

HOUSE BILL NO. 469

INTRODUCED BY L. BREWSTER, D. LENZ, S. VINTON, B. PHALEN, K. ZOLNIKOV, M. MALONE, T. SMITH,
L. DEMING, G. KMETZ

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE TAXATION OF HORIZONTALLY RECOMPLETED
WELLS; AMENDING SECTIONS 15-36-303 AND 15-36-304, MCA; AMENDING SECTIONS 12 AND 13,
CHAPTER 559, LAWS OF 2021; REPEALING SECTIONS 3, 4, 5, 8, 9, 10, AND 14, CHAPTER 559, LAWS OF
2021; AND PROVIDING EFFECTIVE DATES."

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

Section 1. Section 15-36-303, MCA, is amended to read:

~~" 15-36-303. (Temporary) Definitions. As used in this part, the following definitions apply:~~

~~(1) "Board" means the board of oil and gas conservation provided for in 2-15-3303.~~

~~(2) "Department" means the department of revenue provided for in 2-15-1301.~~

~~(3) "Enhanced recovery project" means the use of any process for the displacement of oil from the
earth other than primary recovery and includes the use of an immiscible, miscible, chemical, thermal, or
biological process.~~

~~(4) "Existing enhanced recovery project" means an enhanced recovery project that began
development before January 1, 1994.~~

~~(5) "Expanded enhanced recovery project" or "expansion" means the addition of injection wells or
production wells, the recompletion of existing wells as horizontally completed wells, the change of an injection
pattern, or other operating changes to an existing enhanced recovery project that will result in the recovery of
oil that would not otherwise be recovered. The project must be developed after December 31, 1993.~~

~~(6) "Gross taxable value", for the purpose of computing the oil and natural gas production tax, means
the gross value of the product as determined in 15-36-305.~~

~~(7) "Horizontal drain hole" means that portion of a wellbore with 70 degrees to 110 degrees deviation
from the vertical and a horizontal projection within the common source of supply, as that term is defined by the~~

1 board, that exceeds 100 feet.

2 ~~(8) "Horizontally completed well" means:~~

3 ~~(a) a well with one or more horizontal drain holes; or~~

4 ~~(b) any other well classified by the board as a horizontally completed well.~~

5 ~~(9) "Incremental production" means:~~

6 ~~(a) the volume of oil produced by a new enhanced recovery project, by a well in primary recovery~~

7 ~~recompleted as a horizontally completed well, or by an expanded enhanced recovery project, which volume of~~

8 ~~production is in excess of the production decline rate established under the conditions existing before:~~

9 ~~(i) commencing the recompletion of a well as a horizontally completed well;~~

10 ~~(ii) expanding the existing enhanced recovery project; or~~

11 ~~(iii) commencing a new enhanced recovery project; or~~

12 ~~(b) in the case of any project that had no taxable production prior to commencing the enhanced~~

13 ~~recovery project, all production of oil from the enhanced recovery project.~~

14 ~~(10) "Natural gas" or "gas" means natural gas and other fluid hydrocarbons, other than oil, produced at~~
15 ~~the wellhead.~~

16 ~~(11) "New enhanced recovery project" means an enhanced recovery project that began development~~
17 ~~after December 31, 1993.~~

18 ~~(12) "Nonworking interest owner" means any interest owner who does not share in the exploration,~~
19 ~~development, and operation costs of the lease or unit, except for production taxes.~~

20 ~~(13) "Oil" means crude petroleum or mineral oil and other hydrocarbons, regardless of gravity, that are~~
21 ~~produced at the wellhead in liquid form and that are not the result of condensation of gas after it leaves the~~
22 ~~wellhead.~~

23 ~~(14) "Operator" or "producer" means a person who produces oil or natural gas within this state or who~~
24 ~~owns, controls, manages, leases, or operates within this state any well or wells from which any marketable oil~~
25 ~~or natural gas is extracted or produced.~~

26 ~~(15) (a) "Post-1999 stripper well" means an oil well drilled on or after January 1, 1999, that produces~~
27 ~~more than 3 barrels but fewer than 15 barrels a day for the calendar year immediately preceding the current~~
28 ~~year if the average price for a barrel of crude oil reported and received by the producer for Montana oil~~

1 marketed during a calendar quarter is less than \$30. If the price of oil is equal to or greater than \$30 a barrel in
2 a calendar quarter, there is no stripper tax rate in that quarter.

3 ~~(b) The average price for a barrel is computed by dividing the sum of the daily price for a barrel of
4 west Texas intermediate crude oil for the calendar quarter by the number of days on which the price was
5 reported in the quarter.~~

6 ~~(c) Production must be determined by dividing the amount of production from a lease or unitized area
7 for the year immediately preceding the current calendar year by the number of producing wells in the lease or
8 unitized area and then dividing the resulting quotient by 365.~~

9 ~~(16) "Post-1999 well" means an oil or natural gas well drilled on or after January 1, 1999, that
10 produces oil or natural gas or a well that has not produced oil or natural gas during the 5 years immediately
11 preceding the first month of qualifying as a post-1999 well.~~

12 ~~(17) (a) "Pre-1999 stripper well" means an oil well that was drilled before January 1, 1999, that
13 produces more than 3 barrels a day but fewer than 10 barrels a day.~~

14 ~~(b) Production must be determined by dividing the amount of production from a lease or unitized area
15 for the year immediately preceding the current calendar year by the number of producing wells in the lease or
16 unitized area and then dividing the resulting quotient by 365.~~

17 ~~(18) "Pre-1999 well" means an oil or natural gas well that was drilled before January 1, 1999.~~

18 ~~(19) "Primary recovery" means the displacement of oil from the earth into the wellbore by means of the
19 natural pressure of the oil reservoir and includes artificial lift.~~

20 ~~(20) "Production decline rate" means the projected rate of future oil production, extrapolated by a
21 method approved by the board, that must be determined for a project area prior to commencing a new or
22 expanded enhanced recovery project or the recompletion of a well as a horizontally completed well. The
23 approved production decline rate must be certified in writing to the department by the board. In that certification,
24 the board shall identify the project area and shall specify the projected rate of future oil production by calendar
25 year and by calendar quarter within each year. The certified rate of future oil production must be used to
26 determine the volume of incremental production that qualifies for the tax rate imposed under 15-36-304(5)(e).~~

27 ~~(21) (a) "Qualifying production" means the first 12 months of production of oil or natural gas from a
28 well drilled after December 31, 1998, or the first 18 months of production of oil or natural gas from a horizontally~~

1 completed well drilled after December 31, 1998, or from a well that has not produced oil or natural gas during
2 the 5 years immediately preceding the first month of qualifying production.

