

1 SENATE BILL NO. 49

2 INTRODUCED BY C. SWYSGOOD

3 BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT CHANGING THE ALLOCATION OF THE RESOURCE INDEMNITY
6 TRUST AND GROUND WATER TAX PROCEEDS AND OF THE METAL MINES TAX PROCEEDS; CHANGING
7 THE DISTRIBUTION OF THE INTEREST EARNINGS FROM THE RESOURCE INDEMNITY TRUST FUND;
8 AMENDING SECTIONS 7-6-2225, 7-6-2226, 15-37-117, 15-38-106, 15-38-202, 20-9-231, 85-1-332, 85-1-604,
9 85-1-631, 85-2-905, AND 90-2-1104, MCA; AND PROVIDING AN EFFECTIVE DATE."

10
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12
13 **Section 1.** Section 7-6-2225, MCA, is amended to read:

14 **"7-6-2225. County hard-rock mine trust reserve account -- expenditure restrictions.** (1) The
15 governing body of a county receiving an allocation under ~~15-37-117(1)(f)~~ 15-37-117(1)(d) 15-37-117(1)(E) shall
16 establish a county hard-rock mine trust reserve account.

17 (2) Money received by a county pursuant to 15-37-117 or 90-6-331 must remain in the account and may
18 not be appropriated by the governing body until:

19 (a) a mining operation has permanently ceased all mining related activity; or

20 (b) the number of persons employed full-time in mining activities by the mining operation is less than
21 one-half of the average number of persons employed full-time in mining activities by the mining operation during
22 the immediately preceding 5-year period.

23 (3) If the circumstances described in subsection (2)(a) or (2)(b) occur, the governing body of the county
24 ~~must~~ shall allocate at least one-third of the funds proportionally to affected high school districts and elementary
25 school districts in the county; and may use the remaining funds in the account to:

26 (a) pay for outstanding capital project bonds or other expenses incurred prior to the end of mining activity
27 or the reduction in the mining work force described in subsection (2)(b);

28 (b) decrease property tax mill levies that are directly caused by the cessation or reduction of mining
29 activity;

30 (c) promote diversification and development of the economic base within the jurisdiction of a local

1 government unit;

2 (d) attract new industry to the impact area;

3 (e) provide cash incentives for expanding the employment base of the area impacted by the changes
4 in mining activity described in subsection (2); or

5 (f) provide grants or loans to other local government jurisdictions to assist with impacts caused by the
6 changes in mining activity described in subsection (2).

7 (4) Except as provided in subsection (3)(b), money held in the account may not be considered as cash
8 balance for the purpose of reducing mill levies.

9 (5) Money in the reserve account must be invested as provided by law. Interest and income from the
10 investment of funds in the account must be credited to the account."
11

11

12 **Section 2.** Section 7-6-2226, MCA, is amended to read:

13 **"7-6-2226. Metal mines tax reserve account.** (1) The governing body of a county receiving tax
14 collections under ~~15-37-117(1)(f)~~ ~~15-37-117(1)(d)~~ ~~15-37-117(1)(E)~~ may establish a metal mines tax reserve
15 account to be used to hold the collections. The governing body may hold money in the account for any time period
16 considered appropriate by the governing body. Money held in the account may not be considered as cash
17 balance for the purpose of reducing mill levies.

18 (2) Money may be expended from the account for any purpose provided by law.

19 (3) Money in the account must be invested as provided by law. Interest and income from the investment
20 of the metal mines tax reserve account must be credited to the account."
21

21

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

23 **"15-37-117. Disposition of metalliferous mines license taxes.** (1) Metalliferous mines license taxes
24 collected under the provisions of this part must, in accordance with the provisions of 15-1-501, be allocated as
25 follows:

26 (a) to the credit of the general fund of the state, 58% of total collections each year;

27 (b) to the state special revenue fund to the credit of a hard-rock mining impact trust account, 1.5% of total
28 collections each year;

29 (c) to the orphan share state special revenue account established in 75-10-743, ~~8.5%~~ ~~15.5%~~ 8.5% of
30 total collections each year;

1 (d) TO THE RECLAMATION AND DEVELOPMENT GRANTS PROGRAM STATE SPECIAL REVENUE ACCOUNT, 7% OF
 2 TOTAL COLLECTIONS EACH YEAR; AND to the ground water assessment account established in 85-2-905, 2.2% of
 3 total collections each year;

