

SENATE BILL NO. 191

INTRODUCED BY D. ANKNEY

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A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING FOR ESTABLISHMENT OF A COUNTY COAL MINE TRUST RESERVE FUND FOR COUNTY GOVERNMENTS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

WHEREAS, there is a need for counties to be able to prepare for reductions in coal mining and coal-fired electric generation; and

WHEREAS, current Montana statutes do not allow for funds to be set aside for future revenue losses.

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

NEW SECTION. **Section 1. County coal trust fund -- expenditure restrictions.** (1) The governing body of a county receiving funding from coal-related activities may establish a county coal trust fund.

(2) Money received by a county from coal-related activities may be placed in the coal trust fund and may not be appropriated by the governing body until:

(a) a coal mining operation or coal-fired electric generation facility has permanently ceased mining-related or energy production-related activity; or

(b) the number of persons employed full-time in coal mining or coal-fired electric generation activities by the coal mining operation or coal-fired electric generation facility is less than 75% of the average number of persons employed full-time in activities by the operation or facility during the immediately preceding 5-year period.

(3) If the circumstances described in subsection (2)(a) or (2)(b) occur, the governing body of the county may use the remaining funds in the coal trust fund to:

(a) pay for outstanding capital project bonds or other expenses incurred prior to the end of activity or the reduction in the workforce described in subsection (2)(b);

(b) decrease property tax mill levies that are directly caused by the cessation or reduction of activity;

(c) promote diversification and development of the economic base within the jurisdiction of a local government unit through assistance to existing business for retention and expansion or to assist new business;

(d) attract new industry to the impact area;



1 (e) provide cash incentives for expanding the employment base of the area impacted by the changes
2 in activity described in subsection (2); or

3 (f) provide grants or loans to other local government jurisdictions to assist with impacts caused by the
4 changes in activity described in subsection (2).

5 (4) Except as provided in subsection (3)(b), money held in the coal trust fund may not be considered as
6 cash balance for the purpose of reducing mill levies.

7 (5) Money in the coal trust fund must be invested as provided by law. Interest and income from the
8 investment of money in the fund must be credited to the fund.

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10 **NEW SECTION. Section 2. Codification instruction.** [Section 1] is intended to be codified as an
11 integral part of Title 7, chapter 6, and the provisions of Title 7, chapter 6, apply to [section 1].

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13 **NEW SECTION. Section 3. Effective date.** [This act] is effective on passage and approval.

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