3 ~~(b) Qualifying production does not include oil production from a horizontally recompleted well.~~

4 ~~(22) "Secondary recovery project" means an enhanced recovery project, other than a tertiary recovery~~
5 ~~project, that commenced or was expanded after December 31, 1993, and meets each of the following~~
6 ~~requirements:~~

7 ~~(a) The project must be certified as a secondary recovery project to the department by the board. The~~
8 ~~certification may be extended only after notice and hearing in accordance with Title 2, chapter 4.~~

9 ~~(b) The property to be affected by the project must be adequately delineated according to the~~
10 ~~specifications required by the board.~~

11 ~~(c) The project must involve the application of secondary recovery methods that can reasonably be~~
12 ~~expected to result in an increase, determined by the board to be significant in light of all the facts and~~
13 ~~circumstances, in the amount of oil that may potentially be recovered. For purposes of this part, secondary~~
14 ~~recovery methods include but are not limited to:~~

15 ~~(i) the injection of water into the producing formation for the purposes of maintaining pressure in that~~
16 ~~formation or for the purpose of increasing the flow of oil from the producing formation to a producing wellbore;~~
17 ~~or~~

18 ~~(ii) any other method approved by the board as a secondary recovery method.~~

19 ~~(23) "Stripper natural gas" means the natural gas produced from any well that produces less than~~
20 ~~60,000 cubic feet of natural gas a day during the calendar year immediately preceding the current year.~~

21 ~~Production must be determined by dividing the amount of production from a lease or unitized area for the year~~
22 ~~immediately preceding the current calendar year by the number of producing wells in the lease or unitized area~~
23 ~~and by dividing the resulting quotient by 365.~~

24 ~~(24) "Stripper well exemption" or "stripper well bonus" means petroleum and other mineral or crude oil~~
25 ~~produced by a stripper well that produces 3 barrels a day or less. Production from this type of well must be~~
26 ~~determined as provided in subsection (15)(c).~~

27 ~~(25) "Tertiary recovery project" means an enhanced recovery project, other than a secondary recovery~~
28 ~~project, using a tertiary recovery method that meets the following requirements:~~

1 ~~(a) The project must be certified as a tertiary recovery project to the department by the board. The~~
2 ~~certification may be extended only after notice and hearing in accordance with Title 2, chapter 4.~~

3 ~~(b) The property to be affected by the project must be adequately delineated in the certification~~
4 ~~according to the specifications required by the board.~~

5 ~~(c) The project must involve the application of one or more tertiary recovery methods that can~~
6 ~~reasonably be expected to result in an increase, determined by the board to be significant in light of all the facts~~
7 ~~and circumstances, in the amount of crude oil that may potentially be recovered. For purposes of this part,~~
8 ~~tertiary recovery methods include but are not limited to:~~

9 ~~(i) miscible fluid displacement;~~

10 ~~(ii) steam drive injection;~~

11 ~~(iii) micellar/emulsion flooding;~~

12 ~~(iv) in situ combustion;~~

13 ~~(v) polymer augmented water flooding;~~

14 ~~(vi) cyclic steam injection;~~

15 ~~(vii) alkaline or caustic flooding;~~

16 ~~(viii) carbon dioxide water flooding;~~

17 ~~(ix) immiscible carbon dioxide displacement; and~~

18 ~~(x) any other method approved by the board as a tertiary recovery method.~~

19 ~~(26) "Well" or "wells" means a single well or a group of wells in one field or production unit and under~~
20 ~~the control of one operator or producer.~~

21 ~~(27) "Working interest owner" means the owner of an interest in an oil or natural gas well or wells who~~
22 ~~bears any portion of the exploration, development, and operating costs of the well or wells. (Terminates~~
23 ~~December 31, 2021, 2022, 2023, and 2024, on occurrence of contingency until December 31, 2025--secs. 13,~~
24 ~~14, Ch. 559, L. 2021.)~~

25 ~~**15-36-303. (Temporary -- effective on occurrence of contingency) Definitions.** As used in this~~
26 ~~part, the following definitions apply:~~

27 ~~(1) "Board" means the board of oil and gas conservation provided for in 2-15-3303.~~

28 ~~(2) "Department" means the department of revenue provided for in 2-15-1301.~~

1 ~~(3) "Enhanced recovery project" means the use of any process for the displacement of oil from the~~
2 ~~earth other than primary recovery and includes the use of an immiscible, miscible, chemical, thermal, or~~
3 ~~biological process.~~

4 ~~(4) "Existing enhanced recovery project" means an enhanced recovery project that began~~
5 ~~development before January 1, 1994.~~

6 ~~(5) "Expanded enhanced recovery project" or "expansion" means the addition of injection wells or~~
7 ~~production wells, the recompletion of existing wells as horizontally completed wells, the change of an injection~~
8 ~~pattern, or other operating changes to an existing enhanced recovery project that will result in the recovery of~~
9 ~~oil that would not otherwise be recovered. The project must be developed after December 31, 1993.~~

10 ~~(6) "Gross taxable value", for the purpose of computing the oil and natural gas production tax, means~~
11 ~~the gross value of the product as determined in 15-36-305.~~

12 ~~(7) "Horizontal drain hole" means that portion of a wellbore with 70 degrees to 110 degrees deviation~~
13 ~~from the vertical and a horizontal projection within the common source of supply, as that term is defined by the~~
14 ~~board, that exceeds 100 feet.~~

15 ~~(8) "Horizontally completed well" means:~~

16 ~~(a) a well with one or more horizontal drain holes; or~~

17 ~~(b) any other well classified by the board as a horizontally completed well.~~

18 ~~(9) "Incremental production" means:~~

19 ~~(a) the volume of oil produced by a new enhanced recovery project, by a well in primary recovery~~
20 ~~recompleted as a horizontally completed well, or by an expanded enhanced recovery project, which volume of~~
21 ~~production is in excess of the production decline rate established under the conditions existing before:~~

22 ~~(i) commencing the recompletion of a well as a horizontally completed well;~~