4 ~~—— (e) to the reclamation and development grants program state special revenue account, 4.8% of total~~
 5 ~~collections each year; and~~

6 ~~—— (f)(E) to the county or counties identified as experiencing fiscal and economic impacts, resulting in~~
 7 ~~increased employment or local government costs, under an impact plan for a large-scale mineral development~~
 8 ~~prepared and approved pursuant to 90-6-307, in direct proportion to the fiscal and economic impacts determined~~
 9 ~~in the plan; or, if an impact plan has not been prepared, to the county in which the mine is located, 25% of total~~
 10 ~~collections each year, to be allocated by the county commissioners as follows:~~

11 (i) not less than 40% to the county hard-rock mine trust reserve account established in 7-6-2225; and

12 (ii) all money not allocated to the account pursuant to subsection ~~(1)(f)(i) (1)(d)(i) (1)(E)(I)~~ to be further
 13 allocated as follows:

14 (A) 33 1/3% is allocated to the county for planning or economic development activities;

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

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

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

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

25
 26 **Section 4.** Section 15-38-106, MCA, is amended to read:

27 **"15-38-106. Payment of tax -- records -- collection of taxes -- refunds.** (1) The tax imposed by this
 28 chapter must be paid by each person to which the tax applies, on or before March 31, on the value of product
 29 in the year preceding January 1 of the year in which the tax is paid. The tax must be paid to the department at
 30 the time that the statement of yield for the preceding calendar year is filed with the department.

1 (2) The department shall, in accordance with the provisions of 15-1-501, deposit in the following order:

2 (a) 50% of the proceeds of the tax in the resource indemnity trust fund of the nonexpendable trust fund
3 ~~type; except that:~~

4 ~~—— (a) 14.1%~~

5 (b) \$300,000 of the remaining proceeds must be deposited in the ground water assessment account
6 established by 85-2-905; and

7 (c) 50% OF THE REMAINING PROCEEDS IN THE RECLAMATION AND DEVELOPMENT GRANTS ACCOUNT
8 ESTABLISHED BY 90-2-1104; AND

9 ~~(b) 10% of the proceeds must be deposited in the renewable resource grant and loan program state~~
10 ~~special revenue account established by 85-1-604; and~~

11 ~~—— (c) 30% of the proceeds must be deposited in the reclamation and development grants account~~
12 ~~established by 90-2-1104; and~~

13 ~~—— (d) at the beginning of each fiscal year, there is allocated from the proceeds of the tax up to \$200,000~~
14 ~~to be deposited~~

15 (e)(D) all remaining proceeds in the orphan share account established in 75-10-743.

16 (3) Each person to whom the tax applies shall keep records in accordance with 15-38-105, and the
17 records are subject to inspection by the department upon reasonable notice during normal business hours.

18 (4) The department shall examine the statement and compute the taxes to be imposed, and the amount
19 computed by the department is the tax imposed, assessed against, and payable by the taxpayer. If the tax found
20 to be due is greater than the amount paid, the excess must be paid by the taxpayer to the department within 30
21 days after written notice of the amount of deficiency is mailed by the department to the taxpayer. If the tax
22 imposed is less than the amount paid, the difference must be applied as a tax credit against tax liability for
23 subsequent years or refunded if requested by the taxpayer."
24

25 **Section 5.** Section 15-38-202, MCA, is amended to read:

26 **"15-38-202. (Temporary) Investment of resource indemnity trust fund -- expenditure -- minimum**
27 **balance.** (1) All money paid into the resource indemnity trust fund, including money payable into the fund under
28 the provisions of 15-36-324 and 15-37-117, must be invested at the discretion of the board of investments. Only
29 the net earnings may be appropriated and expended until the fund reaches \$100 million. Thereafter, all net
30 earnings and all receipts may be appropriated by the legislature and expended, provided that the balance in the

1 fund may never be less than \$100 million.

2 (2) (a) At the beginning of each fiscal year, there is allocated from the interest income of the resource
3 indemnity trust fund:

4 (i) \$240,000, which is statutorily appropriated, as provided in 17-7-502, from the renewable resource
5 grant and loan program state special revenue account to support the operations of the environmental
6 science-water quality instructional programs at Montana state university-northern, to be used for support costs,
7 for matching funds necessary to attract additional funds to further expand statewide impact, and for enhancement
8 of the facilities related to the programs;

9 (ii) \$1 million to be deposited into the renewable resource grant and loan program state special revenue
10 account, created by 85-1-604, for the purpose of making grants; and

11 (iii) \$1.5 million to be deposited into the reclamation and development grants special revenue account,
12 created by 90-2-1104, for the purpose of making grants.

