
OFFICE OF GOVERNOR RONNIE MUSGROVE
INTEROFFICE MEMORANDUM

TO: GOVERNOR
FROM: RILEY
SUBJECT: JOE WARREN: OIL AND GAS SEVERANCE TAX FOR 2 YEARS RATHER THAN UNTIL FY 06
DATE 2/7/01
CC: FILE

I met with Chairman Warren this morning to inquire as to his position on appropriating the oil and gas severance taxes to education for only two years compared to until FY 06 as SB 2680 currently provides for. Chairman Warren said that he was hesitant to amend the bill in any manner because school districts need the money as soon as possible. He said that he could support diverting the funds to education for only three years, but again he wants to get the bill through the House as quickly as possible so that districts can receive the estimated \$17 million available in FY 01 funds. He stated that he is afraid an amendment of two years will open the door for trouble and will also result in more time expiring before the schools receive the money.

He said that the HB 400 money has gotten us into the mess we're in and he certainly doesn't want to see the severance tax used for recurring expenses. He said that he would be the first member to introduce legislation in two or three years to stop the diversion to education if fiscal conditions are better.

Please advise as to action you wish for me to take on this matter.