

HOUSE BILL NO. 967

INTRODUCED BY A. BUCKLEY, S. FITZPATRICK, D. SALOMON, B. BARKER, J. KASSMIER

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A CHILD CARE SUBTRUST IN THE COAL SEVERANCE TAX TRUST FUND; ESTABLISHING A STATE SPECIAL REVENUE ACCOUNT TO RECEIVE MONTHLY INTEREST AND EARNINGS; PROVIDING FOR ELIGIBLE USES OF THE ACCOUNT; REQUIRING AN APPLICATION FEE; AMENDING SECTION 17-5-703, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. Section 1. Child care fund -- state special revenue account -- scholarship and grants. (1) There is a child care state special revenue account to the benefit of the department of public health and human services. Pursuant to 17-5-703, interest and earnings from the child care trust are transferred into the state special revenue account monthly.

(2) Eligible uses of the funds in the account include funding programs within the department that provide scholarships or grants for child care expenses.

(3) Each applicant for a grant or scholarship from the account provided for in this section shall pay a \$5 fee upon submittal of a request for funds.

Section 2. Section 17-5-703, MCA, is amended to read:

"17-5-703. (Temporary) Coal severance tax trust funds. (1) The trust established under Article IX, section 5, of the Montana constitution is composed of the following funds:

- (a) a coal severance tax bond fund into which the constitutionally dedicated receipts from the coal severance tax must be deposited;
- (b) a Montana coal endowment fund;
- (c) a Montana coal endowment regional water system fund;
- (d) a coal severance tax permanent fund;

- 1 (e) a coal severance tax income fund;
- 2 (f) a big sky economic development fund; ~~and~~
- 3 (g) a school facilities fund; and
- 4 (h) a child care fund.

5 (2) (a) The state treasurer shall determine, on July 1 of each year, the amount necessary to meet

6 all principal and interest payments on bonds payable from the coal severance tax bond fund during the next 12

7 months and retain that amount in the coal severance tax bond fund.

8 (b) The amount in the coal severance tax bond fund in excess of the amount required in

9 subsection (2)(a) must be transferred from that fund as provided in subsections (4) and (5).

10 (3) (a) The state treasurer shall monthly transfer from the Montana coal endowment fund to the

11 Montana coal endowment special revenue account the amount of earnings, excluding unrealized gains and

12 losses, required to meet the obligations of the state that are payable from the account in accordance with 90-6-

13 710. Earnings not transferred to the Montana coal endowment special revenue account must be retained in the

14 Montana coal endowment fund.

15 (b) The state treasurer shall monthly transfer from the Montana coal endowment regional water

16 system fund to the Montana coal endowment regional water system special revenue account the amount of

17 earnings, excluding unrealized gains and losses, required to meet the obligations of the state that are payable

18 from the account for regional water systems authorized under 90-6-715. Earnings not transferred to the

19 Montana coal endowment regional water system special revenue account must be retained in the Montana coal

20 endowment regional water system fund.

21 (4) (a) Starting July 1, 2017, the state treasurer shall quarterly transfer to the school facilities fund

22 provided for in 20-9-380(1) 75% of the amount in the coal severance tax bond fund in excess of the amount that

23 is specified in subsection (2) to be retained in the fund. The budget director shall certify to the state treasurer

24 when the balance of the school facilities fund is \$200 million. Beginning with the quarter following this

25 certification, the state treasurer shall instead transfer to the coal severance tax permanent fund 75% of the

26 amount in the coal severance tax bond fund that exceeds the amount that is specified in subsection (2) to be

27 retained in the fund.

28 (b) The state treasurer shall monthly transfer from the school facilities fund to the account

1 established in 20-9-525 the amount of earnings, excluding unrealized gains and losses, required to meet the
 2 obligations of the state that are payable from the account. Earnings not transferred to the account established
 3 in 20-9-525 must be retained in the school facilities fund.

4 (5) (a) From July 1, 2005, through June 30, 2025, the state treasurer shall quarterly transfer to the
 5 big sky economic development fund 25% of the amount in the coal severance tax bond fund in excess of the
 6 amount that is specified in subsection (2) to be retained in the fund.

7 (b) The state treasurer shall monthly transfer from the big sky economic development fund to the
 8 economic development special revenue account, provided for in 90-1-205, the amount of earnings, excluding
 9 unrealized gains and losses, required to meet the obligations of the state that are payable from the account in
 10 accordance with 90-1-204. Earnings not transferred to the economic development special revenue account
 11 must be retained in the big sky economic development fund.