13 (b) At the beginning of each biennium, there is allocated from the interest income of the resource
14 indemnity trust fund:

15 (i) an amount not to exceed \$175,000 to the environmental contingency account pursuant to the
16 conditions of 75-1-1101;

17 (ii) an amount not to exceed \$50,000 to the oil and gas production damage mitigation account pursuant
18 to the conditions of 82-11-161; and

19 (iii) \$500,000 to be deposited into the water storage state special revenue account created by 85-1-631.

20 (c) The remainder of the interest income is allocated as follows:

21 (i) Thirty-six percent of the interest income of the resource indemnity trust fund must be allocated to the
22 renewable resource grant and loan program state special revenue account created by 85-1-604.

23 (ii) Eighteen percent of the interest income of the resource indemnity trust fund must be allocated to the
24 hazardous waste/CERCLA special revenue account provided for in 75-10-621.

25 (iii) Forty percent of the interest income from the resource indemnity trust fund must be allocated to the
26 reclamation and development grants account provided for in 90-2-1104.

27 (iv) Six percent of the interest income of the resource indemnity trust fund must be allocated to the
28 environmental quality protection fund provided for in 75-10-704.

29 (3) Any formal budget document prepared by the legislature or the executive branch that proposes to
30 appropriate funds other than as provided for by the allocations in subsection (2) must specify the amount of

1 money from each allocation that is proposed to be diverted and the proposed use of the diverted funds. A formal
 2 budget document includes a printed and publicly distributed budget proposal or recommendation, an introduced
 3 bill, or a bill developed during the legislative appropriation process or otherwise during a legislative session.

4 **15-38-202. (Effective July 1, 1999) Investment of resource indemnity trust fund -- expenditure --**
 5 **minimum balance.** (1) All money paid into the resource indemnity trust fund, including money payable into the
 6 fund under the provisions of 15-36-324 and 15-37-117, must be invested at the discretion of the board of
 7 investments. Only the net earnings may be appropriated and expended until the fund reaches \$100 million.
 8 Thereafter, all net earnings and all receipts may be appropriated by the legislature and expended, provided that
 9 the balance in the fund may never be less than \$100 million.

10 (2) (a) At the beginning of each fiscal year, there is allocated from the interest income of the resource
 11 indemnity trust fund:

12 (i) \$240,000, which is statutorily appropriated, as provided in 17-7-502, from the renewable resource
 13 grant and loan program state special revenue account to support the operations of the environmental
 14 science-water quality instructional programs at Montana state university-northern, to be used for support costs,
 15 for matching funds necessary to attract additional funds to further expand statewide impact, and for enhancement
 16 of the facilities related to the programs;

17 (ii) ~~\$1~~ \$2 million to be deposited into the renewable resource grant and loan program state special
 18 revenue account, created by 85-1-604, for the purpose of making grants; ~~and~~

19 (iii) \$1.5 million to be deposited into the reclamation and development grants special revenue account,
 20 created by 90-2-1104, for the purpose of making grants; and

21 (iv) \$300,000 to be deposited into the ground water assessment account created by 85-2-905.

22 (b) At the beginning of each biennium, there is allocated from the interest income of the resource
 23 indemnity trust fund:

24 (i) an amount not to exceed \$175,000 to the environmental contingency account pursuant to the
 25 conditions of 75-1-1101;

26 (ii) an amount not to exceed \$50,000 to the oil and gas production damage mitigation account pursuant
 27 to the conditions of 82-11-161; and

28 (iii) \$500,000 to be deposited into the water storage state special revenue account created by 85-1-631.

29 ~~(c) At the beginning of each fiscal year, there is allocated from the interest income of the resource~~
 30 ~~indemnity trust fund up to \$200,000 to be deposited in the orphan share account established in 75-10-743.~~

1 ~~(d)~~(c) The remainder of the interest income is allocated as follows:

2 (i) ~~Thirty-six~~ Thirty percent of the interest income of the resource indemnity trust fund must be allocated
3 to the renewable resource grant and loan program state special revenue account created by 85-1-604.

4 (ii) ~~Eighteen~~ Twenty-six percent of the interest income of the resource indemnity trust fund must be
5 allocated to the hazardous waste/CERCLA special revenue account provided for in 75-10-621.