23 ~~(ii) expanding the existing enhanced recovery project; or~~

24 ~~(iii) commencing a new enhanced recovery project; or~~

25 ~~(b) in the case of any project that had no taxable production prior to commencing the enhanced~~
26 ~~recovery project, all production of oil from the enhanced recovery project.~~

27 ~~(10) "Natural gas" or "gas" means natural gas and other fluid hydrocarbons, other than oil, produced at~~
28 ~~the wellhead.~~

1 ~~(11) "New enhanced recovery project" means an enhanced recovery project that began development~~
2 ~~after December 31, 1993.~~

3 ~~(12) "Nonworking interest owner" means any interest owner who does not share in the exploration,~~
4 ~~development, and operation costs of the lease or unit, except for production taxes.~~

5 ~~(13) "Oil" means crude petroleum or mineral oil and other hydrocarbons, regardless of gravity, that are~~
6 ~~produced at the wellhead in liquid form and that are not the result of condensation of gas after it leaves the~~
7 ~~wellhead.~~

8 ~~(14) "Operator" or "producer" means a person who produces oil or natural gas within this state or who~~
9 ~~owns, controls, manages, leases, or operates within this state any well or wells from which any marketable oil~~
10 ~~or natural gas is extracted or produced.~~

11 ~~(15) "Post-1999 well" means an oil or natural gas well drilled on or after January 1, 1999, that~~
12 ~~produces oil or natural gas or a well that has not produced oil or natural gas during the 5 years immediately~~
13 ~~preceding the first month of qualifying as a post-1999 well.~~

14 ~~(16) "Pre-1999 well" means an oil or natural gas well that was drilled before January 1, 1999.~~

15 ~~(17) "Primary recovery" means the displacement of oil from the earth into the wellbore by means of the~~
16 ~~natural pressure of the oil reservoir and includes artificial lift.~~

17 ~~(18) "Production decline rate" means the projected rate of future oil production, extrapolated by a~~
18 ~~method approved by the board, that must be determined for a project area prior to commencing a new or~~
19 ~~expanded enhanced recovery project or the recompletion of a well as a horizontally completed well. The~~
20 ~~approved production decline rate must be certified in writing to the department by the board. In that certification,~~
21 ~~the board shall identify the project area and shall specify the projected rate of future oil production by calendar~~
22 ~~year and by calendar quarter within each year. The certified rate of future oil production must be used to~~
23 ~~determine the volume of incremental production that qualifies for the tax rate imposed under 15-36-304(5)(e).~~

24 ~~(19) (a) "Qualifying production" means the first 12 months of production of oil or natural gas from a~~
25 ~~well drilled after December 31, 1998, or the first 18 months of production of oil or natural gas from a horizontally~~
26 ~~completed well drilled after December 31, 1998, or from a well that has not produced oil or natural gas during~~
27 ~~the 5 years immediately preceding the first month of qualifying production.~~

28 ~~(b) Qualifying production does not include oil production from a horizontally recompleted well.~~

1 ~~(20) "Secondary recovery project" means an enhanced recovery project, other than a tertiary recovery~~
2 ~~project, that commenced or was expanded after December 31, 1993, and meets each of the following~~
3 ~~requirements:~~

4 ~~(a) The project must be certified as a secondary recovery project to the department by the board. The~~
5 ~~certification may be extended only after notice and hearing in accordance with Title 2, chapter 4.~~

6 ~~(b) The property to be affected by the project must be adequately delineated according to the~~
7 ~~specifications required by the board.~~

8 ~~(c) The project must involve the application of secondary recovery methods that can reasonably be~~
9 ~~expected to result in an increase, determined by the board to be significant in light of all the facts and~~
10 ~~circumstances, in the amount of oil that may potentially be recovered. For purposes of this part, secondary~~
11 ~~recovery methods include but are not limited to:~~

12 ~~(i) the injection of water into the producing formation for the purposes of maintaining pressure in that~~
13 ~~formation or for the purpose of increasing the flow of oil from the producing formation to a producing wellbore;~~
14 ~~or~~

15 ~~(ii) any other method approved by the board as a secondary recovery method.~~

16 ~~(21) "Stripper natural gas" means the natural gas produced from any well that produces less than~~
17 ~~60,000 cubic feet of natural gas a day during the calendar year immediately preceding the current year.~~
18 ~~Production must be determined by dividing the amount of production from a lease or unitized area for the year~~
19 ~~immediately preceding the current calendar year by the number of producing wells in the lease or unitized area~~
20 ~~and by dividing the resulting quotient by 365.~~

21 ~~(22) (a) "Stripper oil" means the oil produced from any well that produces more than 3 barrels but~~
22 ~~fewer than 15 barrels a day for the calendar year immediately preceding the current year if the average price for~~
23 ~~a barrel of west Texas intermediate crude oil during a calendar quarter is less than \$30. If the price of oil is~~
24 ~~equal to or greater than \$30 a barrel in a calendar quarter, there is no stripper tax rate in that quarter.~~

25 ~~(b) The average price for a barrel is computed by dividing the sum of the daily price for a barrel of~~
26 ~~west Texas intermediate crude oil for the calendar quarter by the number of days on which the price was~~
27 ~~reported in the quarter.~~

28 ~~(c) Production must be determined by dividing the amount of production from a lease or unitized area~~

1 for the year immediately preceding the current calendar year by the number of producing wells in the lease or
2 unitized area and then dividing the resulting quotient by 365.

3 ~~(23) "Stripper well exemption" or "stripper well bonus" means petroleum and other mineral or crude oil~~
4 ~~produced by a stripper well that produces 3 barrels a day or less. Production from this type of well must be~~
5 ~~determined as provided in subsection (22)(c).~~

6 ~~(24) "Tertiary recovery project" means an enhanced recovery project, other than a secondary recovery~~
7 ~~project, using a tertiary recovery method that meets the following requirements:~~

8 ~~(a) The project must be certified as a tertiary recovery project to the department by the board. The~~
9 ~~certification may be extended only after notice and hearing in accordance with Title 2, chapter 4.~~

10 ~~(b) The property to be affected by the project must be adequately delineated in the certification~~
11 ~~according to the specifications required by the board.~~

12 ~~(c) The project must involve the application of one or more tertiary recovery methods that can~~
13 ~~reasonably be expected to result in an increase, determined by the board to be significant in light of all the facts~~
14 ~~and circumstances, in the amount of crude oil that may potentially be recovered. For purposes of this part,~~
15 ~~tertiary recovery methods include but are not limited to:~~

