

EXHIBIT 5
DATE 3.16.05
HB 758

Amendments to House Bill No. 758
1st Reading Copy

Requested by Representative Walter McNutt

For the House Taxation Committee

Prepared by Jeff Martin
March 14, 2005 (6:19pm)

1. Title, page 1, line 9, through page 1, line 12.
Strike: "STATUTORILY" on line 9 through "COUNTY;" on line 12

2. Title, page 1, line 14.
Following: "15-36-304,"
Strike: "17-7-502,"
Insert: "15-36-332,"
Strike: "IMMEDIATE"

3. Page 1, lines 19 and 20.
Strike: "The oil" on line 19
Insert: "Oil"
Following: "account" on line 19
Strike: remainder of line 19 through "appropriation" on line 20

4. Page 1, line 20.
Strike: "(1)"

5. Title, page 1, line 22.
Strike: "Interest" through "account."

6. Page 1, line 23 through line 24.
Strike: subsection (2) in its entirety

7. Page 1, line 26 through page 2, line 4.
Strike: section 2 in its entirety
Renumber: subsequent sections

8. Page 11.
Following: line 18
Insert: "Section 5. Section 15-36-332, MCA, is amended to read:
"15-36-332. Distribution of taxes to taxing units --
appropriation. (1) (a) By the dates referred to in subsection

(6), the department shall distribute oil and natural gas production taxes allocated under 15-36-331(3) to each eligible county.

(b) By the dates referred to in subsection (6), the department shall distribute the amount deposited in the oil, gas, and coal natural resource account under 15-36-331(2)(b) as provided in subsection (8).

(2) (a) Each county treasurer shall distribute the amount of oil and natural gas production taxes designated under subsection (1), including the amounts referred to in subsection (2)(b), to the countywide elementary and high school retirement funds, countywide transportation funds, and eligible school districts according to the following schedule:

	Elementary Retirement	High School Retirement	Countywide Transportation	School Districts
Big Horn	14.81%	10.36%	2.99%	26.99%
Blaine	5.86%	2.31%	2.71%	24.73%
Carbon	3.6%	6.62%	1.31%	49.18%
Chouteau	8.1%	4.32%	3.11%	23.79%
Custer	6.9%	3.4%	1.19%	31.25%
Daniels	0	7.77%	3.92%	48.48%
Dawson	5.53%	2.5%	1.11%	35.6%
Fallon	0	7.63%	1.24%	42.58%
Fergus	7.88%	4.84%	2.08%	53.25%
Garfield	4.04%	3.13%	5.29%	26.19%
Glacier	11.2%	4.87%	3.01%	46.11%
Golden Valley	0	11.52%	2.77%	54.65%
Hill	6.7%	4.07%	1.59%	49.87%
Liberty	4.9%	4.56%	1.15%	35.22%
McCone	4.18%	3.19%	2.58%	43.21%
Musselshell	5.98%	4.07%	3.53%	32.17%
Petroleum	0	11.92%	4.59%	55.48%
Phillips	0.43%	6.6%	1.08%	41.29%
Pondera	6.96%	5.06%	1.94%	45.17%
Powder River	3.96%	2.97%	4.57%	22.25%
Prairie	0	8.88%	1.63%	36.9%
Richland	4.1%	3.92%	2.26%	43.77%
Roosevelt	9.93%	7.37%	2.74%	40.94%
Rosebud	3.87%	2.24%	1.05%	72.97%
Sheridan	0	3.39%	2.22%	47.63%
Stillwater	6.87%	4.86%	1.63%	41.16%
Sweet Grass	6.12%	6.5%	2.4%	37.22%
Teton	6.88%	8.19%	3.8%	29.43%
Toole	2.78%	4.78%	1.3%	43.56%
Valley	2.26%	12.61%	4.63%	41.11%
Wibaux	0	4.1%	0.77%	31.46%
Yellowstone	7.98%	4.56%	1.07%	52.77%
All other counties	3.81%	7.84%	1.81%	41.04%

(b) (i) The county treasurer shall distribute 9.8% of the Custer County share to the countywide community college district

in Custer County.

(ii) The county treasurer shall distribute 14.5% of the Dawson County share to the countywide community college district in Dawson County.

(3) The remaining oil and natural gas production taxes for each county must be used for the exclusive use and benefit of the county, including districts within the county established by the county.

(4) (a) The county treasurer shall distribute oil and natural gas production taxes to school districts in each county referred to in subsection (2) as provided in subsections (4) (b) through (4) (d).