6 (iii) ~~Forty~~ Thirty-five percent of the interest income from the resource indemnity trust fund must be
7 allocated to the reclamation and development grants account provided for in 90-2-1104.

8 (iv) ~~Six~~ Nine percent of the interest income of the resource indemnity trust fund must be allocated to the
9 environmental quality protection fund provided for in 75-10-704.

10 (3) Any formal budget document prepared by the legislature or the executive branch that proposes to
11 appropriate funds other than as provided for by the allocations in subsection (2) must specify the amount of
12 money from each allocation that is proposed to be diverted and the proposed use of the diverted funds. A formal
13 budget document includes a printed and publicly distributed budget proposal or recommendation, an introduced
14 bill, or a bill developed during the legislative appropriation process or otherwise during a legislative session."

15

16 **Section 6.** Section 20-9-231, MCA, is amended to read:

17 **"20-9-231. Metal mines tax reserve fund.** (1) The governing body of a local school district receiving
18 tax collections under ~~15-37-117(1)(f)~~ 15-37-117(1)(d) ~~15-37-117(1)(E)~~ may establish a metal mines tax reserve
19 fund to be used to hold the collections. The governing body may hold money in the fund for any time period
20 considered appropriate by the governing body. Money held in the fund may not be considered as fund balance
21 for the purpose of reducing mill levies.

22 (2) Money may be expended from the fund for any purpose provided by law.

23 (3) Money in the fund must be invested as provided by law. Interest and income from the investment of
24 the metal mines tax reserve fund must be credited to the fund.

25 (4) The fund must be financially administered as a nonbudgeted fund under the provisions of this title."

26

27 **Section 7.** Section 85-1-332, MCA, is amended to read:

28 **"85-1-332. Disposition of moneys money collected.** (1) For the purpose of carrying out the provisions
29 of this chapter and ~~such~~ other water resource authority, powers, and duties ~~as that~~ that are conferred upon the
30 department by law, the following ~~moneys shall~~ money must be deposited in the ~~renewable resource grant and~~

1 ~~loan program state special revenue~~ water storage state special revenue account created by ~~85-1-604~~ 85-1-631:

2 (a) all gifts, donations, bequests, and devises made to the state ~~therefor~~ for purposes of this chapter and
3 proceeds of the sale ~~thereof~~ of the gifts, donations, bequests, and devises; and the proceeds of the sale or
4 redemption of and the interest earned by the securities purchased or acquired with money received under this
5 subsection;

6 (b) all reimbursements for money advanced for the payment of the assessments upon state,
7 school-granted, and other public lands for the improvement ~~thereof~~ of the lands as provided by law;

8 (c) all reimbursements for money advanced for the investigation and survey of reclamation,
9 electrification, and rehabilitation systems or projects proposed to be financed in whole or in part by the
10 reclamation of lands and diking, drainage, and diking and drainage dams for conservation of water to be used
11 in reclamation of land or stock reservoirs or for the construction, maintenance, and operation of plants or projects
12 for the manufacture or distribution of electric current;

13 (d) all reimbursements for costs of surveys and investigations for ~~moneys~~ money advanced to counties,
14 cities, or towns or their proportion of the cost ~~thereof~~ of the surveys and investigations or from any other sources;

15 (e) except as otherwise provided by law, all income or profit and revenue of the works and all money
16 received from the sale or disposal of water, use of water, water storage, or other service and from the operation,
17 lease, sale, or other disposition of the works, property, and facilities acquired under this chapter; and

18 (f) except as otherwise provided by law, all sums received by the department for the use of electricity
19 in excess of the maintenance and operation of the electrification system or project.

20 (2) All sums of money donated or contributed by the federal government or any department or agency
21 ~~thereof shall~~ of the federal government must be deposited in a federal special revenue account."

22

23 **Section 8.** Section 85-1-604, MCA, is amended to read:

24 **"85-1-604. Renewable resource grant and loan program state special revenue account created**
25 **-- revenue allocated -- limitations on appropriations from account.** (1) There is a renewable resource grant
26 and loan program state special revenue account within the state special revenue fund established in 17-2-102.