16 ~~(i) miscible fluid displacement;~~

17 ~~(ii) steam drive injection;~~

18 ~~(iii) micellar/emulsion flooding;~~

19 ~~(iv) in situ combustion;~~

20 ~~(v) polymer augmented water flooding;~~

21 ~~(vi) cyclic steam injection;~~

22 ~~(vii) alkaline or caustic flooding;~~

23 ~~(viii) carbon dioxide water flooding;~~

24 ~~(ix) immiscible carbon dioxide displacement; and~~

25 ~~(x) any other method approved by the board as a tertiary recovery method.~~

26 ~~(25) "Well" or "wells" means a single well or a group of wells in one field or production unit and under~~
27 ~~the control of one operator or producer.~~

28 ~~(26) "Working interest owner" means the owner of an interest in an oil or natural gas well or wells who~~

1 ~~bears any portion of the exploration, development, and operating costs of the well or wells.~~

2 **15-36-303. (Effective January 1, 2026) Definitions.** As used in this part, the following definitions
3 apply:

4 (1) "Board" means the board of oil and gas conservation provided for in 2-15-3303.

5 (2) "Department" means the department of revenue provided for in 2-15-1301.

6 (3) "Enhanced recovery project" means the use of any process for the displacement of oil from the
7 earth other than primary recovery and includes the use of an immiscible, miscible, chemical, thermal, or
8 biological process.

9 (4) "Existing enhanced recovery project" means an enhanced recovery project that began
10 development before January 1, 1994.

11 (5) "Expanded enhanced recovery project" or "expansion" means the addition of injection wells or
12 production wells, the recompletion of existing wells as horizontally completed wells, the change of an injection
13 pattern, or other operating changes to an existing enhanced recovery project that will result in the recovery of
14 oil that would not otherwise be recovered. The project must be developed after December 31, 1993.

15 (6) "Gross taxable value", for the purpose of computing the oil and natural gas production tax, means
16 the gross value of the product as determined in 15-36-305.

17 (7) "Horizontal drain hole" means that portion of a wellbore with 70 degrees to 110 degrees deviation
18 from the vertical and a horizontal projection within the common source of supply, as that term is defined by the
19 board, that exceeds 100 feet.

20 (8) "Horizontally completed well" means:

21 (a) a well with one or more horizontal drain holes; or

22 (b) any other well classified by the board as a horizontally completed well.

23 (9) "Incremental production" means:

24 (a) the volume of oil produced by a new enhanced recovery project, by a well in primary recovery
25 recompleted as a horizontally completed well, by recompletion of an existing horizontal well DRAIN HOLE, or by
26 an expanded enhanced recovery project, ~~which volume of production that~~ is in excess of the production decline
27 rate established under the conditions existing before:

28 (i) commencing the recompletion of a well as a horizontally completed well;

1 (ii) expanding the existing enhanced recovery project; or

2 (iii) commencing a new enhanced recovery project; or

3 (b) in the case of any project that had no taxable production prior to commencing the enhanced
4 recovery project, all production of oil from the enhanced recovery project.

5 (10) "Natural gas" or "gas" means natural gas and other fluid hydrocarbons, other than oil, produced at
6 the wellhead.

7 (11) "New enhanced recovery project" means an enhanced recovery project that began development
8 after December 31, 1993.

9 (12) "Nonworking interest owner" means any interest owner who does not share in the exploration,
10 development, and operation costs of the lease or unit, except for production taxes.

11 (13) "Oil" means crude petroleum or mineral oil and other hydrocarbons, regardless of gravity, that are
12 produced at the wellhead in liquid form and that are not the result of condensation of gas after it leaves the
13 wellhead.

14 (14) "Operator" or "producer" means a person who produces oil or natural gas within this state or who
15 owns, controls, manages, leases, or operates within this state any well or wells from which any marketable oil
16 or natural gas is extracted or produced.

17 (15) (a) "Post-1999 stripper well" means an oil well drilled on or after January 1, 1999, that produces
18 more than 3 barrels but fewer than 15 barrels a day for the calendar year immediately preceding the current
19 year if the average price for a barrel of crude oil reported and received by the producer for Montana oil
20 marketed during a calendar quarter is less than \$30. If the price of oil is equal to or greater than \$30 a barrel in
21 a calendar quarter, there is no stripper tax rate in that quarter.

22 (b) The average price for a barrel is computed by dividing the sum of the daily price for a barrel of
23 west Texas intermediate crude oil for the calendar quarter by the number of days on which the price was
24 reported in the quarter.

25 (c) Production must be determined by dividing the amount of production from a lease or unitized area
26 for the year immediately preceding the current calendar year by the number of producing wells in the lease or
27 unitized area and then dividing the resulting quotient by 365.

28 (16) "Post-1999 well" means an oil or natural gas well drilled on or after January 1, 1999, that

1 produces oil or natural gas or a well that has not produced oil or natural gas during the 5 years immediately
2 preceding the first month of qualifying as a post-1999 well.

3 (17) (a) "Pre-1999 stripper well" means an oil well that was drilled before January 1, 1999, that
4 produces more than 3 barrels a day but fewer than 10 barrels a day.

5 (b) Production must be determined by dividing the amount of production from a lease or unitized area
6 for the year immediately preceding the current calendar year by the number of producing wells in the lease or
7 unitized area and then dividing the resulting quotient by 365.

8 (18) "Pre-1999 well" means an oil or natural gas well that was drilled before January 1, 1999.

9 (19) "Primary recovery" means the displacement of oil from the earth into the wellbore by means of the
10 natural pressure of the oil reservoir and includes artificial lift.

11 (20) "Production decline rate" means the projected rate of future oil or natural gas production,
12 extrapolated by a method approved by the board, that must be determined for a project area prior to
13 commencing a new or expanded enhanced recovery project or the recompletion of a well as a horizontally
14 completed well or the recompletion of an existing horizontal well DRAIN HOLE. The approved production decline
15 rate must be certified in writing to the department by the board. In that certification, the board shall identify the
16 project area and shall specify the projected rate of future oil production by calendar year and by calendar
17 quarter within each year. The certified rate of future oil production must be used to determine the volume of
18 incremental production that qualifies for the tax rate imposed under 15-36-304(5)(e).

19 (21) (a) "Qualifying production" means the first 12 months of production of oil or natural gas from a
20 well drilled after December 31, 1998, or the first 18 months of production of oil or natural gas from a horizontally
21 completed well drilled after December 31, 1998, or from a well that has not produced oil or natural gas during
22 the 5 years immediately preceding the first month of qualifying production.

