

1 HOUSE BILL NO. 556

2 INTRODUCED BY M. CUFFE

3 BY REQUEST OF THE HOUSE JOINT APPROPRIATIONS SUBCOMMITTEE ON NATURAL RESOURCES

4 AND TRANSPORTATION

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6
7 A BILL FOR AN ACT ENTITLED: "AN ACT DELAYING THE REVERSION TO THE GENERAL FUND OF THE
8 UNRESERVED FUND BALANCE IN THE STATE SPECIAL REVENUE FUND FOR PROVISION OF BASIC
9 LIBRARY SERVICES AND FOR PAYMENT OF THE COSTS OF PARTICIPATING IN REGIONAL AND
10 NATIONAL NETWORKING, CONSERVATION DISTRICTS, AND THE MONTANA GROWTH THROUGH
11 AGRICULTURE ACT; AMENDING SECTION 15-35-108, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE
12 DATE."

13
14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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

17 **"15-35-108. (Temporary) Disposal of severance taxes.** Severance taxes collected under this chapter
18 must, in accordance with the provisions of 17-2-124, be allocated as follows:

19 (1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX,
20 section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under
21 17-6-203(6) and invested by the board of investments as provided by law.

22 (2) The amount of 12% of coal severance tax collections is allocated to the long-range building program
23 account established in 17-7-205.

24 (3) The amount of 5.46% must be credited to an account in the state special revenue fund to be allocated
25 by the legislature for provision of basic library services for the residents of all counties through library federations
26 and for payment of the costs of participating in regional and national networking, conservation districts, and the
27 Montana Growth Through Agriculture Act. Expenditures of the allocation may be made only from this account.
28 Money may not be transferred from this account to another account other than the general fund. ~~Beginning July~~
29 ~~4, 2012~~ Except for fiscal years 2013, 2014, and 2015, any unreserved fund balance at the end of each fiscal year
30 must be deposited in the general fund.

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

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

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

11 (7) The amount of 5.8% through September 30, 2013, and beginning October 1, 2013, the amount of
12 2.9% must be credited to the coal natural resource account established in 90-6-1001(2).

13 (8) After the allocations are made under subsections (2) through (7), \$250,000 for the fiscal year must
14 be credited to the coal and uranium mine permitting and reclamation program account established in 82-4-244.

15 (9) (a) Subject to subsection (9)(b), all other revenue from severance taxes collected under the
16 provisions of this chapter must be credited to the general fund of the state.

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

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

20 (ii) \$625,000 for the growth through agriculture program provided for in Title 90, chapter 9;

21 (iii) \$1.275 million to the research and commercialization state special revenue account created in
22 90-3-1002, of which \$375,000 per year is appropriated for fiscal years 2012 and 2013 to the department of
23 commerce for the small business state matching grant program authorized in 90-1-117 to provide matching grants
24 for small business innovation research and small business technology transfer, \$125,000 per year is appropriated
25 for fiscal years 2012 and 2013 to the high-performance supercomputing program in the department of commerce,
26 and \$300,000 per year is appropriated for fiscal years 2012 and 2013 to the board of regents for the development
27 of energy and natural resources doctoral programs at Montana tech of the university of Montana;

28 (iv) to the department of commerce:

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

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

1 (C) \$425,000 for certified regional development corporations;
2 (D) \$200,000 for the Montana manufacturing extension center at Montana state university-Bozeman;
3 and

4 (E) \$300,000 for export trade enhancement. (Terminates June 30, 2013--sec. 5, Ch. 459, L. 2009.)

5 **15-35-108. (Effective July 1, 2013) Disposal of severance taxes.** Severance taxes collected under
6 this chapter must, in accordance with the provisions of 17-2-124, be allocated as follows:

7 (1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX,
8 section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under
9 17-6-203(6) and invested by the board of investments as provided by law.

10 (2) The amount of 12% of coal severance tax collections is allocated to the long-range building program
11 account established in 17-7-205.

12 (3) The amount of 5.46% must be credited to an account in the state special revenue fund to be allocated
13 by the legislature for provision of basic library services for the residents of all counties through library federations
14 and for payment of the costs of participating in regional and national networking, conservation districts, and the
15 Montana Growth Through Agriculture Act. Expenditures of the allocation may be made only from this account.
16 Money may not be transferred from this account to another account other than the general fund. ~~Beginning July~~
17 ~~1, 2012~~ Except for fiscal years 2013, 2014, and 2015, any unreserved fund balance at the end of each fiscal year
18 must be deposited in the general fund.

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

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

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

29 (7) The amount of 5.8% through September 30, 2013, and beginning October 1, 2013, the amount of
30 2.9% must be credited to the coal natural resource account established in 90-6-1001(2).

1 (8) After the allocations are made under subsections (2) through (7), \$250,000 for the fiscal year must
2 be credited to the coal and uranium mine permitting and reclamation program account established in 82-4-244.

3 (9) (a) Subject to subsection (9)(b), all other revenue from severance taxes collected under the
4 provisions of this chapter must be credited to the general fund of the state.

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

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

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

9 (iii) \$3.65 million to the research and commercialization state special revenue account created in
10 90-3-1002;

11 (iv) to the department of commerce:

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

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

14 (C) \$425,000 for certified regional development corporations;

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

16 and

17 (E) \$300,000 for export trade enhancement. (Terminates June 30, 2019--secs. 2, 3, Ch. 459, L. 2009.)

18 **15-35-108. (Effective July 1, 2019) Disposal of severance taxes.** Severance taxes collected under
19 this chapter must, in accordance with the provisions of 17-2-124, be allocated as follows:

20 (1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX,
21 section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under
22 17-6-203(6) and invested by the board of investments as provided by law.

23 (2) The amount of 12% of coal severance tax collections is allocated to the long-range building program
24 account established in 17-7-205.

25 (3) The amount of 5.46% must be credited to an account in the state special revenue fund to be allocated
26 by the legislature for provision of basic library services for the residents of all counties through library federations
27 and for payment of the costs of participating in regional and national networking, conservation districts, and the
28 Montana Growth Through Agriculture Act. Expenditures of the allocation may be made only from this account.
29 Money may not be transferred from this account to another account other than the general fund. ~~Beginning July~~
30 ~~1, 2012, any~~ Any unreserved fund balance at the end of each fiscal year must be deposited in the general fund.

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

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

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

11 (7) The amount of 2.9% must be credited to the coal natural resource account established in
12 90-6-1001(2).

13 (8) After the allocations are made under subsections (2) through (7), \$250,000 for the fiscal year must
14 be credited to the coal and uranium mine permitting and reclamation program account established in 82-4-244.

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

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

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