

HOUSE BILL NO. 586

INTRODUCED BY B. BECK

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A BILL FOR AN ACT ENTITLED: "AN ACT DEPOSITING A PORTION OF OIL AND NATURAL GAS PRODUCTION TAXES INTO THE OLDER MONTANANS TRUST FUND; AMENDING SECTIONS 15-36-331 AND 52-3-115, MCA; AND PROVIDING AN EFFECTIVE DATE."

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 17-2-124, 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:

Big Horn	45.05%
Blaine	58.39%
Carbon	48.27%
Chouteau	58.14%
Custer	69.53%
Daniels	50.81%
Dawson	47.79%
Fallon	41.78%



1	Fergus	69.18%
2	Garfield	45.96%
3	Glacier	58.83%
4	Golden Valley	58.37%
5	Hill	64.51%
6	Liberty	57.94%
7	McCone	49.92%
8	Musselshell	48.64%
9	Petroleum	48.04%
10	Phillips	54.02%
11	Pondera	54.26%
12	Powder River	60.9%
13	Prairie	40.38%
14	Richland	47.47%
15	Roosevelt	45.71%
16	Rosebud	39.33%
17	Sheridan	47.99%
18	Stillwater	53.51%
19	Sweet Grass	61.24%
20	Teton	46.1%
21	Toole	57.61%
22	Valley	51.43%
23	Wibaux	49.16%
24	Yellowstone	46.74%
25	All other counties	50.15%

26 (b) The oil and natural gas production taxes allocated to each county must be deposited in the state  
 27 special revenue fund and transferred to each county for distribution, as provided in 15-36-332.

28 (4) The department shall, in accordance with the provisions of 17-2-124, distribute the state portion of  
 29 oil and natural gas production taxes remaining after the distributions pursuant to subsections (2) and (3) as  
 30 follows:

- 1 (a) for each fiscal year through the fiscal year ending June 30, 2011, to be distributed as follows:
- 2 (i) 1.23% to the coal bed methane protection account established in 76-15-904;
- 3 (ii) 1.45% to the natural resources projects state special revenue account established in 15-38-302;
- 4 (iii) 1.45% to the natural resources operations state special revenue account established in 15-38-301;
- 5 (iv) 2.99% to the orphan share account established in 75-10-743;
- 6 (v) 2.65% to the state special revenue fund to be appropriated to the Montana university system for the
- 7 purposes of the state tax levy as provided in 20-25-423; ~~and~~
- 8 (vi) 0.5% to the older Montanans trust fund provided for in 52-3-115; and
- 9 ~~(vii)~~(vii) all remaining proceeds to the state general fund;
- 10 (b) for fiscal years beginning after June 30, 2011, to be distributed as follows:
- 11 (i) 2.16% to the natural resources projects state special revenue account established in 15-38-302;
- 12 (ii) 2.02% to the natural resources operations state special revenue account established in 15-38-301;
- 13 (iii) 2.95% to the orphan share account established in 75-10-743;
- 14 (iv) 2.65% to the state special revenue fund to be appropriated to the Montana university system for the
- 15 purposes of the state tax levy as provided in 20-25-423; ~~and~~
- 16 (v) 0.5% to the older Montanans trust fund provided for in 52-3-115; and
- 17 ~~(vi)~~(vi) all remaining proceeds to the state general fund."

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19 **Section 2.** Section 52-3-115, MCA, is amended to read:

20 **"52-3-115. Older Montanans trust fund.** (1) There is an older Montanans trust fund within the

21 permanent fund type that is made up of proceeds from the oil and natural gas production taxes as provided in

22 15-36-331 and any other money allocated by the legislature or obtained pursuant to subsection (3) of this section.

23 The trust fund is subject to legislative appropriation as provided in this section.

24 (2) The money in the fund may be used to create new, innovative services or to expand existing services

25 for the benefit of Montana residents 60 years of age or older that will enable those Montanans to live an

26 independent lifestyle in the least restrictive setting and will promote the dignity of and respect for those

27 Montanans. The interest and income produced by the trust fund and appropriated to the department by the

28 legislature is intended to increase services referred to in this subsection and not to supplant other sources of

29 revenue for those programs in the trended traditional level, as used in 53-6-1201, of appropriations for those

30 services.

1           (3) The department may accept contributions and gifts for the trust fund in money or other forms, and  
2 when accepted, the contributions and gifts must be deposited in the trust fund.

3           (4) Interest and income earned on money in the trust fund must be retained within the fund except as  
4 provided in this section. Until the year 2015, if assets in the fund reach the following amounts, money may be  
5 appropriated by the legislature and used in the following amounts for the programs specified in subsection (2):

6           (a) When the fund balance reaches \$20 million, 50% of the interest earned may be appropriated.

7           (b) When the fund balance reaches \$50 million, 60% of the interest earned may be appropriated.

8           (c) When the fund balance reaches \$100 million, 80% of the interest earned may be appropriated.

9           (5) On and after January 1, 2015, 90% of the interest earned on the trust fund may be appropriated for  
10 the programs specified in subsection (2).

11           (6) The department shall provide to the legislature a biennial report of the expenditures of the money  
12 appropriated from the older Montanans trust fund as provided in 5-11-210."

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14           NEW SECTION. **Section 3. Effective date.** [This act] is effective July 1, 2009.

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