23 (b) Qualifying production does not include oil production from a horizontally recompleted well.

24 (22) "Secondary recovery project" means an enhanced recovery project, other than a tertiary recovery
25 project, that commenced or was expanded after December 31, 1993, and meets each of the following
26 requirements:

27 (a) The project must be certified as a secondary recovery project to the department by the board. The
28 certification may be extended only after notice and hearing in accordance with Title 2, chapter 4.

1 (b) The property to be affected by the project must be adequately delineated according to the
2 specifications required by the board.

3 (c) The project must involve the application of secondary recovery methods that can reasonably be
4 expected to result in an increase, determined by the board to be significant in light of all the facts and
5 circumstances, in the amount of oil that may potentially be recovered. For purposes of this part, secondary
6 recovery methods include but are not limited to:

7 (i) the injection of water into the producing formation for the purposes of maintaining pressure in that
8 formation or for the purpose of increasing the flow of oil from the producing formation to a producing wellbore;
9 or

10 (ii) any other method approved by the board as a secondary recovery method.

11 (23) "Stripper natural gas" means the natural gas produced from any well that produces less than
12 60,000 cubic feet of natural gas a day during the calendar year immediately preceding the current year.
13 Production must be determined by dividing the amount of production from a lease or unitized area for the year
14 immediately preceding the current calendar year by the number of producing wells in the lease or unitized area
15 and by dividing the resulting quotient by 365.

16 (24) "Stripper well exemption" or "stripper well bonus" means petroleum and other mineral or crude oil
17 produced by a stripper well that produces 3 barrels a day or less. Production from this type of well must be
18 determined as provided in subsection (15)(c).

19 (25) "Tertiary recovery project" means an enhanced recovery project, other than a secondary recovery
20 project, using a tertiary recovery method that meets the following requirements:

21 (a) The project must be certified as a tertiary recovery project to the department by the board. The
22 certification may be extended only after notice and hearing in accordance with Title 2, chapter 4.

23 (b) The property to be affected by the project must be adequately delineated in the certification
24 according to the specifications required by the board.

25 (c) The project must involve the application of one or more tertiary recovery methods that can
26 reasonably be expected to result in an increase, determined by the board to be significant in light of all the facts
27 and circumstances, in the amount of crude oil that may potentially be recovered. For purposes of this part,
28 tertiary recovery methods include but are not limited to:

- 1 (i) miscible fluid displacement;
- 2 (ii) steam drive injection;
- 3 (iii) micellar/emulsion flooding;
- 4 (iv) in situ combustion;
- 5 (v) polymer augmented water flooding;
- 6 (vi) cyclic steam injection;
- 7 (vii) alkaline or caustic flooding;
- 8 (viii) carbon dioxide water flooding;
- 9 (ix) immiscible carbon dioxide displacement; and
- 10 (x) any other method approved by the board as a tertiary recovery method.

11 (26) "Well" or "wells" means a single well or a group of wells in one field or production unit and under
12 the control of one operator or producer.

13 (27) "Working interest owner" means the owner of an interest in an oil or natural gas well or wells who
14 bears any portion of the exploration, development, and operating costs of the well or wells."
15

16 **Section 2.** Section 15-36-304, MCA, is amended to read:

17 "~~15-36-304. (Temporary) Production tax rates imposed on oil and natural gas -- exemption. (1)~~

18 ~~The production of oil and natural gas is taxed as provided in this section. The tax is distributed as provided in~~
19 ~~15-36-334 and 15-36-332.~~

20 ~~(2) Natural gas is taxed on the gross taxable value of production based on the type of well and type of~~
21 ~~production according to the following schedule for working interest and nonworking interest owners:~~

| | Working Interest | Nonworking Interest |
|---|---------------------|------------------------|
| (a) (i) first 12 months of qualifying production | 0.5% | 14.8% |
| (ii) after 12 months: | | |
| (A) pre-1999 wells | 14.8% | 14.8% |
| (B) post-1999 wells | 9% | 14.8% |

| | | |
|---|------|-------|
| (b) stripper natural gas pre-1999 wells | 11% | 14.8% |
| (c) horizontally completed well production: | | |
| (i) first 18 months of qualifying production | 0.5% | 14.8% |
| (ii) after 18 months | 9% | 14.8% |

1 ~~(3) The reduced tax rates under subsection (2)(a)(i) on production for the first 12 months of natural~~
2 ~~gas production from a well begin following the last day of the calendar month immediately preceding the month~~
3 ~~in which natural gas is placed in a natural gas distribution system, provided that notification has been given to~~
4 ~~the department.~~

5 ~~(4) The reduced tax rates under subsection (2)(c)(i) on production from a horizontally completed well~~
6 ~~for the first 18 months of production begin following the last day of the calendar month immediately preceding~~
7 ~~the month in which natural gas is placed in a natural gas distribution system, provided that notification has been~~
8 ~~given to the department.~~

9 ~~(5) Oil is taxed on the gross taxable value of production based on the type of well and type of~~
10 ~~production according to the following schedule for working interest and nonworking interest owners:~~

| | Working Interest | Nonworking Interest |
|---|---------------------|------------------------|
| (a) primary recovery production: | | |
| (i) first 12 months of qualifying production | 0.5% | 14.8% |
| (ii) after 12 months: | | |
| (A) pre-1999 wells | 12.5% | 14.8% |
| (B) post-1999 wells | 9% | 14.8% |
| (b) (i) pre-1999 stripper wells | 9.2% | 14.8% |
| (ii) (A) pre-1999 stripper well exemption production | 0.5% | 14.8% |
| (B) pre-1999 stripper well bonus production | 5% | 14.8% |
| (c) (i) post-1999 stripper wells: | | |
| (A) first 1 through 10 barrels a day production | 5.5% | 14.8% |
| (B) more than 10 barrels a day production | 9.0% | 14.8% |

| | | |
|--|------------------|------------------|
| (ii) (A) post-1999 stripper well exemption production | 0.5% | 14.8% |
| (B) post-1999 stripper well bonus production | 6.0% | 14.8% |
| (d) horizontally completed well production: | | |
| (i) first 18 months of qualifying production | 0.5% | 14.8% |
| (ii) after 18 months: | | |
| (A) pre-1999 wells | 12.5% | 14.8% |
| (B) post-1999 wells | 9% | 14.8% |
| (e) incremental production: | | |
| (i) new or expanded secondary recovery production | 8.5% | 14.8% |
| (ii) new or expanded tertiary production | 5.8% | 14.8% |
| (f) horizontally recompleted well: | | |
| (i) first 18 months | 5.5% | 14.8% |
| (ii) after 18 months: | | |
| (A) pre-1999 wells | 12.5% | 14.8% |
| (B) post-1999 wells | 9% | 14.8% |