27 (2) Except to the extent that they are required to be credited to the renewable resource loan debt service
28 fund pursuant to 85-1-603, there must be paid into the renewable resource grant and loan program state special
29 revenue account:

30 (a) ~~all revenue of the works and other money as provided in 85-1-332;~~

1 (b) the interest income of the resource indemnity trust fund as provided in and subject to the conditions
2 of 15-38-202;

3 ~~(e)(b)~~ the excess of the coal severance tax proceeds allocated by 85-1-603 to the renewable resource
4 loan debt service fund above debt service requirements as provided in and subject to the conditions of 85-1-619;
5 and

6 ~~(d)(c)~~ any fees or charges collected by the department pursuant to 85-1-616 for the servicing of loans,
7 including arrangements for obtaining security interests; and

8 ~~———(e) the resource indemnity and ground water assessment tax proceeds as provided in 15-38-106(2)(b).~~

9 (3) Appropriations may be made from the renewable resource grant and loan program state special
10 revenue account for the following purposes and subject to the following conditions:

11 (a) ~~The amount of resource indemnity trust fund interest earnings allocated to the special revenue~~
12 ~~account under 15-38-202(2)(a)(ii) must be used for renewable resource grants.~~

13 (b) ~~An amount less than or equal to that paid into the account under 85-1-332 and only that amount may~~
14 ~~be appropriated for the operation and maintenance of state-owned projects and works. If the amount of money~~
15 ~~available for appropriation under this subsection (3)(b) is greater than that necessary for operation and~~
16 ~~maintenance expenses, the excess may be appropriated as provided in subsection (3)(c).~~

17 ~~———(c) An amount less than or equal to that paid into the account from the resource indemnity trust account~~
18 ~~plus any excess from subsection (3)(b) and only that amount may be appropriated from the account for~~
19 ~~expenditures that meet the policies and objectives of the renewable resource grant and loan program. If the~~
20 ~~amount of money available for appropriation under this subsection (3)(c) is greater than that necessary for~~
21 ~~operation and maintenance expenses, the excess may be appropriated as provided in subsection (3)(d).~~

22 ~~———(d) An amount less than or equal to that paid into the account from the sources provided for in~~
23 ~~subsections (2)(c) and (2)(d) and any excess from subsection (3)(c) and only that amount may be appropriated~~
24 ~~from the account for loans and grants for renewable resource projects; for purchase of liens and operation of~~
25 ~~property as provided in 85-1-615; for administrative expenses, including but not limited to the salaries and~~
26 ~~expenses of personnel, equipment, and office space; for the servicing of loans, including arrangements for~~
27 ~~obtaining security interests; and for other necessities incurred in administering the loans and grants for~~
28 ~~designated projects; and~~

29 (b) administrative expenses, including salaries and expenses for personnel, equipment, office space, and
30 other expenses necessarily incurred in the administration of the grant and loan program. The expenses under

1 this subsection (3)(b) may be funded before funding of projects."

2

3 **Section 9.** Section 85-1-631, MCA, is amended to read:

4 **"85-1-631. Water storage state special revenue account created -- revenues allocated --**
 5 **appropriations from account.** (1) There is a water storage state special revenue account within the state special
 6 revenue fund established in 17-2-102.

7 (2) There must be paid into the water storage state special revenue account money allocated from the
 8 resource indemnity trust fund interest earnings pursuant to 15-38-202 and all revenue of the works and other
 9 money as provided in 85-1-332.

10 (3) ALL REVENUE PROVIDED FROM 85-1-332(1)(E) AND (1)(F) DEPOSITED IN THE WATER STORAGE STATE
 11 SPECIAL REVENUE ACCOUNT MUST BE APPROPRIATED SOLELY FOR THE CONSTRUCTION, OPERATION, MAINTENANCE, AND
 12 REHABILITATION OF THE WORKS.

13 ~~(3)~~(4) Money that was not encumbered or expended from the water storage state special revenue
 14 account during the previous biennium must remain in the account.

15 ~~(4)~~(5) Deposits to the water storage state special revenue account are to be placed in short-term
 16 investments and accrue interest, which must be deposited in the water storage state special revenue account.

17 ~~(5)~~(6) The purpose of the water storage state special revenue account is to provide money for loans and
 18 grants exclusively for:

19 (a) water storage projects, including the purchase or lease of property;

20 (b) planning, feasibility, and design studies; and

21 (c) other costs related to construction, rehabilitation, expansion, and modification of water storage
 22 projects.

23 ~~(6)~~(7) The department shall administer this section as an integral part of the renewable resource grant
 24 and loan program, using, to the extent possible, the same procedures for soliciting, determining eligibility, and
 25 rating water storage project proposals and for administering grants and loans, subject to the same limitations,
 26 as applied to other renewable resource grants and loans.

