

# MONTANA

## BOARD OF INVESTMENTS

## BOARD ADOPTED POLICY

---

POLICY NUMBER: 40.801

EFFECTIVE DATE: June 22, 2023

TITLE: Coal Severance Tax Trust Distributions

SUPERSEDES: November 30, 2021

BOARD ADOPTION: November 30, 2021

REVIEWED: June 22, 2023

---

### I. Introduction

A. The receipts for the Coal Severance Tax Trust Fund are distributed as follows:

1. On July 1<sup>st</sup> each year, the State Treasurer shall determine the amount necessary to meet all principal and interest payments on bonds payable from the Coal Severance Tax Bond Fund during the next twelve (12) months. This amount must be maintained in the Coal Severance Tax Bond Fund.
2. After any required payment to the Coal Severance Tax Bond Fund, twenty-five percent (25%) of tax receipts are deposited in the Big Sky Economic Development Fund.
3. After any required payment to the Coal Severance Tax Bond Fund, ten percent (10%) of tax receipts are deposited in the School Facilities Fund. When the balance of the School Facilities Fund reaches \$300 million, ten percent (10%) of tax receipts will be transferred to the Coal Severance Tax Permanent Fund instead of the School Facilities Fund.
4. After any required payment to the Coal Severance Tax Bond Fund, sixty-five percent (65%) of tax receipts are deposited in the Conservation District Fund. When the balance of the Conservation District Fund reaches \$100 million, sixty-five percent (65%) of tax receipts will be transferred to the Coal Board Fund instead of the Conservation District Fund.

B. Tax receipts can be accessed via the monthly revenue reports on the Department of Revenue's website.

Authority: Montana Constitution, Article VIII, Section 13  
Montana Constitution, Article IX, Section 5  
Section 2-15-1808, MCA  
Section 17-1-113, MCA  
Section 17-5-703, MCA  
Section 17-5-704, MCA  
Sections 17-6-201 through 17-6-205, MCA  
Section 17-6-308, MCA

---

Adopted: November 30, 2021

Revised: June 22, 2023

Reviewed: June 22, 2023