Income from certain portions of public school/institution lands has been designated for the support of the Pine Hills youth correctional facility. Thus, some of these funds are deposited into a component of the trust and legacy trust fund referred to as the Pine Hills trust, which generates interest earnings for the state. As of October 1, 1995, all fixed-income investments held by the state's major trust funds were transferred to a newly-created Trust Fund Bond Pool (TFBP). The majority of trust and legacy trust funds are invested as part of the TFBP. Some funds, however, are invested on a short-term basis in the state's Short Term Investment Pool (STIP). The state constitution prohibits the investment of any trust funds in common stock.

In accordance with statute, 3.0 percent of Pine Hills interest and income is diverted to the Department of Natural Resources and Conservation (DNRC) to be used for resource development purposes. Senate Bill 48, passed by the 1999 legislature, provides for the diversion of the following funds for the purpose of funding the Trust Land Management Division in the DNRC: 1) mineral royalties; 2) revenues from the sale of easements; and 3) 5.0 percent of interest and income previously credited to the common school trust. In addition, a portion of timber sale revenue is diverted to fund a portion of DNRC's timber program. The amount of the money diverted from the Pine Hills trust reduces the growth of the trust fund balance and, hence, reduces the amount of distributable interest earnings.

**Applicable Tax Rate(s):** N/A

**Distribution:** Interest and income from the trust, net of amounts to fund DNRC administration, is allocated to the Department of Corrections for support of the Pine Hills youth correctional facility.

**Summary of Legislative Action:** The 59th Legislature did not enact legislation that impacted this revenue source.

**Statute:**

- Tax Rate – NA
- Distribution (MCA) – 17-3-1003
- Other (MCA) – DNRC trust land administration diversion (77-1-109)
  - DNRC timber sale program diversion (77-1-613)
  - DNRC land bank administration diversion (77-2-362)
  - DNRC resource development diversion (77-1-607)
  - Enabling Act, Sections 11 & 17

**% of Total FY 2004 General Fund Revenue:** N/A

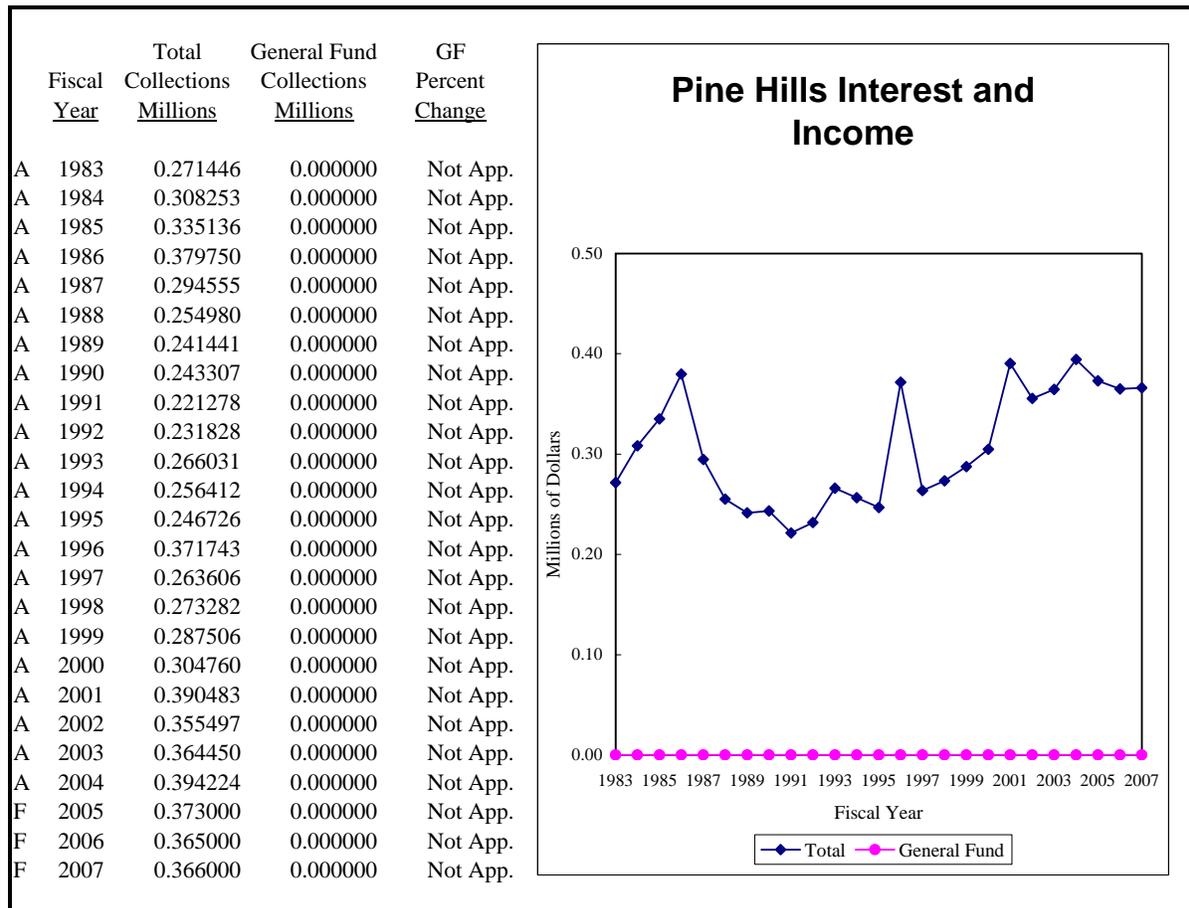
Total interest and income is calculated by summing total Pine Hills trust income and interest less DNRC's resource development and trust land administration diversions.