12 (6) (a) By August 15, 2023, the state treasurer shall transfer to the child care fund \$150 million
 13 from the coal severance tax permanent fund.

14 (b) The state treasurer shall monthly transfer from the child care fund to the account established in
 15 [section 1] the amount of earnings, excluding unrealized gains and losses, that are payable from the account.
 16 Earnings not transferred to the account established in [section 1] must be retained in the child care fund.

17 ~~(6)(7)~~ Any amount in the coal severance tax bond fund in excess of the amount that is specified in
 18 subsection (2)(a) to be retained in the fund and that is not otherwise allocated under this section must be
 19 deposited in the coal severance tax permanent fund. (Terminates June 30, 2031--secs. 1 through 3, Ch. 305, L.
 20 2015.)

21 **17-5-703. (Effective July 1, 2031) Coal severance tax trust funds.** (1) The trust established under
 22 Article IX, section 5, of the Montana constitution is composed of the following funds:

23 (a) a coal severance tax bond fund into which the constitutionally dedicated receipts from the coal
 24 severance tax must be deposited;

25 (b) a Montana coal endowment fund;

26 (c) a coal severance tax permanent fund;

27 (d) a coal severance tax income fund;

28 (e) a big sky economic development fund; ~~and~~

1 (f) a school facilities fund; and

2 (g) a child care fund.

3 (2) (a) The state treasurer shall determine, on July 1 of each year, the amount necessary to meet
4 all principal and interest payments on bonds payable from the coal severance tax bond fund during the next 12
5 months and retain that amount in the coal severance tax bond fund.

6 (b) The amount in the coal severance tax bond fund in excess of the amount required in
7 subsection (2)(a) must be transferred from that fund as provided in subsections (4) and (5).

8 (3) The state treasurer shall monthly transfer from the Montana coal endowment fund to the
9 Montana coal endowment special revenue account the amount of earnings, excluding unrealized gains and
10 losses, required to meet the obligations of the state that are payable from the account in accordance with 90-6-
11 710. Earnings not transferred to the Montana coal endowment special revenue account must be retained in the
12 Montana coal endowment fund.

13 (4) (a) Starting July 1, 2017, the state treasurer shall quarterly transfer to the school facilities fund
14 provided for in 20-9-380(1) 75% of the amount in the coal severance tax bond fund in excess of the amount that
15 is specified in subsection (2) to be retained in the fund. The budget director shall certify to the state treasurer
16 when the balance of the school facilities fund is \$200 million. Beginning with the quarter following this
17 certification, the state treasurer shall instead transfer to the coal severance tax permanent fund 75% of the
18 amount in the coal severance tax bond fund that exceeds the amount that is specified in subsection (2) to be
19 retained in the fund.

20 (b) The state treasurer shall monthly transfer from the school facilities fund to the account
21 established in 20-9-525 the amount of earnings, excluding unrealized gains and losses, required to meet the
22 obligations of the state that are payable from the account. Earnings not transferred to the account established
23 in 20-9-525 must be retained in the school facilities fund.

24 (5) (a) From July 1, 2005, through June 30, 2025, the state treasurer shall quarterly transfer to the
25 big sky economic development fund 25% of the amount in the coal severance tax bond fund in excess of the
26 amount that is specified in subsection (2) to be retained in the fund.

27 (b) The state treasurer shall monthly transfer from the big sky economic development fund to the
28 economic development special revenue account, provided for in 90-1-205, the amount of earnings, excluding

1 unrealized gains and losses, required to meet the obligations of the state that are payable from the account in
2 accordance with 90-1-204. Earnings not transferred to the economic development special revenue account
3 must be retained in the big sky economic development fund.

4 (6) The state treasurer shall monthly transfer from the child care fund to the account established in
5 [section 1] the amount of earnings, excluding unrealized gains and losses, that are payable from the account.

6 ~~(6)(7)~~ Any amount in the coal severance tax bond fund in excess of the amount that is specified in
7 subsection (2)(a) to be retained in the fund and that is not otherwise allocated under this section must be
8 deposited in the coal severance tax permanent fund."

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10 NEW SECTION. Section 3. Codification instruction. [Section 1] is intended to be codified as an
11 integral part of Title 52, chapter 2, part 7, and the provisions of Title 52, chapter 2, part 7, apply to [section 1].

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13 NEW SECTION. Section 4. Effective date. [This act] is effective July 1, 2023.

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