

SENATE BILL NO. 88

INTRODUCED BY J. SESSO

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING THE BUILD MONTANA TRUST FUND WITHIN THE COAL SEVERANCE TAX TRUST; PROVIDING FOR TRANSFERS TO THE BUILD MONTANA TRUST FUND; ELIMINATING TRANSFERS TO AND FROM OTHER FUNDS WITHIN THE COAL SEVERANCE TAX TRUST; AMENDING SECTION 17-5-703, MCA; REPEALING SECTION 1, CHAPTER 305, LAWS OF 2015, SECTION 2, CHAPTER 305, LAWS OF 2015, SECTION 3, CHAPTER 305, LAWS OF 2015, SECTION 8, CHAPTER 390, LAWS OF 2013, SECTION 9, CHAPTER 390, LAWS OF 2013, SECTION 10, CHAPTER 390, LAWS OF 2013, SECTION 15, CHAPTER 389, LAWS OF 2011, SECTION 16, CHAPTER 389, LAWS OF 2011, SECTION 1, CHAPTER 70, LAWS OF 2001, AND SECTION 6, CHAPTER 495, LAWS OF 1999; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. 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 treasure state endowment fund;

(c) a treasure state endowment regional water system fund;

(d) a coal severance tax permanent fund;

(e) a coal severance tax income fund; ~~and~~

(f) a big sky economic development fund; and

(g) a build Montana trust fund.

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

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

(2)(a) must be transferred from that fund as provided in subsections (3) and (4).

~~———— (3) (a) Until June 30, 2016, the state treasurer shall quarterly transfer to the treasure state endowment fund 50% of the amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund.~~

~~———— (b) Until June 30, 2016, the state treasurer shall quarterly transfer to the treasure state endowment regional water system fund 25% of the amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund.~~

~~———— (c) The state treasurer shall monthly transfer from the treasure state endowment fund to the treasure state endowment special revenue account the amount of earnings, excluding unrealized gains and losses, required to meet the obligations of the state that are payable from the account in accordance with 90-6-710. Earnings not transferred to the treasure state endowment special revenue account must be retained in the treasure state endowment fund.~~

~~———— (d) The state treasurer shall monthly transfer from the treasure state endowment regional water system fund to the treasure state endowment regional water system special revenue account the amount of earnings, excluding unrealized gains and losses, required to meet the obligations of the state that are payable from the account for regional water systems authorized under 90-6-715. Earnings not transferred to the treasure state endowment regional water system special revenue account must be retained in the treasure state endowment regional water system fund.~~

(3) (a) The state treasurer shall quarterly transfer to the build Montana trust fund 75% of the amount in the coal severance tax bond fund in excess of that amount that is specified in subsection (2) to be retained in the fund.

(b) All amounts deposited in the build Montana trust fund and earnings thereon must be retained in the build Montana trust fund until the date on which the balance of the build Montana trust fund is equal to or greater than \$50 million.

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

(b) The state treasurer shall monthly transfer from the big sky economic development fund to the economic development special revenue account, provided for in 90-1-205, the amount of earnings, excluding unrealized gains and losses, required to meet the obligations of the state that are payable from the account in

accordance with 90-1-204. Earnings not transferred to the economic development special revenue account must be retained in the big sky economic development fund.

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

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

(7) The state treasurer shall monthly transfer from the treasure state endowment regional water system fund to the treasure state endowment regional water system special revenue account the amount of earnings, excluding unrealized gains and losses, required to meet the obligations of the state that are payable from the account for regional water systems authorized under 90-6-715. Earnings not transferred to the treasure state endowment regional water system special revenue account must be retained in the treasure state endowment regional water system fund. (Terminates June 30, 2031--secs. 1 through 3, Ch. 305, L. 2015.)

~~17-5-703. (Effective July 1, 2031) 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 treasure state endowment fund;~~

~~—— (c) a coal severance tax permanent fund;~~

~~—— (d) a coal severance tax income fund; and~~

~~—— (e) a big sky economic development fund.~~

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

~~—— (b) The amount in the coal severance tax bond fund in excess of the amount required in subsection (2)(a) must be transferred from that fund as provided in subsections (3) and (4).~~

~~—— (3) (a) Until June 30, 2016, the state treasurer shall quarterly transfer to the treasure state endowment~~

fund 50% of the amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund.

~~———— (b) The state treasurer shall monthly transfer from the treasure state endowment fund to the treasure state endowment special revenue account the amount of earnings, excluding unrealized gains and losses, required to meet the obligations of the state that are payable from the account in accordance with 90-6-710. Earnings not transferred to the treasure state endowment special revenue account must be retained in the treasure state endowment fund.~~

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

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

~~———— (5) Any amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2)(a) to be retained in the fund and that is not otherwise allocated under this section must be deposited in the coal severance tax permanent fund."~~

NEW SECTION. Section 2. Repealer. Section 1, Chapter 305, Laws of 2015, section 2, Chapter 305, Laws of 2015, section 3, Chapter 305, Laws of 2015, section 8, Chapter 390, Laws of 2013, section 9, Chapter 390, Laws of 2013, section 10, Chapter 390, Laws of 2013, section 15, Chapter 389, Laws of 2011, section 16, Chapter 389, Laws of 2011, section 1, Chapter 70, Laws of 2001, and section 6, Chapter 495, Laws of 1999, are repealed.

NEW SECTION. Section 3. Effective date. [This act] is effective July 1, 2017.

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