# Legislative Fiscal Division

## Revenue Estimate Profile

### Pine Hills Interest and Income

#### Revenue Projection:

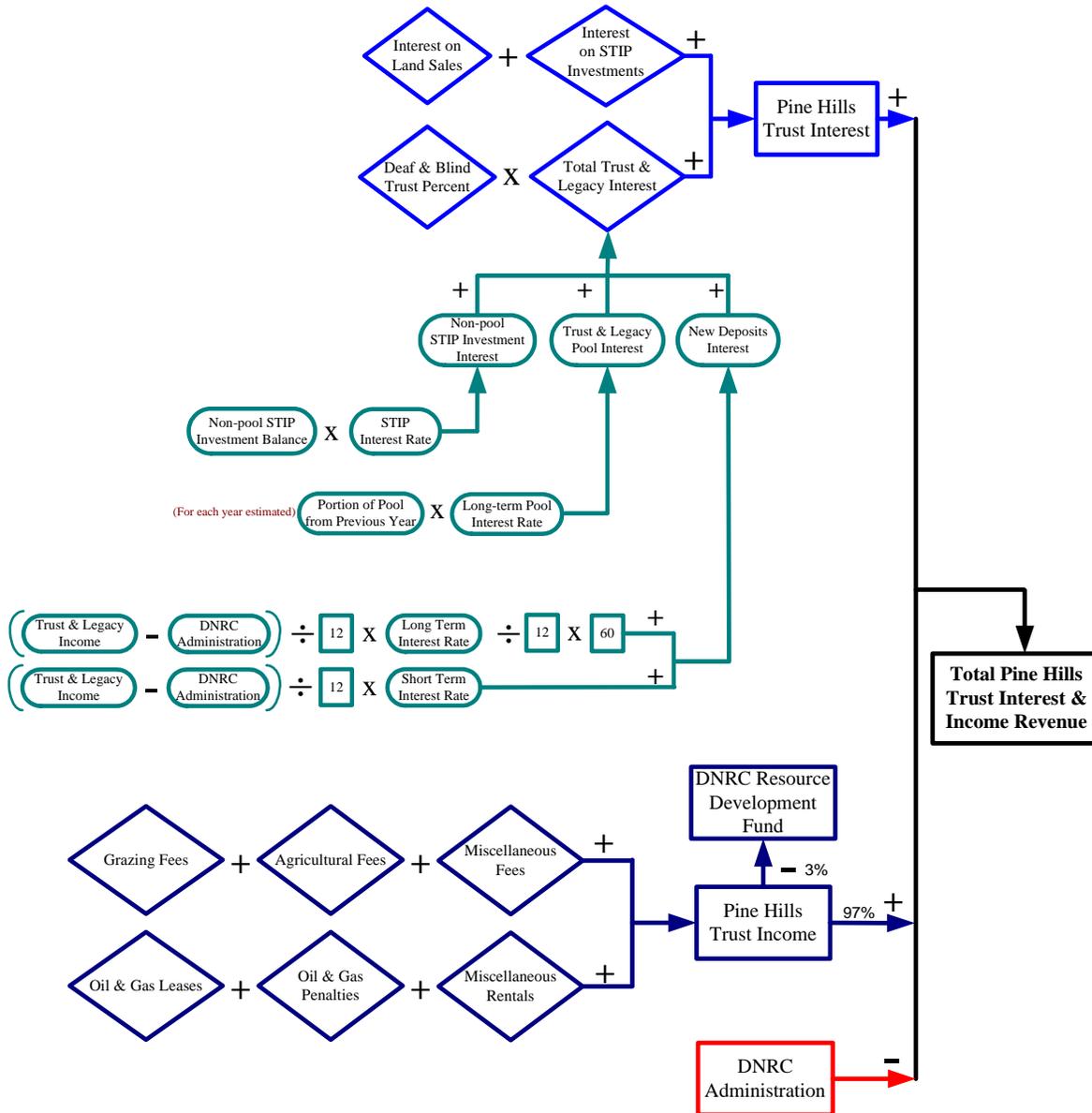


# Legislative Fiscal Division

## Revenue Estimate Profile

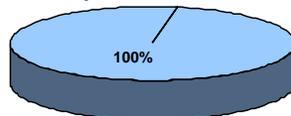
### Pine Hills Interest and Income

#### Forecast Methodology



#### Distribution Methodology

##### State Special Revenue Fund



#### Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2005 legislature that may affect future estimates of this revenue source.

# Legislative Fiscal Division

## Revenue Estimate Profile

### Pine Hills Interest and Income

	t	Total Rev.	GF Rev.	TFBP	STIP	Pine
	Fiscal	Millions	Millions	Interest	Interest	Hills Share
				Millions	Millions	T&L
Actual	2000	0.304760	0.000000			0.006048
Actual	2001	0.390483	0.000000			0.006167
Actual	2002	0.355497	0.000000	29.670198	0.102471	0.005835
Actual	2003	0.364450	0.000000	29.146744	0.068370	0.006580
Actual	2004	0.394224	0.000000	30.087011	0.053502	0.007114
Forecast	2005	0.373000	0.000000	28.087916	0.167656	0.007114
Forecast	2006	0.365000	0.000000	27.119869	0.169614	0.007114
Forecast	2007	0.366000	0.000000	27.217701	0.186859	0.007114

	t	Trust Income	Trust Land	New Deposit	Non Pool	Non Pool
	Fiscal	New Deposit	Admin.	Long Term	STIP	STIP Bal
		Millions	Millions	Rate	Rate	Millions
Actual	2000	10.962021		7.0160%	5.4440%	11.676486
Actual	2001	12.667782	0.000000	6.8830%	4.7420%	6.984553
Actual	2002	2.105811	0.000000	6.3370%	2.5670%	7.334239
Actual	2003	2.345732	0.000000	5.7290%	1.5020%	6.242273
Actual	2004	2.936728	0.000000	5.3680%	1.4050%	7.049634
Forecast	2005	3.326972	0.000000	5.4930%	2.1200%	7.049634
Forecast	2006	1.666932	0.000000	5.8690%	3.0840%	7.049634
Forecast	2007	1.666932	0.000000	6.1860%	3.4440%	7.049634

	t	Grazing	Agriculture	Misc.	O&G Lease	O&G Bonus	O&G Penalty	Misc.
	Fiscal	Millions	Millions	Millions	Millions	Millions	Millions	Millions
Actual	2000	0.054682	0.022855	0.047965	0.021231	0.000000	0.003895	0.000000
Actual	2001	0.063912	0.013002	0.056236	0.023526	0.066599	0.005510	0.000000
Actual	2002	0.077707	0.016967	0.058062	0.021550	0.000000	0.007482	0.000000
Actual	2003	0.070606	0.019163	0.059332	0.020743	0.000000	0.002359	0.000000
Actual	2004	0.071968	0.022278	0.059705	0.023583	0.000000	0.002283	0.000000
Forecast	2005	0.073427	0.020753	0.059033	0.022102	0.000000	0.002321	0.000000
Forecast	2006	0.072000	0.020116	0.059357	0.022393	0.000000	0.002302	0.000000
Forecast	2007	0.072465	0.020194	0.059365	0.022015	0.000000	0.002312	0.000000

	t	Int. Land	Int. STIP	Int. Trust	Timber	Res. Dev.
	Fiscal	Millions	Millions	Millions	Millions	Millions
Actual	2000	0.000000	0.000086	0.154047	0.000000	-0.004521
Actual	2001	0.000000	0.000000	0.161698	0.000000	-0.006864
Actual	2002	0.000000	0.000000	0.173729	0.000000	-0.005450
Actual	2003	0.000000	0.000000	0.192247	0.000000	-0.005166
Actual	2004	0.000000	0.000000	0.214407	0.000000	-0.005395
Forecast	2005	0.000000	0.000000	0.201010	0.000000	-0.005329
Forecast	2006	0.000000	0.000000	0.194137	0.000000	-0.005285
Forecast	2007	0.000000	0.000000	0.194956	0.000000	-0.005291

# Legislative Fiscal Division

## Revenue Estimate Profile

### Regional Water Trust Interest

**Revenue Description:** The 1999 legislature (Senate Bill 220) created the Treasure State Endowment (TSE) Regional Water System Fund within the permanent coal tax trust fund. The fund receives 25 percent of total coal severance tax collections through June 2016. Interest earned on the fund is used to provide matching funds to plan and construct regional drinking water systems in Montana and fund state and local entity administrative expenses. Except for administrative expenses, each state dollar must be matched equally by local funds. The funds in the account are further restricted to finance regional drinking water systems from the waters of the Tiber reservoir and the Missouri River within specific geographic areas. The program terminates the end of June 2016.

**Applicable Tax Rate(s):** NA

**Distribution:** Interest earnings are deposited to a state special revenue fund and appropriated to the Department of Natural Resources and Conservation to fund eligible projects and pay administrative expenses.

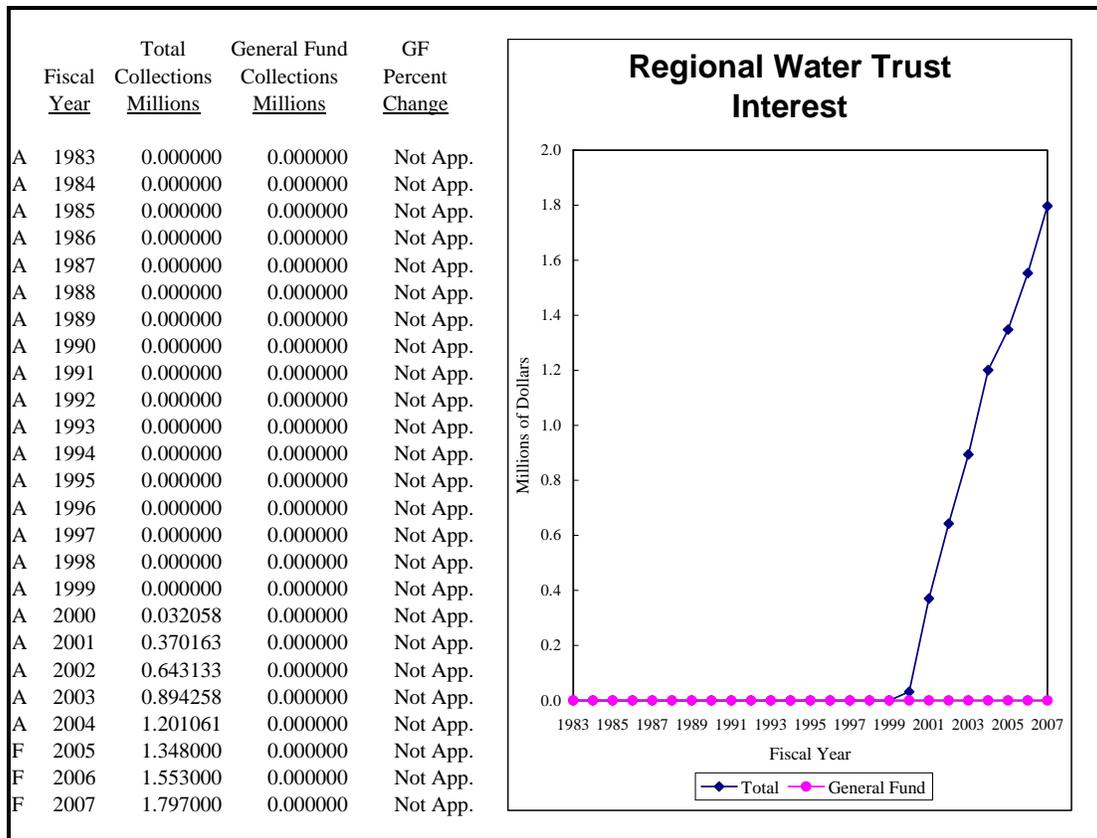
**Summary of Legislative Action:** The 59th Legislature did not enact legislation that impacted this revenue source.

