

SENATE BILL NO. 12

INTRODUCED BY D. SALOMON

BY REQUEST OF THE EDUCATION INTERIM COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING LAWS RELATED TO OIL AND NATURAL GAS PRODUCTION TAXES AND SCHOOL FUNDING; REPEALING A TERMINATION DATE AND UNNECESSARY ACCOUNTS; PROVIDING AN APPROPRIATION; REPEALING SECTION 29, CHAPTER 418, LAWS OF 2011, AND SECTION 38, CHAPTER 400, LAWS OF 2013; ~~AND~~ REPEALING SECTIONS 20-9-517, 20-9-518, AND 20-9-520, MCA; AND PROVIDING EFFECTIVE DATES."

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

NEW SECTION. **Section 1. Repealer.** Section 29, Chapter 418, Laws of 2011, and section 38, Chapter 400, Laws of 2013, are repealed.

NEW SECTION. **Section 2. Repealer.** The following sections of the Montana Code Annotated are repealed:

- 20-9-517. State school oil and natural gas impact account.
- 20-9-518. County school oil and natural gas impact fund.
- 20-9-520. State school oil and natural gas distribution account.

NEW SECTION. SECTION 3. APPROPRIATION. (1) THERE IS APPROPRIATED \$62,073.94 FROM THE STATE SCHOOL OIL AND NATURAL GAS DISTRIBUTION ACCOUNT ESTABLISHED IN 20-9-520 AND \$0.06 FROM THE STATE SCHOOL OIL AND NATURAL GAS IMPACT ACCOUNT ESTABLISHED IN 20-9-517 TO THE DEPARTMENT OF REVENUE FOR THE FISCAL YEAR BEGINNING JULY 1, 2019.

(2) THE DEPARTMENT OF REVENUE SHALL DISTRIBUTE THE MONEY APPROPRIATED IN SUBSECTION (1) ON OR BEFORE AUGUST 1, 2019, TO SCHOOL DISTRICTS THAT RECEIVED DISTRIBUTIONS OF 2016 4TH QUARTER EXCESS OIL AND NATURAL GAS PRODUCTION TAXES IN FISCAL YEAR 2017 AS ZONE 1 AND 2 SCHOOL DISTRICTS UNDER ARM 10.11.101. THE DEPARTMENT SHALL DISTRIBUTE THE MONEY PROPORTIONALLY BASED ON THE FORMULA DISTRIBUTIONS OF 2016 4TH QUARTER EXCESS OIL AND NATURAL GAS PRODUCTION TAX TO ZONE 1 AND 2 SCHOOL DISTRICTS, NOT INCLUDING

1 DISTRIBUTIONS FOR INFRASTRUCTURE GRANTS. THIS MONEY MAY NOT BE COUNTED AGAINST A DISTRICT'S LIMIT OF
 2 RETAINED OIL AND NATURAL GAS PRODUCTION TAXES PURSUANT TO 20-9-310. THE TRUSTEES OF A DISTRICT RECEIVING
 3 A DISTRIBUTION UNDER THIS SECTION MAY DEPOSIT THE MONEY IN ANY BUDGETED FUND OF THE DISTRICT.

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 5 NEW SECTION. SECTION 4. COORDINATION INSTRUCTION. IF SENATE BILL NO. 40 AND [THIS ACT] ARE PASSED
 6 AND APPROVED, THEN [SECTION 3 OF THIS ACT] MUST READ:

7 "(1) THERE IS APPROPRIATED \$45,000 FROM THE STATE SCHOOL OIL AND NATURAL GAS DISTRIBUTION ACCOUNT
 8 ESTABLISHED IN 20-9-520 TO THE OFFICE OF PUBLIC INSTRUCTION FOR THE FISCAL YEAR BEGINNING JULY 1, 2019, FOR
 9 THE PURPOSES OF CREATING THE ELECTRONIC DIRECTORY PHOTOGRAPH REPOSITORY PURSUANT TO SENATE BILL NO.
 10 40.

11 (2) THERE IS APPROPRIATED \$17,073.94 FROM THE STATE SCHOOL OIL AND NATURAL GAS DISTRIBUTION
 12 ACCOUNT ESTABLISHED IN 20-9-520 AND \$0.06 FROM THE STATE SCHOOL OIL AND NATURAL GAS IMPACT ACCOUNT
 13 ESTABLISHED IN 20-9-517 TO THE DEPARTMENT OF REVENUE FOR THE FISCAL YEAR BEGINNING JULY 1, 2019.

14 (3) THE DEPARTMENT OF REVENUE SHALL DISTRIBUTE THE MONEY APPROPRIATED IN SUBSECTION (2) ON OR
 15 BEFORE AUGUST 1, 2019, TO SCHOOL DISTRICTS THAT RECEIVED DISTRIBUTIONS OF 2016 4TH QUARTER EXCESS OIL AND
 16 NATURAL GAS PRODUCTION TAXES IN FISCAL YEAR 2017 AS ZONE 1 AND 2 SCHOOL DISTRICTS UNDER ARM 10.11.101.
 17 THE DEPARTMENT SHALL DISTRIBUTE THE MONEY PROPORTIONALLY BASED ON THE FORMULA DISTRIBUTIONS OF 2016
 18 4TH QUARTER EXCESS OIL AND NATURAL GAS PRODUCTION TAX TO ZONE 1 AND 2 SCHOOL DISTRICTS, NOT INCLUDING
 19 DISTRIBUTIONS FOR INFRASTRUCTURE GRANTS. THIS MONEY MAY NOT BE COUNTED AGAINST A DISTRICT'S LIMIT OF
 20 RETAINED OIL AND NATURAL GAS PRODUCTION TAXES PURSUANT TO 20-9-310. THE TRUSTEES OF A DISTRICT RECEIVING
 21 A DISTRIBUTION UNDER THIS SECTION MAY DEPOSIT THE MONEY IN ANY BUDGETED FUND OF THE DISTRICT."

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 23 NEW SECTION. SECTION 5. EFFECTIVE DATES. (1) EXCEPT AS PROVIDED IN SUBSECTION (2), [THIS ACT] IS
 24 EFFECTIVE OCTOBER 1, 2019.

25 (2) ~~[SECTION 3 SECTIONS 3 AND 4]~~ AND THIS SECTION ARE EFFECTIVE JULY 1, 2019.

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