1 ~~(6) (a) The reduced tax rates under subsection (5)(a)(i) for the first 12 months of oil production from a~~
2 ~~well begin following the last day of the calendar month immediately preceding the month in which oil is pumped~~
3 ~~or flows, provided that notification has been given to the department.~~

4 ~~(b) (i) The reduced tax rates under subsection (5)(d)(i) on oil production from a horizontally~~
5 ~~completed well for the first 18 months of production begin following the last day of the calendar month~~
6 ~~immediately preceding the month in which oil is pumped or flows if the well has been certified as a horizontally~~
7 ~~completed well to the department by the board.~~

8 ~~(ii) The reduced tax rates under subsection (5)(f)(i) on oil production from a horizontally recompleted~~
9 ~~well for the first 18 months of production begin following the last day of the calendar month immediately~~
10 ~~preceding the month in which oil is pumped or flows if the well has been certified as a horizontally recompleted~~
11 ~~well to the department by the board.~~

12 ~~(c) New or expanded secondary recovery production is taxed as provided in subsection (5)(e)(i) only if~~
13 ~~the average price reported and received by the producer for Montana oil marketed during a calendar quarter is~~

1 less than \$54. If the price of oil is equal to or greater than \$54 a barrel, then new or expanded secondary
2 recovery production from pre-1999 wells and from post-1999 wells is taxed at the rate imposed on primary
3 recovery production under subsections (5)(a)(ii)(A) and (5)(a)(ii)(B), respectively, for production occurring in that
4 quarter, other than exempt stripper well production.

5 ~~(d) Pre-1999 stripper well exemption production is taxed as provided in subsection (5)(b)(ii)(A) only if~~
6 ~~the average price reported and received by the producer for Montana oil marketed during a calendar quarter is~~
7 ~~less than \$54 a barrel. If the price of oil is equal to or greater than \$54 a barrel, there is no pre-1999 stripper~~
8 ~~well exemption tax rate and oil produced from a well that produces 3 barrels a day or less is taxed as pre-1999~~
9 ~~stripper well bonus production.~~

10 ~~(e) (i) Post-1999 stripper well exemption production is taxed as provided in subsection (5)(c)(ii)(A)~~
11 ~~only if the average price reported and received by the producer for Montana oil marketed during a calendar~~
12 ~~quarter is less than \$54 a barrel. If the price of oil is equal to or greater than \$54 a barrel, there is no post-1999~~
13 ~~stripper well exemption tax rate and oil produced from a well that produces 3 barrels a day or less is taxed as~~
14 ~~stripper well bonus production.~~

15 ~~(ii) Stripper well bonus production is subject to taxation as provided in subsection (5)(c)(ii)(B) only if the~~
16 ~~average price reported and received by the producer for Montana oil marketed during a calendar quarter is~~
17 ~~equal to or greater than \$54 a barrel.~~

18 ~~(7) The tax rates imposed under subsections (2) and (5) on working interest owners and nonworking~~
19 ~~interest owners must be adjusted to include the privilege and license tax adopted by the board of oil and gas~~
20 ~~conservation pursuant to 82-11-131 and the tax for the oil and gas natural resource distribution account. The~~
21 ~~total of the privilege and license tax and the tax for the oil and gas natural resource distribution account~~
22 ~~established in 90-6-1001(1) is 0.3%.~~

23 ~~(8) Any interest in production owned by the state or a local government is exempt from taxation under~~
24 ~~this section. (Terminates December 31, 2021, 2022, 2023, and 2024, on occurrence of contingency until~~
25 ~~December 31, 2025--secs. 13, 14, Ch. 559, L. 2021.)~~

26 **15-36-304. (Temporary -- effective on occurrence of contingency) Production tax rates**
27 **imposed on oil and natural gas -- exemption.** (1) The production of oil and natural gas is taxed as provided
28 in this section. The tax is distributed as provided in 15-36-331 and 15-36-332.

1 ~~(2) Natural gas is taxed on the gross taxable value of production based on the type of well and type of~~
2 ~~production according to the following schedule for working interest and nonworking interest owners:~~

| | Working | Nonworking |
|---|---------------------|-----------------------|
| | Interest | Interest |
| (a) (i) first 12 months of qualifying production | 0.5% | 14.8% |
| (ii) after 12 months: | | |
| (A) pre-1999 wells | 14.8% | 14.8% |
| (B) post-1999 wells | 9% | 14.8% |
| (b) stripper natural gas pre-1999 wells | 11% | 14.8% |
| (c) horizontally completed well production: | | |
| (i) first 18 months of qualifying production | 0.5% | 14.8% |
| (ii) after 18 months | 9% | 14.8% |

3 ~~(3) The reduced tax rates under subsection (2)(a)(i) on production for the first 12 months of natural~~
4 ~~gas production from a well begin following the last day of the calendar month immediately preceding the month~~
5 ~~in which natural gas is placed in a natural gas distribution system, provided that notification has been given to~~
6 ~~the department.~~

7 ~~(4) The reduced tax rates under subsection (2)(c)(i) on production from a horizontally completed well~~
8 ~~for the first 18 months of production begin following the last day of the calendar month immediately preceding~~
9 ~~the month in which natural gas is placed in a natural gas distribution system, provided that notification has been~~
10 ~~given to the department.~~