**Statutory Reference:**

- Tax Rate – NA
- Distribution (MCA) – 17-5-703 (4b); use of earnings (90-6-715)
- Date Due (MCA) – monthly (17-5-703(4d))

**% of Total FY 2004 General Fund Revenue:** N/A

**Revenue Projection:**

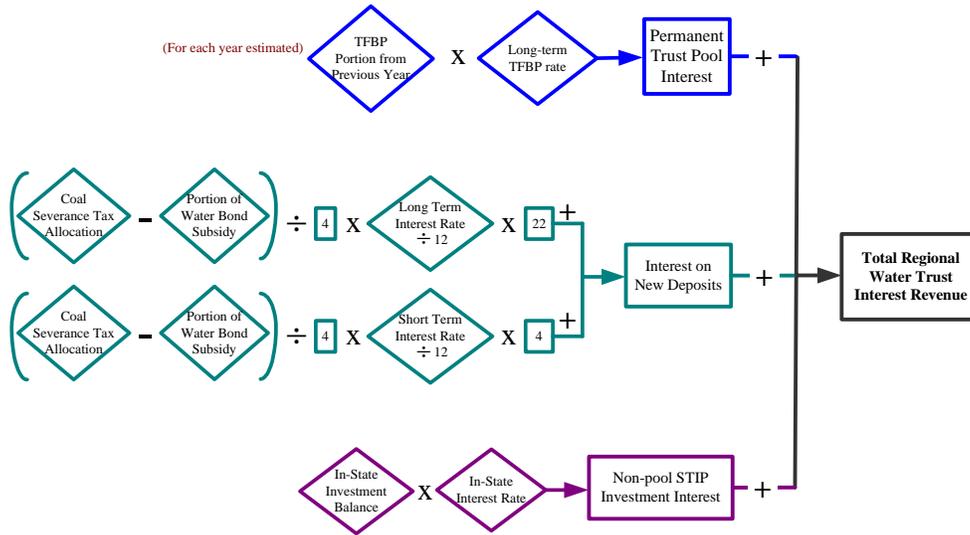


# Legislative Fiscal Division

## Revenue Estimate Profile

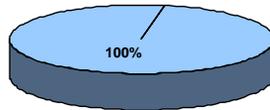
### Regional Water Trust Interest

#### Forecast Methodology



#### Distribution Methodology

**State Special Revenue Fund**



#### Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2005 legislature that may affect future estimates of this revenue source.

t	Total Rev.	GF Rev.	TFBP	STIP	Loan
Fiscal	Millions	Millions	Interest	Interest	Interest
			Millions	Millions	Millions
Actual 2000	0.032058	0.000000			
Actual 2001	0.370163	0.000000			
Actual 2002	0.643133	0.000000	0.610589	0.032544	0.000000
Actual 2003	0.894258	0.000000	0.864661	0.029598	0.000000
Actual 2004	1.201061	0.000000	1.173660	0.027401	0.000000
Forecast 2005	1.348000	0.000000	1.187354	0.160477	0.000000
Forecast 2006	1.553000	0.000000	1.365947	0.187041	0.000000
Forecast 2007	1.797000	0.000000	1.597773	0.199432	0.000000

t	Net Coal Tax	New Deposit	Non Pool	Non Pool
Fiscal	New Deposit	Long Term	STIP	STIP Bal
	Millions	Rate	Rate	Millions
Actual 2000	4.433724	6.3370%	5.4440%	3.441977
Actual 2001	4.042147	6.8830%	4.7420%	0.845223
Actual 2002	3.951756	6.3370%	2.5670%	1.578601
Actual 2003	3.677943	5.7290%	1.5020%	1.894047
Actual 2004	3.943085	5.3680%	1.4050%	2.693965
Forecast 2005	4.154000	5.4930%	2.1200%	2.693965
Forecast 2006	3.950000	5.8690%	3.0840%	2.693965
Forecast 2007	3.861000	6.1860%	3.4440%	2.693965

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# Legislative Fiscal Division

## Revenue Estimate Profile

### Resource Indemnity Trust Interest

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**Revenue Description:** Article IX, Section 2 of the Montana Constitution and Title 15, Chapter 38, MCA, require that certain resource extraction taxes, as determined by the legislature, be placed in a trust. The principal of the Resource Indemnity Trust (RIT) "shall forever remain inviolate in an amount of one hundred million dollars (\$100,000,000), guaranteed by the state against loss or diversion." Once the principal of the trust reaches \$100.0 million, any additional tax deposits may be appropriated. Interest earnings on the RIT are to be spent to improve the total environment and rectify damage to the environment. It is also the legislature's intent that interest earnings not be appropriated for general operating expenses of state agencies.

Prior to July 1, 2002 when the Governor by executive order certified to the Secretary of State that the RIT balance had reached \$100 million, the RIT had received revenue from the resource indemnity and ground water assessment tax and the oil and gas tax. Because these allocations of revenue are no longer deposited to the trust, the trust balance will remain constant and interest earnings will be dependent only on the interest rates. However, any excess revenue in the ground water assessment account at the end of a fiscal year causes an amount equal to excess to be deposited to the RIT from the account's allocation of RIGWA tax or RIT interest earnings.

**Applicable Tax Rate(s):** N/A

**Distribution:** Statute allocates RIT interest earnings in the following manner:

- 1) at the beginning of the biennium, an amount not to exceed \$175,000 to the environmental contingency fund to bring the balance up to \$750,000. Money in this account is statutorily appropriated for unanticipated public needs arising from certain disasters and emergencies, which may be used upon authorization of the Governor;
- 2) at the beginning of the biennium, an amount not to exceed \$50,000 to the oil and gas mitigation account to bring the balance up to \$200,000. Money in this account is statutorily appropriated to the Board of Oil and Gas Conservation for the cost of plugging wells that have been abandoned and for which no responsible party can be found;
- 3) at the beginning of the biennium, \$500,000 to the water storage state special revenue account to provide loans and grants for water storage projects;
- 4) \$2.0 million annually to the renewable resource grant and loan program state special revenue account for distribution as grants;
- 5) \$1.2 million annually through fiscal 2005 to the reclamation and development grant state special revenue account for distribution as grants, \$1.5 million annually after fiscal 2005;
- 6) \$350,000 annually through fiscal 2005 to the future fisheries program for bull trout and cutthroat trout recovery, \$500,000 annually after fiscal 2005;
- 7) \$300,000 annually to the ground water assessment account to improve ground water management and protection;
- 8) \$240,000 annually to MSU Northern for the environmental science water quality instructional programs. This amount is statutorily appropriated; and
- 9) of the remaining RIT interest earnings: a) through fiscal 2005, 25.5 percent (30 percent after fiscal 2005) goes to the renewable resource grant and loan account for program and administrative costs; b) through fiscal 2005, 45.0 percent (35 percent after fiscal 2004) goes to the reclamation and development grant account for program and administrative costs; c) 22.0 percent through fiscal 2005 (26 percent after fiscal 2005) goes to the hazardous waste/CERCLA account for superfund activities; and d) 7.5 percent through fiscal 2005 (9.0 percent after fiscal 2005) goes to the environmental quality protection fund for additional clean-up activities.

