

SENATE BILL NO. 493

INTRODUCED BY S. KITZENBERG

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A STATE SPECIAL REVENUE ACCOUNT TO BE USED FOR FUNDING THE FOUR-LANE HIGHWAY ALONG U.S. HIGHWAY 2; ALLOCATING CERTAIN OIL AND GAS REVENUE TO THE STATE SPECIAL REVENUE ACCOUNT; AND AMENDING SECTIONS 15-36-331 AND 60-2-133, MCA."

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

Section 1. Section 15-36-331, MCA, is amended to read:

"15-36-331. Distribution of taxes. (1) (a) For each calendar quarter, the department shall determine the amount of tax, late payment interest, and penalties collected under this part.

(b) For the purposes of distribution of oil and natural gas production taxes to county and school district taxing units under 15-36-332 and to the state, the department shall determine the amount of oil and natural gas production taxes paid on production in the taxing unit.

(2) (a) The amount of oil and natural gas production taxes collected for the privilege and license tax pursuant to 82-11-131 must be deposited, in accordance with the provisions of 15-1-501, in the state special revenue fund for the purpose of paying expenses of the board, as provided in 82-11-135.

(b) The amount of the tax for the oil, gas, and coal natural resource account established in 90-6-1001 must be deposited in the account.

(3) (a) For each tax year, the amount of oil and natural gas production taxes determined under subsection (1)(b) is allocated to each county according to the following schedule:

	2005	2006 and
		succeeding
		tax years
Big Horn	45.04%	45.05%
Blaine	58.11%	58.39%
Carbon	48.93%	48.27%
Chouteau	57.65%	58.14%

1	Custer	80.9%	69.53%
2	Daniels	49.98%	50.81%
3	Dawson	50.64%	47.79%
4	Fallon	41.15%	41.78%
5	Fergus	83.52%	69.18%
6	Garfield	48.81%	45.96%
7	Glacier	64.74%	58.83%
8	Golden Valley	57.41%	58.37%
9	Hill	65.33%	64.51%
10	Liberty	59.73%	57.94%
11	McCone	52.86%	49.92%
12	Musselshell	51.44%	48.64%
13	Petroleum	54.62%	48.04%
14	Phillips	53.78%	54.02%
15	Pondera	70.89%	54.26%
16	Powder River	62.17%	60.9%
17	Prairie	39.73%	40.38%
18	Richland	46.72%	47.47%
19	Roosevelt	46.06%	45.71%
20	Rosebud	38.69%	39.33%
21	Sheridan	47.54%	47.99%
22	Stillwater	54.35%	53.51%
23	Sweet Grass	60.24%	61.24%
24	Teton	48.4%	46.1%
25	Toole	57.14%	57.61%
26	Valley	54.22%	51.43%
27	Wibaux	48.68%	49.16%
28	Yellowstone	48.06%	46.74%
29	All other counties	50.15%	50.15%

30 (b) The oil and natural gas production taxes allocated to each county must be deposited in the state

special revenue fund and transferred to each county for distribution, as provided in 15-36-332.

(4) The department shall, in accordance with the provisions of 15-1-501, distribute the state portion of oil and natural gas production taxes remaining after the distributions pursuant to subsections (2) and (3) as follows:

(a) for each fiscal year through the fiscal year ending June 30, 2011, to be distributed as follows:

(i) 1.23% to the coal bed methane protection account established in 76-15-904;

(ii) 2.95% to the reclamation and development grants special revenue account established in 90-2-1104;

(iii) 2.95% to the orphan share account established in 75-10-743;

(iv) 2.65% to the state special revenue fund to be appropriated to the Montana university system for the purposes of the state tax levy as provided in 20-25-423; and

(v) (A) except as provided in subsection (4)(a)(v)(B), all remaining proceeds to the state general fund;

(B) beginning July 1, 2009, through June 30, 2026:

(I) if the price per barrel of oil, calculated pursuant to 15-36-305, exceeds \$50 during a calendar quarter, then the state portion of the revenue is allocated to the state special revenue account provided for in 60-2-133;
and

(II) if the price per million cubic feet of natural gas, calculated pursuant to 15-36-305, exceeds \$6 during a calendar quarter, then the state portion of the revenue is allocated to the state special revenue account provided for in 60-2-133;

(b) for fiscal years beginning after June 30, 2011, to be distributed as follows:

(i) 4.18% to the reclamation and development grants special revenue account established in 90-2-1104;

(ii) 2.95% to the orphan share account established in 75-10-743;

(iii) 2.65% to the state special revenue fund to be appropriated to the Montana university system for the purposes of the state tax levy as provided in 20-25-423; and

(iv) (A) except as provided in subsection (4)(a)(v)(B), all remaining proceeds to the state general fund;

(B) through June 30, 2026:

(I) if the price per barrel of oil, calculated pursuant to 15-36-305, exceeds \$50 during a calendar quarter, then the state portion of the revenue is allocated to the state special revenue account provided for in 60-2-133;
and

(II) if the price per million cubic feet of natural gas, calculated pursuant to 15-36-305, exceeds \$6 during a calendar quarter, then the state portion of the revenue is allocated to the state special revenue account

1 provided for in 60-2-133."

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3 **Section 2.** Section 60-2-133, MCA, is amended to read:

4 **"60-2-133. U.S. highway 2 -- planning -- funding -- special revenue account.** (1) The commission
5 shall direct the department to construct a four-lane highway generally along the present route of U.S. highway
6 2 from the North Dakota border to the Idaho border in order to increase tourism and to bring economic
7 development to Montana. Planning for the U.S. highway 2 project must be included in any future fiscal plan
8 developed by the department.

9 (2) The department ~~shall~~ may seek additional federal funding that does not require a state funding match
10 for the U.S. highway 2 project.

11 ~~(3) The department may not expend any resources on the U.S. highway 2 project that would jeopardize~~
12 ~~any future highway projects.~~

13 (3) (a) There is a highway 2 account in the state special revenue fund. Money must be deposited in the
14 account pursuant to 15-36-331. Money in the account must be used for the project described in subsection (1).

15 (b) The initial phase of the project must be the completion of a four-lane highway between Culbertson,
16 Montana, and the North Dakota border."

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