

1 HOUSE BILL NO. 188
2 INTRODUCED BY G. PARRY, F. ANDERSON, N. NICOL, K. REGIER, J. SMALL, B. USHER, P. GREEN, G.
3 KMETZ
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT MODIFYING FUNDING TO THE COAL BOARD; AMENDING
6 SECTION 15-35-108, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
9

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

11 **"15-35-108. (Temporary) Disposal of severance taxes.** Severance taxes collected under this
12 chapter must, in accordance with the provisions of 17-2-124, be allocated as follows:

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

16 (2) The amount of 12% of coal severance tax collections is allocated to the major repair long-range
17 building program account established in 17-7-221.

18 (3) The amount of 0.90% in fiscal year 2020 and 0.93% in fiscal year 2021 and in each fiscal year
19 thereafter must be allocated for provision of basic library services for the residents of all counties through library
20 federations and for payment of the costs of participating in regional and national networking and must be
21 deposited in the basic library services account established in 22-1-202.

22 (4) The amount of 3.77% in fiscal year 2020 and 3.71% in fiscal year 2021 and in each fiscal year
23 thereafter must be allocated to the department of natural resources and conservation for conservation districts
24 and deposited in the conservation district account established in 76-15-106.

25 (5) The amount of 0.79% in fiscal year 2020 and 0.82% in fiscal year 2021 and in each fiscal year
26 thereafter must be allocated to the Montana Growth Through Agriculture Act and deposited in the growth
27 through agriculture account established in 90-9-104.

28 (6) The amount of 1.27% must be allocated to a permanent fund account for the purpose of parks

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1 acquisition or management. Income from this permanent fund account, excluding unrealized gains and losses,
2 must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas
3 described in 23-1-102.

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

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

10 (9) The amount of 5.8% through June 30, ~~2023~~ ~~2027~~ ~~2033~~ 2031, and beginning July 1, ~~2023~~ ~~2027~~
11 2033 2031, the amount of 2.9% must be credited to the coal natural resource account established in 90-6-
12 1001(2).

13 (10) After the allocations are made under subsections (2) through (9), \$250,000 for the fiscal year
14 must be credited to the coal and uranium mine permitting and reclamation program account established in 82-
15 4-244.

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

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

20 (i) to the department of agriculture:

21 (A) \$65,000 for the cooperative development center;

22 (B) \$900,000 for the growth through agriculture program provided for in Title 90, chapter 9;

23 (C) \$600,000 for the Montana food and agricultural development program provided for in Title 80,
24 chapter 11;

25 (ii) to the department of commerce:

26 (A) \$325,000 for a small business development center;

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

28 (C) \$625,000 for certified regional development corporations;

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1 (D) \$500,000 for the Montana manufacturing extension center at Montana state university-
2 Bozeman; and

3 (E) \$300,000 for export trade enhancement. (Terminates June 30, 2027--secs. 13, 15, 18, Ch. 343,
4 L. 2019.)

5 **15-35-108. (Effective July 1, 2027) 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
8 Article IX, section 5, of the Montana constitution. The trust fund money must be deposited in the fund
9 established under 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 major repair long-range
11 building program account established in 17-7-221.

12 (3) The amount of 0.90% in fiscal year 2020 and 0.93% in fiscal year 2021 and in each fiscal year
13 thereafter must be allocated for provision of basic library services for the residents of all counties through library
14 federations and for payment of the costs of participating in regional and national networking and must be
15 deposited in the basic library services account established in 22-1-202.

16 (4) The amount of 3.77% in fiscal year 2020 and 3.71% in fiscal year 2021 and in each fiscal year
17 thereafter must be allocated to the department of natural resources and conservation for conservation districts
18 and deposited in the conservation district account established in 76-15-106.

19 (5) The amount of 0.79% in fiscal year 2020 and 0.82% in fiscal year 2021 and in each fiscal year
20 thereafter must be allocated to the Montana Growth Through Agriculture Act and deposited in the growth
21 through agriculture account established in 90-9-104.

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

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

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

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1 art 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 (9) The amount of 5.8% THROUGH JUNE 30, 2033 2031, AND BEGINNING JULY 1, 2033 2031, THE
5 AMOUNT OF 2.9% must be credited to the coal natural resource account established in 90-6-1001(2).

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

9 (11) 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 on passage and approval.

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- END -