

## 1 SENATE BILL NO. 236

2 INTRODUCED BY OLSON, ANKNEY

3 BY REQUEST OF THE HOUSE JOINT APPROPRIATIONS SUBCOMMITTEE ON GENERAL

4 GOVERNMENT

5  
6 A BILL FOR AN ACT ENTITLED: "AN ACT TEMPORARILY INCREASING THE COAL SEVERANCE TAX  
7 ALLOCATION TO THE COAL NATURAL RESOURCE ACCOUNT; ESTABLISHING THE INCREASE UNTIL  
8 JUNE 30, 2019; AMENDING SECTION 15-35-108, MCA; AND PROVIDING AN EFFECTIVE DATE."

9  
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11  
12 **Section 1.** Section 15-35-108, MCA, is amended to read:

13 **"15-35-108. (Temporary) Disposal of severance taxes.** Severance taxes collected under this chapter  
14 must, in accordance with the provisions of 17-2-124, be allocated as follows:

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

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

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

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

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

1 resource loan debt service fund.

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

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

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

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

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

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

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

16 (iii) \$1.275 million to the research and commercialization state special revenue account created in  
17 90-3-1002, of which \$375,000 per year is appropriated for fiscal years 2012 and 2013 to the department of  
18 commerce for the small business state matching grant program authorized in 90-1-117 to provide matching grants  
19 for small business innovation research and small business technology transfer, \$125,000 per year is appropriated  
20 for fiscal years 2012 and 2013 to the high-performance supercomputing program in the department of commerce,  
21 and \$300,000 per year is appropriated for fiscal years 2012 and 2013 to the board of regents for the development  
22 of energy and natural resources doctoral programs at Montana tech of the university of Montana;

23 (iv) to the department of commerce:

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

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

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

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

28 and

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

30 **15-35-108. (Effective July 1, 2013) Disposal of severance taxes.** Severance taxes collected under

1 this chapter must, in accordance with the provisions of 17-2-124, be allocated as follows:

2 (1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX,  
3 section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under  
4 17-6-203(6) and invested by the board of investments as provided by law.

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

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

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

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

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

23 (7) The amount of 5.8% ~~through September 30, 2013, and beginning October 1, 2013, the amount of~~  
24 ~~2.9%~~ must be credited to the coal natural resource account established in 90-6-1001(2).

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

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

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

- 1 (i) \$65,000 to the cooperative development center;
- 2 (ii) \$1.25 million for the growth through agriculture program provided for in Title 90, chapter 9;
- 3 (iii) \$3.65 million to the research and commercialization state special revenue account created in  
4 90-3-1002;
- 5 (iv) to the department of commerce:
- 6 (A) \$125,000 for a small business development center;
- 7 (B) \$50,000 for a small business innovative research program;
- 8 (C) \$425,000 for certified regional development corporations;
- 9 (D) \$200,000 for the Montana manufacturing extension center at Montana state university-Bozeman;
- 10 and
- 11 (E) \$300,000 for export trade enhancement. (Terminates June 30, 2019--secs. 2, 3, Ch. 459, L. 2009.)
- 12 **15-35-108. (Effective July 1, 2019) Disposal of severance taxes.** Severance taxes collected under  
13 this chapter must, in accordance with the provisions of 17-2-124, be allocated as follows:
- 14 (1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX,  
15 section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under  
16 17-6-203(6) and invested by the board of investments as provided by law.
- 17 (2) The amount of 12% of coal severance tax collections is allocated to the long-range building program  
18 account established in 17-7-205.
- 19 (3) The amount of 5.46% must be credited to an account in the state special revenue fund to be allocated  
20 by the legislature for provision of basic library services for the residents of all counties through library federations  
21 and for payment of the costs of participating in regional and national networking, conservation districts, and the  
22 Montana Growth Through Agriculture Act. Expenditures of the allocation may be made only from this account.  
23 Money may not be transferred from this account to another account other than the general fund. Beginning July  
24 1, 2012, any unreserved fund balance at the end of each fiscal year must be deposited in the general fund.
- 25 (4) The amount of 1.27% must be allocated to a permanent fund account for the purpose of parks  
26 acquisition or management. Income from this permanent fund account, excluding unrealized gains and losses,  
27 must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas  
28 described in 23-1-102.
- 29 (5) The amount of 0.95% must be allocated to the debt service fund type to the credit of the renewable  
30 resource loan debt service fund.

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

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

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

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

11

12           NEW SECTION. **Section 2. Effective date.** [This act] is effective July 1, 2013.

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