The Department of Natural Resources and Conservation administers two of the RIT interest accounts which are used for grants, loans, and administrative costs: the renewable resource grant and loan program account and the reclamation and development grant account. These accounts also receive funding from other sources. All grants and loans made from these accounts require legislative approval. Grants must also be appropriated.

**Summary of Legislative Action:** The 59<sup>th</sup> Legislature did not enact legislation that impacted this revenue source.

#### Statutory Reference:

Tax Rate – NA

Distribution (MCA) – Montana Constitution, Article IX, Section 2; 15-38-202(2), use of earnings (15-38-203)

Date Due – NA

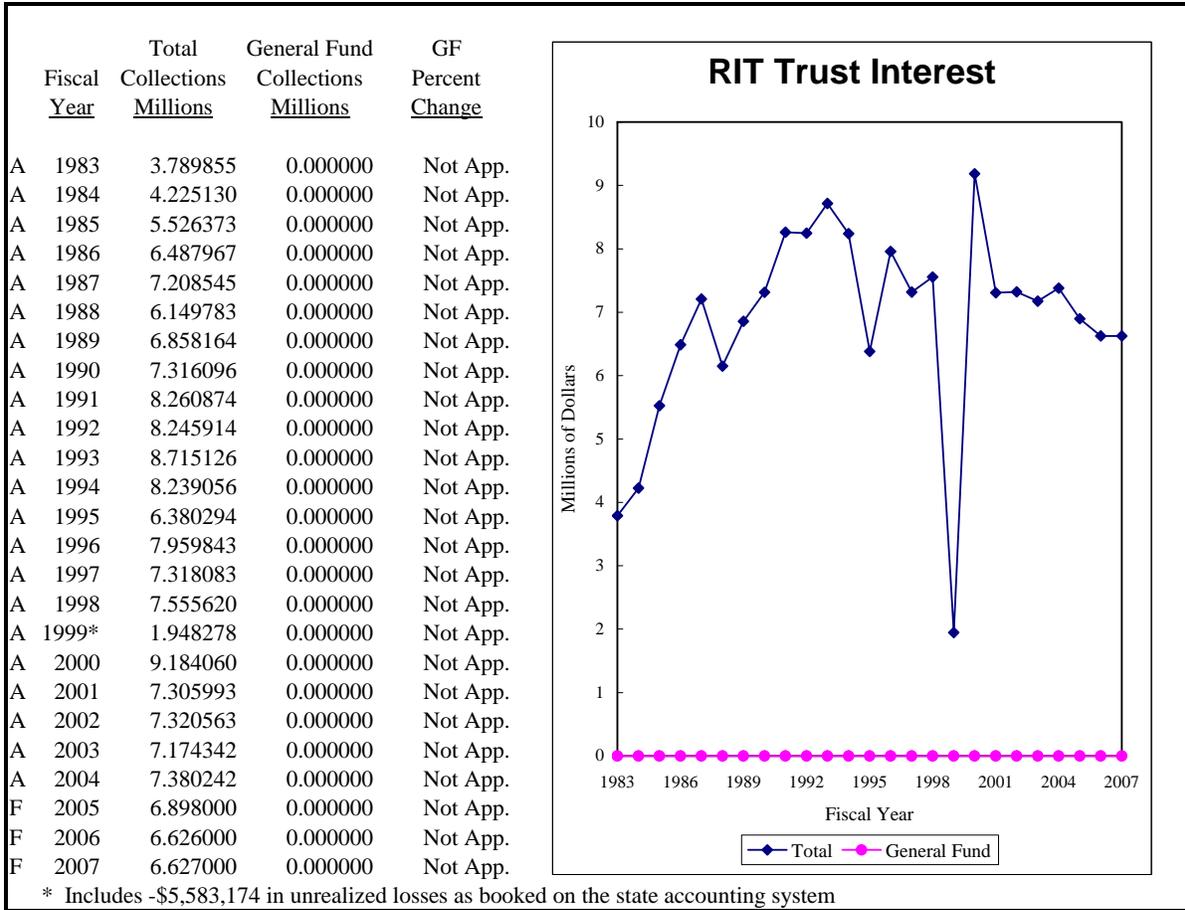
# Legislative Fiscal Division

## Revenue Estimate Profile

### Resource Indemnity Trust Interest

**% of Total FY 2004 General Fund Revenue:** N/A

**Revenue Projection:**

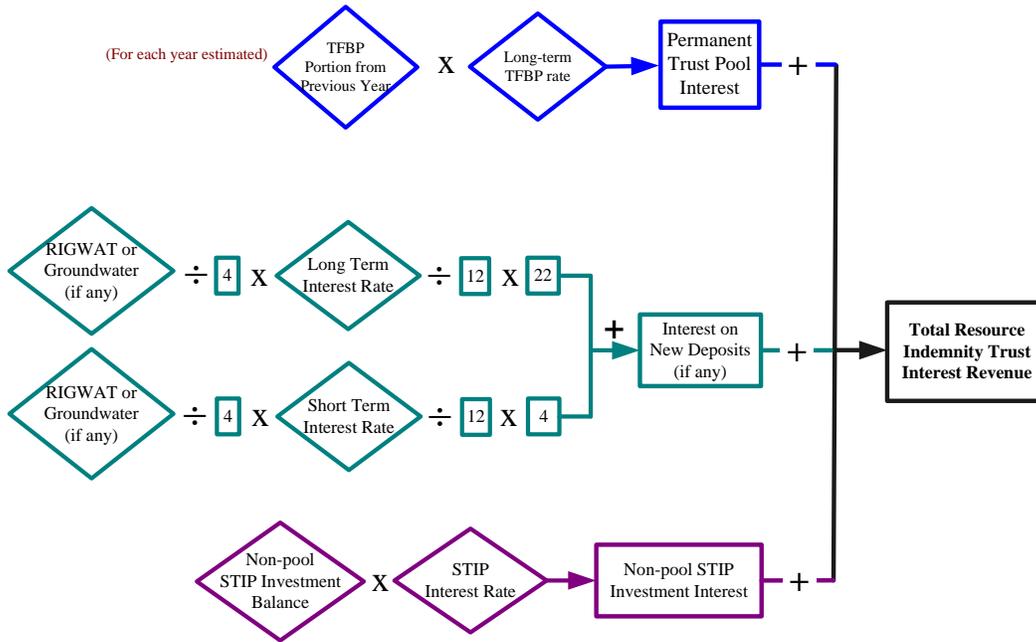


# Legislative Fiscal Division

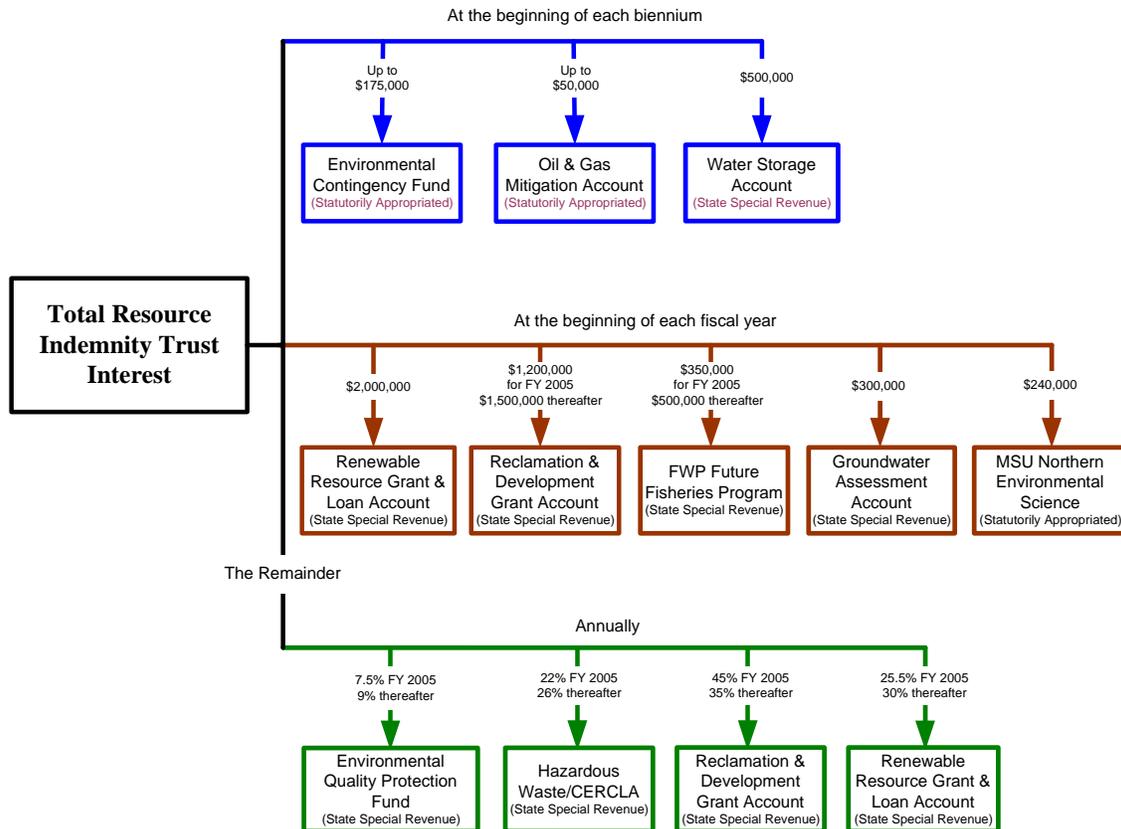
## Revenue Estimate Profile

### Resource Indemnity Trust Interest

#### Forecast Methodology



#### Distribution Methodology



# Legislative Fiscal Division

## Revenue Estimate Profile

### Resource Indemnity Trust Interest

#### Revenue Estimate Assumptions:

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2005 legislature that may affect future estimates of this revenue source.

	t	Total Rev.	GF Rev.	TFBP	STIP
	Fiscal	Millions	Millions	Interest	Interest
				Millions	Millions
Actual	2000	9.184060	0.000000		
Actual	2001	7.305993	0.000000		
Actual	2002	7.320563	0.000000	7.286148	0.034415
Actual	2003	7.174342	0.000000	7.161271	0.013072
Actual	2004	7.380242	0.000000	7.375168	0.005073
Forecast	2005	6.898000	0.000000	6.884393	0.013925
Forecast	2006	6.626000	0.000000	6.616169	0.010362
Forecast	2007	6.627000	0.000000	6.616169	0.011572

	t	Net Tax	New Deposit	Non Pool	Non Pool
	Fiscal	New Deposit	Long Term	STIP	STIP Bal
		Millions	Rate	Rate	Millions
Actual	2000	3.391472	6.3370%	5.4440%	3.712675
Actual	2001	2.205880	6.8830%	4.7420%	1.557391
Actual	2002	1.588631	6.3370%	2.5670%	2.175871
Actual	2003	0.000000	5.7290%	1.5020%	0.740511
Actual	2004	-0.000188	5.3680%	1.4050%	0.644299
Forecast	2005	0.252454	5.4930%	2.1200%	0.644299
Forecast	2006	0.000000	5.8690%	3.0840%	0.644299
Forecast	2007	0.000000	6.1860%	3.4440%	0.644299

	t	Hazardous	Environmental	Renewable	Reclamation	Environmental
	Fiscal	Waste	Quality	Resource	Development	Contingency
		Millions	Millions	Millions	Millions	Millions
Actual	2000	0.941319	0.319852	3.721445	3.176444	0.175000
Actual	2001	0.796322	0.274126	3.259425	2.676120	0.000000
Actual	2002	0.534446	0.185001	3.356669	2.219447	0.175000
Actual	2003	0.678555	0.231326	3.026507	2.587954	0.000000
Actual	2004	0.564353	0.192393	2.894137	2.354359	0.175000
Forecast	2005	0.617760	0.210600	2.956040	2.463600	0.000000
