SENATE BILL NO. 55

INTRODUCED BY D. RYAN

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THAT ROYALTIES FROM MINERAL PRODUCTION RIGHTS PURCHASED THROUGH A LOAN FROM THE COAL SEVERANCE TAX PERMANENT FUND IN EXCESS OF THE AMOUNT NECESSARY TO REPAY THE LOAN BE DEPOSITED IN A SCHOOL FACILITY IMPROVEMENT ACCOUNT RATHER THAN THE GUARANTEE ACCOUNT; CREATING A SCHOOL FACILITY IMPROVEMENT ACCOUNT AND PROVIDING FOR THE USE OF MONEY IN THE ACCOUNT; AMENDING SECTION 17-6-340, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION.  **Section 1.  School facility improvement account.** There is a school facility improvement account in the state special revenue fund provided for in 17-2-102.  The purpose of the account is to provide money to schools for:

(1)  deferred maintenance;

(2)  improving energy efficiency in school facilities; and

(3)  critical infrastructure in school districts with changing student populations.

**Section 2.**  Section 17-6-340, MCA, is amended to read:

**"17-6-340.  Purchase of permanent fund mineral estate.** The department of natural resources and conservation may purchase the mineral production rights held by the public school fund established in Article X, section 2, of the Montana constitution for fair market value. If the department of natural resources and conservation purchases mineral production rights, any royalty payments received by the board that are not used to reimburse the coal severance tax trust fund for the loan used for purchasing the mineral production rights must be deposited in the ~~guarantee account~~ school facility improvement account provided for in ~~20-9-622~~ [section 1]."

NEW SECTION.  **Section 3.  Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 20, chapter 9, and the provisions of Title 20, chapter 9, apply to [section 1].

<u>NEW SECTION.</u>  **Section 4.  Effective date.** [This act] is effective July 1, 2007.

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