(b) The amount distributed to each K-12 district within the county is equal to oil and natural gas production taxes in the county multiplied by the ratio that oil and natural gas production taxes attributable to oil and natural gas production in the K-12 school district bear to total oil and natural gas production taxes attributable to total oil and natural gas production in the county and multiply that amount by the school district percentage figure for the county referred to in subsection (2) (a).

(c) For the amount to be distributed to each elementary school district and to each high school district under subsection (4) (d), the department shall first determine the amount of oil and natural gas taxes in the high school district that is attributable to oil and natural gas production in each elementary school district that is located in whole or in part within the exterior boundaries of a high school district and multiply that amount by the school district percentage figure for the county referred to in subsection (2) (a).

(d) (i) The amount distributed to each elementary school district that is located in whole or in part within the exterior boundaries of a high school district is equal to the amount determined in subsection (4) (c) multiplied by the ratio that the total mills of the elementary school district bear to the sum of the total mills of the elementary school district and the total mills of the high school district.

(ii) The amount distributed to the high school district is equal to the amount determined in subsection (4) (c) multiplied by the ratio that the total mills of the high school district bear to the sum of the total mills of each elementary school district referred to in subsection (4) (c) and the total mills of the high school district.

(5) (a) Oil and natural gas production taxes calculated for each school district under subsections (4) (b) through (4) (d) must be distributed to each school district in the relative proportion of the mill levy for each fund.

(b) If a distribution under subsection (5) (a) exceeds the total budget for a school district fund, the board of trustees of an elementary or high school district may reallocate the excess

to any budgeted fund of the school district.

(6) The department shall remit the amounts to be distributed in this section to the county treasurer by the following dates:

(a) On or before August 1 of each year, the department shall remit to the county treasurer oil and natural gas production tax payments received for the calendar quarter ending March 31 of the current year.

(b) On or before November 1 of each year, the department shall remit to the county treasurer oil and natural gas production tax payments received for the calendar quarter ending June 30 of the current year.

(c) On or before February 1 of each year, the department shall remit to the county treasurer oil and natural gas production tax payments received for the calendar quarter ending September 30 of the previous year.

(d) On or before May 1 of each year, the department shall remit to the county treasurer oil and natural gas production tax payments received for the calendar quarter ending December 31 of the previous year.

(7) The department shall provide to each county by May 31 of each year the amount of gross taxable value represented by all types of production taxed under 15-36-304 for the previous calendar year multiplied by 60%. The resulting value must be treated as taxable value for county classification purposes under 7-1-2111.

(8) The department shall distribute the funds received under 15-36-331(2)(b) to counties based on county oil and gas production. Of the distribution to a county, one-third must be distributed to the county government and two-thirds must be distributed to incorporated cities and towns within the county. If there is more than one incorporated city or town within the county, the city and town allocation must be distributed to the cities and towns based on their relative populations.

~~(8)~~(9) The distribution distributions to taxing units and to counties and incorporated cities and towns under this section is are statutorily appropriated, as provided in 17-7-502, from the state special revenue fund."

{ Internal References to 15-36-332:

7-1-2111 x	15-36-304 x	15-36-314 x	15-36-315x
15-36-315 x	15-36-315 x	15-36-315 x	15-36-331x
15-36-331 x	17-7-502x}		

9. Page 11, line 20 through page 12, line 20.

Strike: section 6 in its entirety

Insert: "NEW SECTION. Section 6. Notification to tribal governments. The secretary of state shall send a copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell band of Chippewa."

10. Page 12, line 22.

Strike: "Sections"

Insert: "Section"

Strike: "and 2"

Strike: "are"

Insert: "is"

11. Page 12, line 23.

Strike: "sections"

Strike: "section"

Strike: "and 2"

12. Page 12.

Following: line 24

Insert: "COORDINATION SECTION. Section 8. Coordination instruction. If House Bill No. 482 and [this act] are passed and approved, then:

(1) the percentage figure referred to in each version of 15-35-108(3) in House Bill No. 482 and [this act] must be 5.46%; and

(2) the percentage figure referred to in each version of 15-35-108 allocating money to the oil, gas, and coal natural resource account must be 2.9%."

13. Page 12, line 25.

Strike: "on passage and approval"

Insert: "July 1, 2005"

14. Page 12, line 27.

Strike: "tax years beginning after"

Insert: "oil and gas production occurring after"

- END -