Forecast	2006	0.353860	0.122490	2.648300	1.976350	0.175000
Forecast	2007	0.542620	0.187830	2.866100	2.230450	0.000000

	t	Water	Oil & Gas	FWP	Groundwater
	Fiscal	Storage	Receipts	Receipts	Receipts
		Millions	Millions	Millions	Millions
Actual	2000	0.500000	0.050000	0.000000	0.300000
Actual	2001	0.000000	0.000000	0.000000	0.300000
Actual	2002	0.500000	0.050000	0.000000	0.300000
Actual	2003	0.000000	0.000000	0.350000	0.300000
Actual	2004	0.500000	0.050000	0.350000	0.300000
Forecast	2005	0.000000	0.000000	0.350000	0.300000
Forecast	2006	0.500000	0.050000	0.500000	0.300000
Forecast	2007	0.000000	0.000000	0.500000	0.300000

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# Legislative Fiscal Division

## Revenue Estimate Profile

### Tobacco Trust Interest

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**Revenue Description:** Due to passage of Montana Constitutional Amendment 35 by the electorate in November 2000, the legislature is required to dedicate not less than 40 percent of tobacco settlement money to a permanent trust fund. Since the legislature has not yet determined the exact percentage to be deposited to the trust fund, the revenue estimate assumes 40 percent. Due to passage of Initiative 146 by the electorate in November 2002, 32 percent of the tobacco settlement money is to fund tobacco prevention and 17 percent is to fund the Children's Health Insurance Program. As amended in SB 485 by the 2003 legislature, money from these allocations can also be used to fund human services programs and to match federal Medicaid funds through fiscal 2005. The remaining 11 percent of the money is deposited to the general fund. Interest earnings from the trust can only be used for tobacco disease prevention programs and programs providing benefits, services, or coverage that are related to the health care needs of Montanans. The earnings cannot be used to replace state or federal money used to fund tobacco disease prevention programs and state programs that existed on December 31, 1999, providing benefits, services, or coverage of the health care needs of Montanans.

**Applicable Tax Rate(s):** NA

**Distribution:** Interest earnings from the trust fund are distributed:

1. 90 percent to a state special revenue account for appropriation by the legislature for disease prevention programs and state programs providing benefits, services, or coverage that are related to the health care needs of the people of Montana; and
2. 10 percent to the tobacco settlement trust fund.

**Summary of Legislative Action:** The 59th Legislature did not enact legislation that impacted this revenue source.

**Statutory Reference:**

Tax Rate – NA

Distribution (MCA) – Montana Constitution Article XII, Section 4; 17-6-601; 17-6-603

Date Due – Interest deposits are mostly made monthly, but none in July and two in June

