

HOUSE BILL NO. 632

INTRODUCED BY N. SCHWADERER

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A BILL FOR AN ACT ENTITLED: "AN ACT CREATING AN ANNUAL COAL TRAIN PAYMENT TO COUNTIES; PROVIDING A STATUTORY APPROPRIATION; AMENDING SECTION 15-35-108, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

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

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

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

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

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

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

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

(6) The amount of 0.63% must be allocated to a trust fund for the purpose of protection of works of art



1 in the capitol and for other cultural and aesthetic projects. Income from this trust fund account, excluding
2 unrealized gains and losses, must be appropriated for protection of works of art in the state capitol and for other
3 cultural and aesthetic projects.

4 (7) The amount of 5.8% through September 30, 2013, and beginning October 1, 2013, the amount of
5 2.9% must be credited to the coal natural resource account established in 90-6-1001(2).

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

8 (9) (a) Subject to subsection (9)(b), all other revenue from severance taxes collected under the
9 provisions of this chapter must be credited to the general fund of the state and is statutorily appropriated, as
10 provided in 17-7-502, on July 1 each year to the trust fund for the public employees' retirement system defined
11 benefit plan established pursuant to 19-3-103.

12 (b) The interest income of the coal severance tax permanent fund that is deposited in the general fund
13 is statutorily appropriated, as provided in 17-7-502, on July 1 each year 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;

18 (iv) to the department of commerce:

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

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

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

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

23 **and**

24 (E) \$300,000 for export trade enhancement; and

25 (F) \$550,000 for coal train payments to counties; and

26 (v) except as provided in subsection (9)(c), up to \$21 million to the public employees' retirement system
27 defined benefit plan trust fund.

28 (c) If the legislative finance committee determines that the public employees' retirement board has failed
29 to provide a sufficient report pursuant to 19-3-117, it shall recommend that \$5 million be subtracted from the
30 amount allocated in subsection (9)(b)(v) subject to legislative approval.

1 (d) The annual coal train payment for each county pursuant to subsection (9)(b)(iv)(F) is proportional
2 to the number of coal trains that pass through the county on an annual basis. The department of commerce must
3 calculate the payment after the completion of each fiscal year and make the payment to the counties by July 30
4 of each year. (Terminates June 30, 2019--secs. 2, 3, Ch. 459, L. 2009.)

5 **15-35-108. (Effective July 1, 2019) 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. Any unreserved
17 fund balance at the end of each fiscal year must be deposited in the general fund.

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

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

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

28 (7) The amount of 2.9% must be credited to the coal natural resource account established in
29 90-6-1001(2).

30 (8) After the allocations are made under subsections (2) through (7), \$250,000 for the fiscal year must

1 be credited to the coal and uranium mine permitting and reclamation program account established in 82-4-244.

2 (9) (a) After the allocations are made under subsections (2) through (8), \$550,000 for the fiscal year must
3 be credited to the department of commerce and is statutorily appropriated, as provided in 17-7-502, on July 1
4 each year for coal train payments to counties.

5 (b) The coal train payment for each county is proportional to the number of coal trains that pass through
6 the county on an annual basis. The department of commerce must calculate the payment after the completion
7 of each fiscal year and make the payment to the counties by July 30 of each year.

8 ~~(9)(10)~~ (a) Subject to subsection ~~(9)(b)~~ (10)(b), all other revenue from severance taxes collected under
9 the provisions of this chapter must be credited to the general fund of the state and is statutorily appropriated, as
10 provided in 17-7-502, on July 1 each year to the trust fund for the public employees' retirement system defined
11 benefit plan pursuant to 19-3-103.

12 (b) Except as provided in subsection ~~(9)(c)~~ (10)(c), up to \$24 million of the interest income from the coal
13 severance tax permanent fund that is deposited in the general fund is statutorily appropriated, as provided in
14 17-7-502, on July 1 each year to the public employees' retirement system defined benefit plan trust fund.

15 (c) If the legislative finance committee determines that the public employees' retirement board has failed
16 to provide a sufficient report pursuant to 19-3-117, it shall recommend that \$5 million be subtracted from the
17 amount allocated in subsection ~~(9)(b)~~ (10)(b) subject to legislative approval."

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19 NEW SECTION. Section 2. Effective date. [This act] is effective July 1, 2015.

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