11 ~~(5) Oil is taxed on the gross taxable value of production based on the type of well and type of~~
12 ~~production according to the following schedule for working interest and nonworking interest owners:~~

| | Working | Nonworking |
|---|---------------------|-----------------------|
| | Interest | Interest |
| (a) primary recovery production: | | |
| (i) first 12 months of qualifying production | 0.5% | 14.8% |
| (ii) after 12 months: | | |

| | | |
|--|------------------|------------------|
| (A) — pre-1999 wells | 12.5% | 14.8% |
| (B) — post-1999 wells | 9% | 14.8% |
| (b) — stripper oil production: | | |
| (i) — first 1 through 10 barrels a day production | 5.5% | 14.8% |
| (ii) — more than 10 barrels a day production | 9.0% | 14.8% |
| (c) — (i) — stripper well exemption production | 0.5% | 14.8% |
| (ii) — stripper well bonus production | 6.0% | 14.8% |
| (d) — horizontally completed well production: | | |
| (i) — first 18 months of qualifying production | 0.5% | 14.8% |
| (ii) — after 18 months: | | |
| (A) — pre-1999 wells | 12.5% | 14.8% |
| (B) — post-1999 wells | 9% | 14.8% |
| (e) — incremental production: | | |
| (i) — new or expanded secondary recovery production | 8.5% | 14.8% |
| (ii) — new or expanded tertiary production | 5.8% | 14.8% |
| (f) — horizontally recompleted well: | | |
| (i) — first 18 months | 5.5% | 14.8% |
| (ii) — after 18 months: | | |
| (A) — pre-1999 wells | 12.5% | 14.8% |
| (B) — post-1999 wells | 9% | 14.8% |

1 ~~(6) — (a) The reduced tax rates under subsection (5)(a)(i) for the first 12 months of oil production from a~~
2 ~~well begin following the last day of the calendar month immediately preceding the month in which oil is pumped~~
3 ~~or flows, provided that notification has been given to the department.~~

4 ~~(b) — (i) The reduced tax rates under subsection (5)(d)(i) on oil production from a horizontally~~
5 ~~completed well for the first 18 months of production begin following the last day of the calendar month~~
6 ~~immediately preceding the month in which oil is pumped or flows if the well has been certified as a horizontally~~
7 ~~completed well to the department by the board.~~

8 ~~(ii) The reduced tax rates under subsection (5)(f)(i) on oil production from a horizontally recompleted~~

1 well for the first 18 months of production begin following the last day of the calendar month immediately
2 preceding the month in which oil is pumped or flows if the well has been certified as a horizontally recompleted
3 well to the department by the board.

4 ~~(c) New or expanded secondary recovery production is taxed as provided in subsection (5)(e)(i) only if~~
5 ~~the average price for a barrel of west Texas intermediate crude oil during a calendar quarter is less than \$54. If~~
6 ~~the price of oil is equal to or greater than \$54 a barrel in a calendar quarter as determined in subsection (6)(e),~~
7 ~~then new or expanded secondary recovery production from pre-1999 wells and from post-1999 wells is taxed at~~
8 ~~the rate imposed on primary recovery production under subsections (5)(a)(ii)(A) and (5)(a)(ii)(B), respectively,~~
9 ~~for production occurring in that quarter, other than exempt stripper well production.~~

10 ~~(d) (i) Stripper well exemption production is taxed as provided in subsection (5)(c)(i) only if the~~
11 ~~average price reported and received by the producer for Montana oil marketed during a calendar quarter is less~~
12 ~~than \$54 a barrel. If the price of oil is equal to or greater than \$54 a barrel, there is no stripper well exemption~~
13 ~~tax rate and oil produced from a well that produces 3 barrels a day or less is taxed as stripper well bonus~~
14 ~~production.~~

15 ~~(ii) Stripper well bonus production is subject to taxation as provided in subsection (5)(c)(ii) only if the~~
16 ~~average price reported and received by the producer for Montana oil marketed during a calendar quarter is~~
17 ~~equal to or greater than \$54 a barrel.~~

18 ~~(e) For the purposes of subsection (6)(c), the average price for each barrel must be computed by~~
19 ~~dividing the sum of the daily price for a barrel of west Texas intermediate crude oil for the calendar quarter by~~
20 ~~the number of days on which the price was reported in the quarter.~~

21 ~~(7) The tax rates imposed under subsections (2) and (5) on working interest owners and nonworking~~
22 ~~interest owners must be adjusted to include the privilege and license tax adopted by the board of oil and gas~~
23 ~~conservation pursuant to 82-11-131 and the tax for the oil and gas natural resource distribution account. The~~
24 ~~total of the privilege and license tax and the tax for the oil and gas natural resource distribution account~~
25 ~~established in 90-6-1001(1) is 0.3%.~~

26 ~~(8) Any interest in production owned by the state or a local government is exempt from taxation under~~
27 ~~this section.~~

28 **15-36-304. (Effective January 1, 2026) Production tax rates imposed on oil and natural gas --**

1 **exemption.** (1) The production of oil and natural gas is taxed as provided in this section. The tax is distributed
2 as provided in 15-36-331 and 15-36-332.

3 (2) Natural gas is taxed on the gross taxable value of production based on the type of well and type of
4 production according to the following schedule for working interest and nonworking interest owners:

| | Working Interest | Nonworking Interest |
|--|---------------------|------------------------|
| (a) (i) first 12 months of qualifying production | 0.5% | 14.8% |
| (ii) after 12 months: | | |
| (A) pre-1999 wells | 14.8% | 14.8% |
| (B) post-1999 wells | 9% | 14.8% |
| (b) stripper natural gas pre-1999 wells | 11% | 14.8% |
| (c) horizontally completed well production: | | |
| (i) first 18 months of qualifying production | 0.5% | 14.8% |
| (ii) after 18 months | 9% | 14.8% |
| (d) — horizontally recompleted well : | | |
| (i) — first 18 months | 0.5% | 14.8% |
| (ii) — after 18 months: | | |
| (A) — pre-1999 wells | 12.5% | 14.8% |
| (B) — post-1999 wells | 9% | 14.8% |

5 (3) The reduced tax rates under subsection (2)(a)(i) on production for the first 12 months of natural
6 gas production from a well begin following the last day of the calendar month immediately preceding the month
7 in which natural gas is placed in a natural gas distribution system, provided that notification has been given to
8 the department.

9 (4) The reduced tax rates under subsection (2)(c)(i) on production from a horizontally completed well
10 for the first 18 months of production begin following the last day of the calendar month immediately preceding
11 the month in which natural gas is placed in a natural gas distribution system, provided that notification has been
12 given to the department.