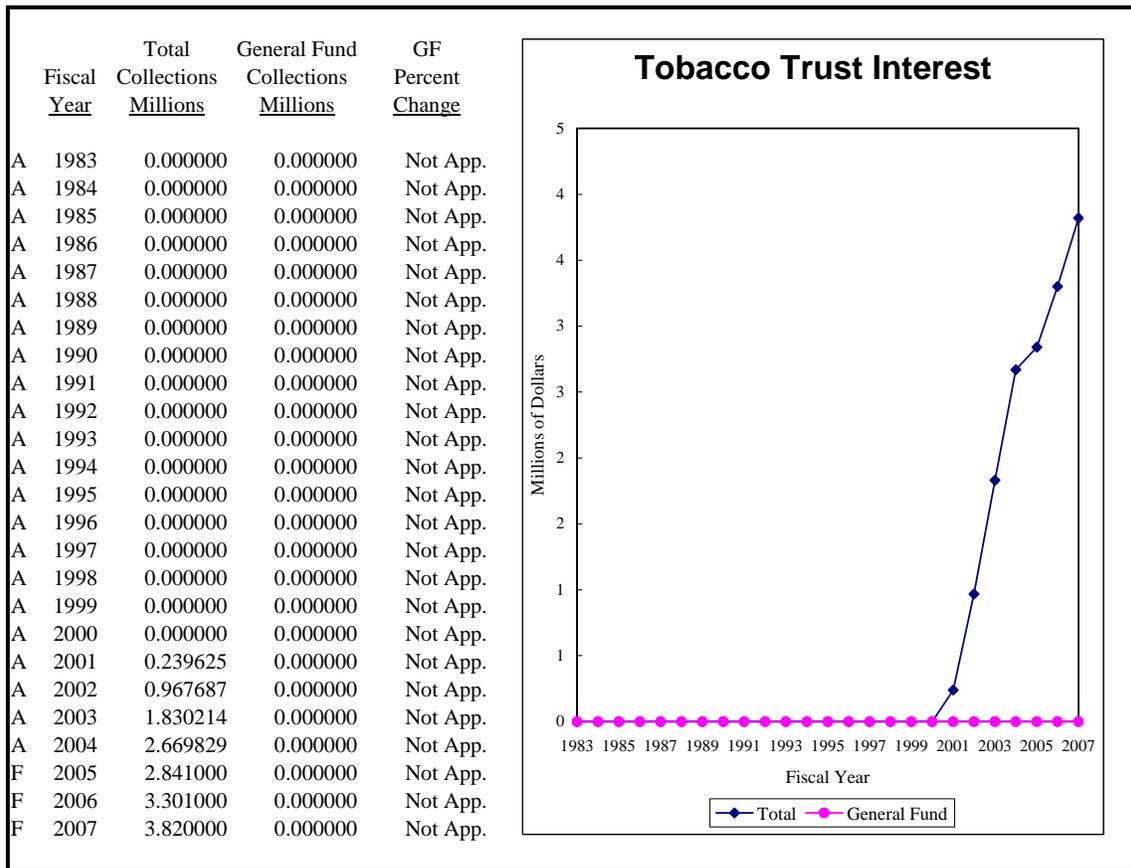
**% of Total FY 2004 General Fund Revenue:** N/A

# Legislative Fiscal Division

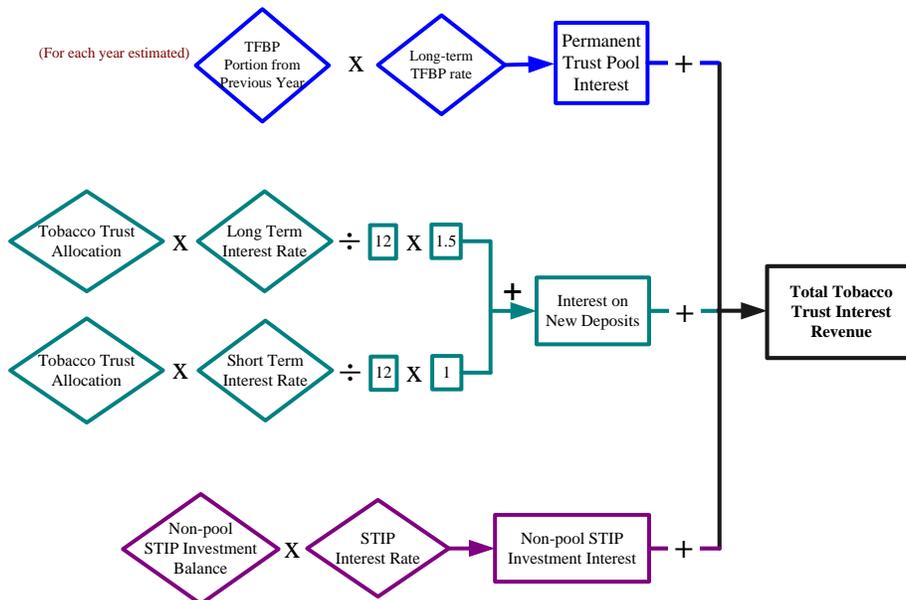
## Revenue Estimate Profile

### Tobacco Trust Interest

#### Revenue Projection:



#### Forecast Methodology

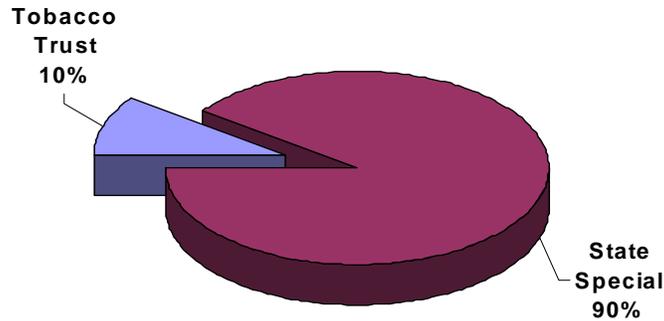


# Legislative Fiscal Division

## Revenue Estimate Profile

### Tobacco Trust Interest

#### Distribution Methodology



#### Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2005 legislature that may affect future estimates of this revenue source.

	<u>Fiscal</u>	<u>Total Rev.</u> <u>Millions</u>	<u>GF Rev.</u> <u>Millions</u>	<u>TFBP</u> <u>Interest</u> <u>Millions</u>	<u>STIP</u> <u>Interest</u> <u>Millions</u>	<u>90 Percent</u> <u>Interest</u> <u>Millions</u>	<u>10 Percent</u> <u>Interest</u> <u>Millions</u>
Actual	2000	0.000000	0.000000				
Actual	2001	0.239625	0.000000				
Actual	2002	0.967687	0.000000	0.955252	0.012435		
Actual	2003	1.830214	0.000000	1.816256	0.013958	1.647000	0.183000
Actual	2004	2.669829	0.000000	2.661875	0.007953	2.403000	0.267000
Forecast	2005	2.841000	0.000000	2.813722	0.027213	2.557000	0.284000
Forecast	2006	3.301000	0.000000	3.266878	0.034474	2.971000	0.330000
Forecast	2007	3.820000	0.000000	3.782046	0.038518	3.438000	0.382000

	<u>Fiscal</u>	<u>Tobacco</u> <u>New Deposit</u> <u>Millions</u>	<u>New Deposit</u> <u>Long Term</u> <u>Rate</u>	<u>Non Pool</u> <u>STIP</u> <u>Rate</u>	<u>Non Pool</u> <u>STIP Bal</u> <u>Millions</u>
Actual	2000	0.000000	6.3370%	5.4440%	0.000000
Actual	2001	10.650750	6.8830%	4.7420%	0.249457
Actual	2002	12.432000	6.3370%	2.5670%	0.584877
Actual	2003	12.563000	5.7290%	1.5020%	0.251155
Actual	2004	10.852000	5.3680%	1.4050%	0.132682
Forecast	2005	10.708000	5.4930%	2.1200%	0.132682
Forecast	2006	8.718000	5.8690%	3.0840%	0.132682
Forecast	2007	8.725000	6.1860%	3.4440%	0.132682

# Legislative Fiscal Division

## Revenue Estimate Profile

### Treasure State Endowment Trust Interest

**Revenue Description:** In the June 1992 election, voters approved a referendum to create the Treasure State Endowment Fund (TSEF) within the permanent coal tax trust fund. The TSEF received a \$10.0 million grant from the permanent trust principal in fiscal 1994 and receives 37.5 percent of total coal severance tax collections from July 1999 through June 2003. Beginning fiscal 2004, the trust receives 25 percent of total collections. Interest earned on the TSEF is used to finance local infrastructure projects, as prioritized by the Departments of Commerce and Natural Resources and Conservation and authorized by the legislature via the Treasure State Endowment Program (TSEP). The deposit of coal severance tax revenue to this fund terminates the end of fiscal 2016.

