

INITIATIVES, REFERENDUMS, AND CONSTITUTIONAL AMENDMENTS

CONSTITUTIONAL AMENDMENT NO. 3

Attorney General's Explanatory Statement

This proposed amendment to the Montana Constitution would add a new section to the Article on Environment and Natural Resources. The amendment would create a trust fund which would be funded by one-fourth ($1/4$) of the money received from the coal severance tax. Beginning in 1980 one-half ($1/2$) of the coal severance tax would be used to fund the trust. Income and interest from the trust could be spent by a majority vote of the legislature. The principal of the trust, which the legislature has termed "permanent", could only be spent by a three-fourths ($3/4$) vote of the legislature.

AN ACT TO SUBMIT TO THE QUALIFIED ELECTORS OF MONTANA AN AMENDMENT TO THE CONSTITUTION TO REQUIRE THE LEGISLATURE TO DEDICATE A PORTION OF THE COAL SEVERANCE TAX TO A PERMANENT TRUST FUND.

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

Section 1. Article IX of the Montana constitution is amended by adding a new section 5 that reads as follows:

Section 5. Severance tax on coal — trust fund. The legislature shall dedicate not less than one-fourth ($1/4$) of the coal severance tax to a trust fund, the interest and income from which may be appropriated. The principal of the trust shall forever remain inviolate unless appropriated by vote of three-fourths ($3/4$) of the members of each house of the legislature. After December 31, 1979, at least fifty percent (50%) of the severance tax shall be dedicated to the trust fund.

For a permanent trust fund from coal taxes.

Against a permanent trust fund from coal taxes.