27 ~~(7)~~(8) The following preferences must be ~~(7)~~considered in ranking proposals for water storage grants and
 28 loans:

29 (a) first preference is for the rehabilitation of water storage projects that resolve threats to life and
 30 property;

- 1 (b) second preference is for the improvement or expansion of existing water storage projects; and
 2 (c) third preference is for the development of new water storage projects."
 3

4 **Section 10.** Section 85-2-905, MCA, is amended to read:

5 **"85-2-905. Ground water assessment account.** (1) There is a ground water assessment account
 6 within the special revenue fund established in 17-2-102. The Montana bureau of mines and geology is authorized
 7 to expend amounts from the account necessary to carry out the purposes of this part.

8 (2) The account may be used by the Montana bureau of mines and geology only to carry out the
 9 provisions of this part.

10 (3) Subject to the direction of the ground water assessment steering committee, the Montana bureau
 11 of mines and geology shall investigate opportunities for the participation and financial contribution of agencies
 12 of federal and local governments to accomplish the purposes of this part.

13 (4) There must be deposited in the account:

14 (a) at the beginning of each fiscal year, ~~4.1%~~ \$300,000 of the proceeds from the resource indemnity
 15 and ground water assessment tax, as authorized by 15-38-106, and ~~2.2% of the proceeds from the metalliferous~~
 16 ~~mines license taxes, as authorized by 15-37-117~~ \$300,000 of the interest earnings from the resource indemnity
 17 trust fund, as authorized by 15-38-202, unless at the beginning of the fiscal year the unobligated cash balance
 18 in the ground water assessment account:

19 (i) equals or exceeds ~~\$666,000~~ \$600,000, in which case an allocation may not be made and the
 20 proceeds must be deposited in the resource indemnity trust fund established by 15-38-201; or

21 (ii) is less than ~~\$666,000~~ \$600,000, in which case an amount equal to the difference between the
 22 unobligated cash balance and ~~\$666,000~~ \$600,000 must be allocated to the ground water assessment account
 23 and any remaining amount must be deposited in the resource indemnity trust fund established by 15-38-201;

24 (b) funds provided by state government agencies and by local governments to carry out the purposes
 25 of this part;

26 (c) proceeds allocated to the account as provided in 15-36-324, ~~and 15-38-106, and 15-38-202~~; and

27 (d) funds provided by any other public or private sector organization or person in the form of gifts, grants,
 28 or contracts specifically designated to carry out the purposes of this part."
 29

30 **Section 11.** Section 90-2-1104, MCA, is amended to read:

1 **"90-2-1104. Reclamation and development grants account.** (1) There is a reclamation and
 2 development grants special revenue account within the state special revenue fund established in 17-2-102.

3 (2) There must be paid into the reclamation and development grants account money allocated from:

4 ~~(a)(A) the interest income of the resource indemnity trust fund under the provisions of 15-38-202;~~

5 ~~(b) the resource indemnity and ground water assessment tax under the provisions of 15-38-106;~~

6 ~~(c) the the metal mines license tax proceeds as provided in 15-37-117(1)(e); and~~

7 ~~(d) the oil and gas production tax as provided in 15-36-324 and 15-38-106~~

8 (B) THE RESOURCE INDEMNITY AND GROUND WATER ASSESSMENT TAX UNDER PROVISIONS OF 15-38-106;

9 (C) THE METAL MINES LICENSE TAX PROCEEDS AS PROVIDED IN 15-37-117(1)(D); AND

10 (D) THE OIL AND GAS PRODUCTION TAX AS PROVIDED IN 15-36-324 AND 15-38-106.

11 (3) Appropriations may be made from the reclamation and development grants account for the following
 12 purposes:

13 (a) grants for designated projects; and

14 (b) administrative expenses, including the salaries and expenses of for personnel, equipment, office
 15 space, and other expenses necessarily incurred in the administration of the grants program. These expenses may
 16 be funded before funding of projects."

17

18 NEW SECTION. SECTION 12. COORDINATION INSTRUCTION. IF SENATE BILL NO. 48 IS NOT PASSED AND
 19 APPROVED, THEN [THIS ACT] IS VOID.

20

21 NEW SECTION. Section 13. Effective date. [This act] is effective July 1, 1999.

22

- END -