**Applicable Tax Rate(s):** N/A

**Distribution:** Interest earnings are allocated to the Department of Commerce to fund TSEP.

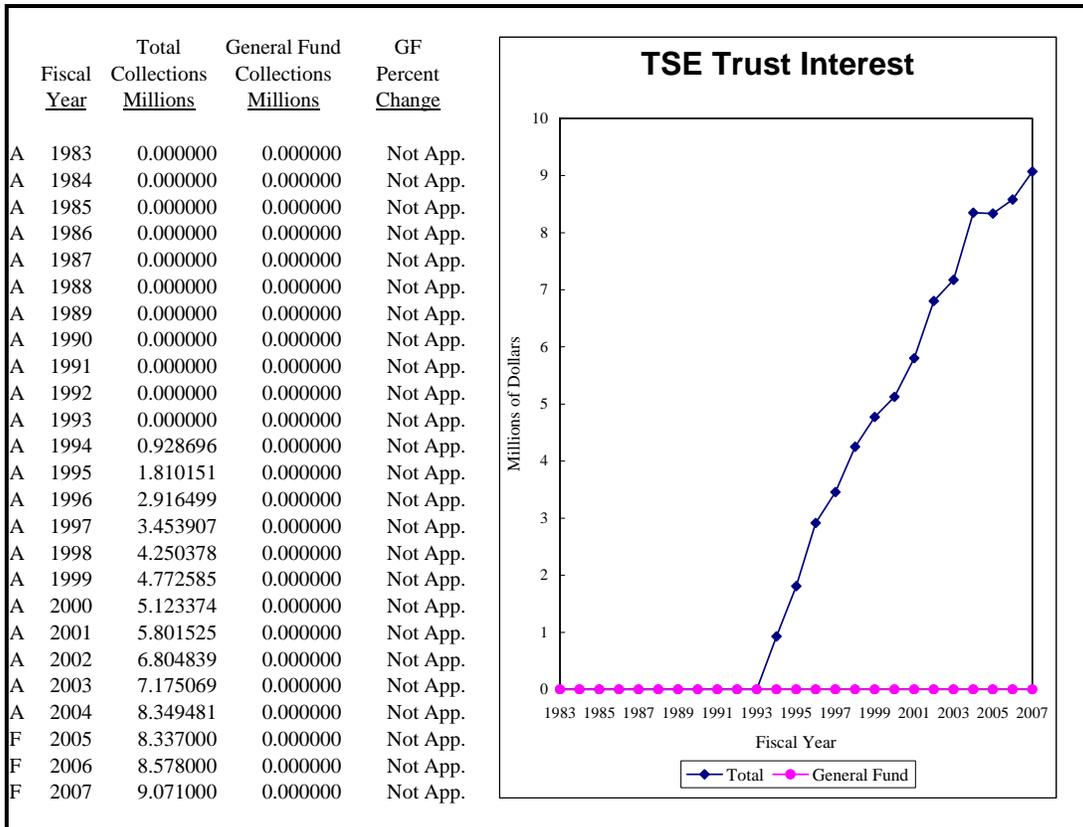
**Summary of Legislative Action:** The 59th Legislature did not enact legislation that impacted this revenue source.

**Statutory Reference:**

- Tax Rate – NA
- Distribution (MCA) – 17-5-703 (4c); use of earnings (90-6-701(2))
- Date Due (MCA) – Monthly (17-5-703 (4c))

**% of Total FY 2004 General Fund Revenue:** N/A

**Revenue Projection:**

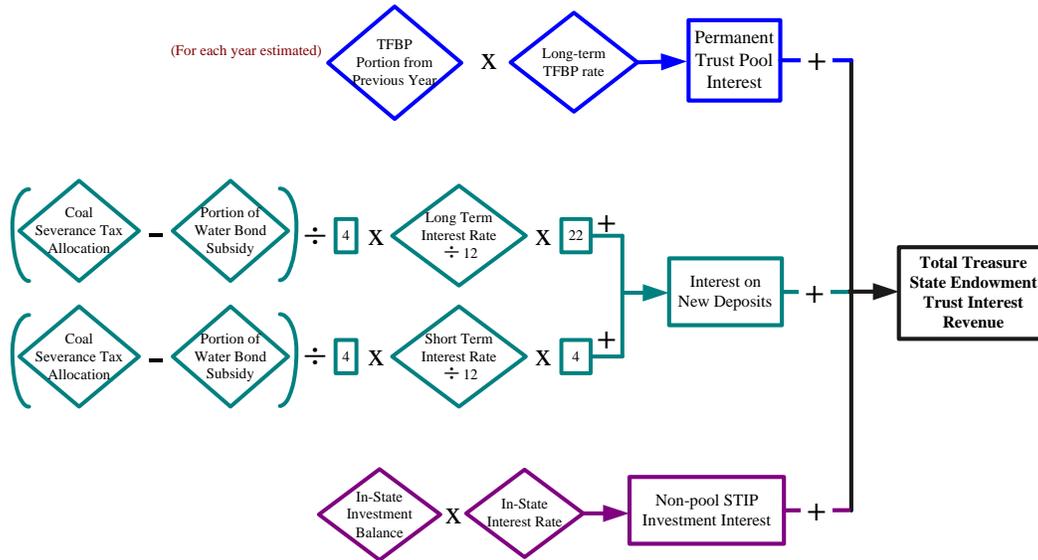


# Legislative Fiscal Division

## Revenue Estimate Profile

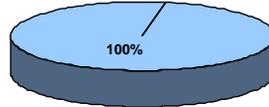
### Treasure State Endowment Trust Interest

#### Forecast Methodology



#### Distribution Methodology

**State Special Revenue Fund**



#### Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2005 legislature that may affect future estimates of this revenue source.

	t	Total Rev.	GF Rev.	TFBP	STIP	Loan
	Fiscal	Millions	Millions	Interest	Interest	Interest
				Millions	Millions	Millions
Actual	2000	5.123374	0.000000			
Actual	2001	5.801525	0.000000			
Actual	2002	6.804839	0.000000	5.107385	0.166917	1.530537
Actual	2003	7.175069	0.000000	5.718544	0.091977	1.364547
Actual	2004	8.349481	0.000000	6.929583	0.086784	1.333115
Forecast	2005	8.337000	0.000000	6.878677	0.348029	1.110743
Forecast	2006	8.578000	0.000000	7.054698	0.413493	1.110743
Forecast	2007	9.071000	0.000000	7.518408	0.442808	1.110743

	t	Net Coal Tax	New Deposit	Non Pool	Non Pool	Non Pool	Non Pool
	Fiscal	Millions	Long Term	STIP	Loan	STIP Bal	Loan Bal
			Rate	Rate	Rate	Millions	Millions
Actual	2000	13.301172	7.0160%	5.4440%	0.0000%	12.385400	0.000000
Actual	2001	12.126440	6.8830%	4.7420%	0.0000%	4.384216	19.223452
Actual	2002	11.855268	6.3370%	2.5670%	8.2549%	7.426826	17.858672
Actual	2003	11.033830	5.7290%	1.5020%	7.4418%	11.674509	18.813738
Actual	2004	7.886171	5.3680%	1.4050%	8.2678%	10.526991	13.434570
Forecast	2005	8.308000	5.4930%	2.1200%	8.2678%	10.526991	13.434570
Forecast	2006	7.901000	5.8690%	3.0840%	8.2678%	10.526991	13.434570
Forecast	2007	7.721000	6.1860%	3.4440%	8.2678%	10.526991	13.434570

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# Legislative Fiscal Division

## Revenue Estimate Profile

### Treasury Cash Account Interest

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**Revenue Description:** The Department of Administration, Board of Investments is responsible for investing all state funds. Title 17, Chapter 6, MCA, provides guidelines under which the funds must be invested. Unless specifically stated by statute, all interest earned on these investments is deposited in the general fund. Treasury cash is invested in a mixture of short and medium-term investments. Consequently, the interest assumptions adopted by the legislature incorporate a blend of short and intermediate-term rates. When needed to address cash flow problems, the state typically issues tax and revenue anticipation notes (TRANS). The legislature would then adopt TRANS issuance assumptions, since this affects the average invested balance. No TRANS issues are anticipated in the 2007 biennium.

**Applicable Tax Rate(s):** N/A

**Distribution:** All investment earnings on the treasury cash account (TCA) are deposited into the general fund.

**Summary of Legislative Action:**

Senate Bill 130 – The legislation requires interest earnings from balances in the micro business development loan account and the micro business finance program administrative account to be deposited in the latter account. Because the earnings had previously been deposited to the general fund, general fund revenues decrease \$13,507 each year.

Treasury Cash Account Interest -- Legislation Passed by 59th Legislature Estimated General Fund Impact for the 2007 Biennium			
<u>Bill Number and Short Title</u>	<u>Fiscal 2005</u>	<u>Fiscal 2006</u>	<u>Fiscal 2007</u>
SB0130 Revise microbusiness development program		(13,507)	(13,507)
Total Estimated General Fund Impact	<u>\$0</u>	<u>(\$13,507)</u>	<u>(\$13,507)</u>

**Statutory Reference:**

Tax Rate – NA

Distribution (MCA) – 17-6-202(2)

Date Due – interest deposits are mostly made monthly, but two in June and none in July

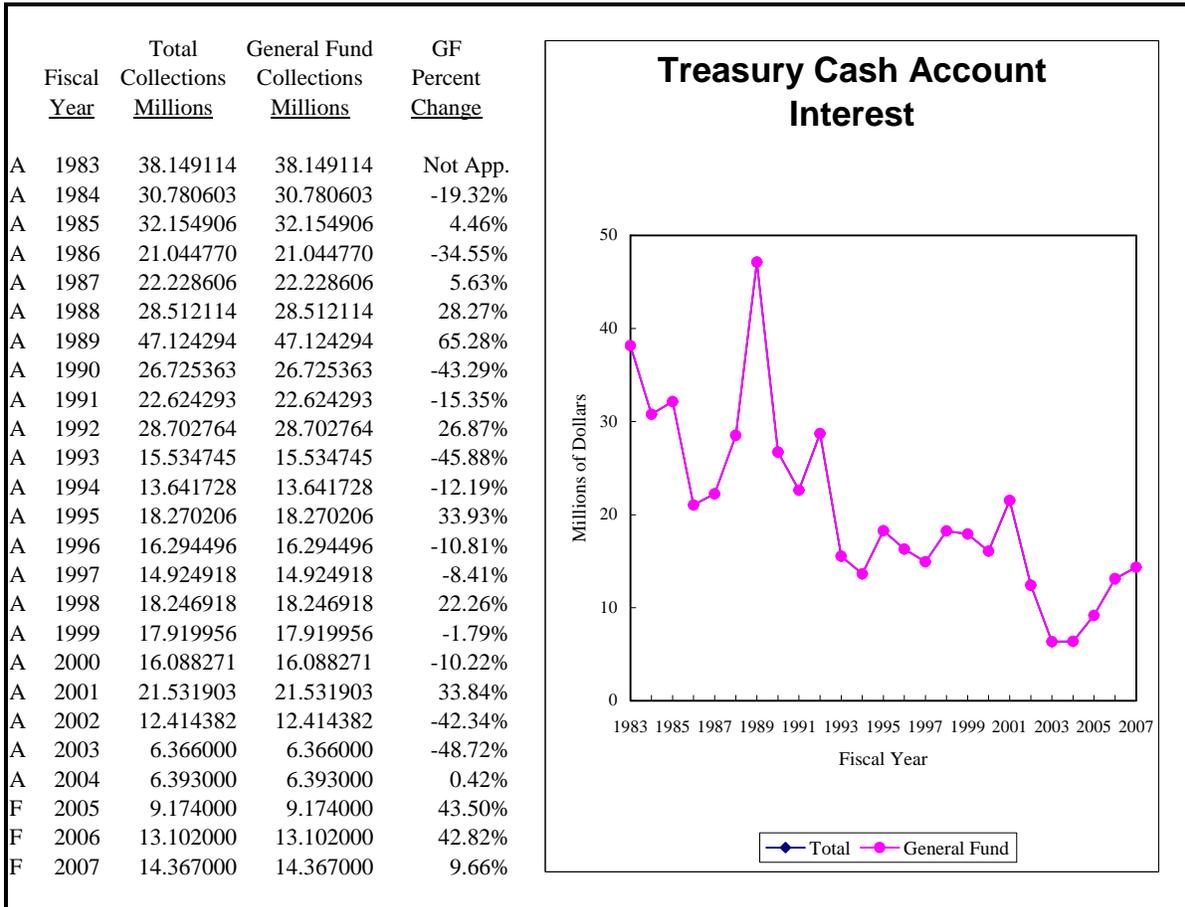
**% of Total FY 2004 General Fund Revenue:** 0.46%

# Legislative Fiscal Division

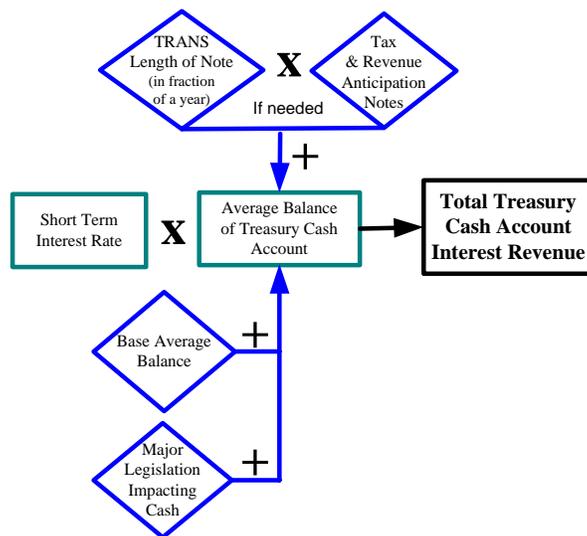
## Revenue Estimate Profile

### Treasury Cash Account Interest

#### Revenue Projection:



#### Forecast Methodology

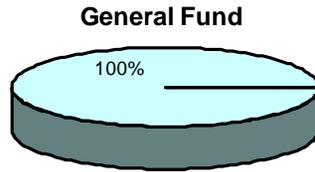


# Legislative Fiscal Division

## Revenue Estimate Profile

### Treasury Cash Account Interest

#### Distribution Methodology



#### Revenue Estimate Assumptions

This section contains the assumptions used to generate the revenue estimates contained in House Joint Resolution 2. It does not reflect changes, if any, enacted by the 2005 legislature that may affect future estimates of this revenue source.

	<u>t</u>	<u>Total Rev.</u>	<u>GF Rev.</u>	<u>Avg. Bal.</u>	<u>Interest</u>	<u>Issue</u>	<u>TRANS</u>
	<u>Fiscal</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Rate</u>	<u>Rate</u>	<u>Cost</u>
Actual	2000	16.088271	16.088271	303.627590	0.052987	0.000000	0.000000
Actual	2001	21.531903	21.531903	334.705188	0.064331	0.000000	0.000000
Actual	2002	12.414382	12.414382	273.343304	0.045417	0.000000	0.000000
Actual	2003	6.366439	6.366439	273.928913	0.023241	0.026498	1.639327
Actual	2004	6.392992	6.392992	311.477974	0.020525	0.002027	0.099188
Forecast	2005	9.174000	9.174000	351.477974	0.027675	0.017868	0.000000
Forecast	2006	13.116000	13.116000	351.477974	0.037315	0.024092	0.000000
Forecast	2007	14.381000	14.381000	351.477974	0.040915	0.026417	0.000000

	<u>t</u>	<u>Base Bal.</u>	<u>TRANS</u>	<u>TRANS</u>
	<u>Fiscal</u>	<u>Millions</u>	<u>Millions</u>	<u>Length</u>
Actual	2000	303.628000	0.000000	0.000000
Actual	2001	334.705000	0.000000	0.000000
Actual	2002	273.343000	0.000000	0.000000
Actual	2003	212.062000	92.800000	0.666667
Actual	2004	262.545000	73.400000	0.666667
Forecast	2005	351.477974	0.000000	0.000000
Forecast	2006	351.477974	0.000000	0.000000
Forecast	2007	351.477974	0.000000	0.000000