13 (5) Oil is taxed on the gross taxable value of production based on the type of well and type of

1 production according to the following schedule for working interest and nonworking interest owners:

| | Working Interest | Nonworking Interest |
|---|-----------------------------|---------------------|
| (a) primary recovery production: | | |
| (i) first 12 months of qualifying production | 0.5% | 14.8% |
| (ii) after 12 months: | | |
| (A) pre-1999 wells | 12.5% | 14.8% |
| (B) post-1999 wells | 9% | 14.8% |
| (b) (i) pre-1999 stripper wells | 9.2% | 14.8% |
| (ii) (A) pre-1999 stripper well exemption production | 0.5% | 14.8% |
| (B) pre-1999 stripper well bonus production | 5% | 14.8% |
| (c) (i) post-1999 stripper wells: | | |
| (A) first 1 through 10 barrels a day production | 5.5% | 14.8% |
| (B) more than 10 barrels a day production | 9.0% | 14.8% |
| (ii) (A) post-1999 stripper well exemption production | 0.5% | 14.8% |
| (B) post-1999 stripper well bonus production | 6.0% | 14.8% |
| (d) horizontally completed well production: | | |
| (i) first 18 months of qualifying production | 0.5% | 14.8% |
| (ii) after 18 months: | | |
| (A) pre-1999 wells | 12.5% | 14.8% |
| (B) post-1999 wells | 9% | 14.8% |
| (e) incremental production: | | |
| (i) new or expanded secondary recovery production | 8.5% | 14.8% |
| (ii) new or expanded tertiary production | 5.8% | 14.8% |
| (f) horizontally recompleted well: | | |
| (i) first 18 months | 5.5% <u>0.5%</u> | 14.8% |
| (ii) after 18 months: | | |

| | | |
|---------------------|-------|-------|
| (A) pre-1999 wells | 12.5% | 14.8% |
| (B) post-1999 wells | 9% | 14.8% |

1 (6) (a) The reduced tax rates under subsection (5)(a)(i) for the first 12 months of oil production from a
2 well begin following the last day of the calendar month immediately preceding the month in which oil is pumped
3 or flows, provided that notification has been given to the department.

4 (b) (i) The reduced tax rates under subsection (5)(d)(i) on oil production from a horizontally
5 completed well for the first 18 months of production begin following the last day of the calendar month
6 immediately preceding the month in which oil is pumped or flows if the well has been certified as a horizontally
7 completed well to the department by the board.

8 (ii) The reduced tax rates under subsection (5)(f)(i) on oil production from a horizontally recompleted
9 well for the first 18 months of production begin following the last day of the calendar month immediately
10 preceding the month in which oil is pumped or flows if the well has been certified as a horizontally recompleted
11 well to the department by the board.

12 (c) New or expanded secondary recovery production is taxed as provided in subsection (5)(e)(i) only if
13 the average price reported and received by the producer for Montana oil marketed during a calendar quarter is
14 less than \$54. If the price of oil is equal to or greater than \$54 a barrel, then new or expanded secondary
15 recovery production from pre-1999 wells and from post-1999 wells is taxed at the rate imposed on primary
16 recovery production under subsections (5)(a)(ii)(A) and (5)(a)(ii)(B), respectively, for production occurring in that
17 quarter, other than exempt stripper well production.

18 (d) Pre-1999 stripper well exemption production is taxed as provided in subsection (5)(b)(ii)(A) only if
19 the average price reported and received by the producer for Montana oil marketed during a calendar quarter is
20 less than \$54 a barrel. If the price of oil is equal to or greater than \$54 a barrel, there is no pre-1999 stripper
21 well exemption tax rate and oil produced from a well that produces 3 barrels a day or less is taxed as pre-1999
22 stripper well bonus production.

23 (e) (i) Post-1999 stripper well exemption production is taxed as provided in subsection (5)(c)(ii)(A)
24 only if the average price reported and received by the producer for Montana oil marketed during a calendar
25 quarter is less than \$54 a barrel. If the price of oil is equal to or greater than \$54 a barrel, there is no post-1999
26 stripper well exemption tax rate and oil produced from a well that produces 3 barrels a day or less is taxed as

1 stripper well bonus production.

2 (ii) Stripper well bonus production is subject to taxation as provided in subsection (5)(c)(ii)(B) only if the
3 average price reported and received by the producer for Montana oil marketed during a calendar quarter is
4 equal to or greater than \$54 a barrel.

5 (F) THE TAX RATES UNDER SUBSECTION (5)(F) APPLY ONLY TO THE INCREMENTAL PRODUCTION OF A
6 HORIZONTALLY RECOMPLETED WELL.

7 (7) The tax rates imposed under subsections (2) and (5) on working interest owners and nonworking
8 interest owners must be adjusted to include the privilege and license tax adopted by the board of oil and gas
9 conservation pursuant to 82-11-131 and the tax for the oil and gas natural resource distribution account. The
10 total of the privilege and license tax and the tax for the oil and gas natural resource distribution account
11 established in 90-6-1001(1) is 0.3%.

12 (8) Any interest in production owned by the state or a local government is exempt from taxation under
13 this section."
14

15 **Section 3.** Section 12, Chapter 559, Laws of 2021, is amended to read:

16 **"Section 12. Effective dates -- applicability.** (1) Except as provided in subsections (2) through (6),
17 [this act] is effective July 1, 2021.

18 (2) [Sections 1 and 6] are effective January 1, 2022, and apply to the calendar year beginning after
19 December 31, 2021.

20 (3) [Sections 2 and 7] are effective January 1, 2023, and apply to the calendar ~~year~~ years
21 beginning after December 31, 2022.

22 ~~(4) [Sections 3 and 8] are effective January 1, 2024, and apply to the income calendar year~~
23 ~~beginning after December 31, 2023.~~

24 ~~(5) [Sections 4 and 9] are effective January 1, 2025, and apply to the calendar year beginning after~~
25 ~~December 31, 2024.~~

26 ~~(6) [Sections 5 and 10] are effective January 1, 2026, and apply to calendar years beginning after~~
27 ~~December 31, 2025."~~

28

1 **Section 4.** Section 13, Chapter 559, Laws of 2021, is amended to read:

2 "**Section 13. Termination.** (1) [Sections 1 and 6] terminate December 31, 2022.

3 ~~(2) [Sections 2 and 7] terminate December 31, 2023.~~

4 ~~(3) [Sections 3 and 8] terminate December 31, 2024.~~

5 ~~(4) [Sections 4 and 9] terminate December 31, 2025.~~

6 ~~(5) [Section 14] terminates January 1, 2025."~~

7

8 **NEW SECTION. Section 5. Repealer.** Sections 3, 4, 5, 8, 9, 10, and 14, Chapter 559, Laws of 2021,
9 are repealed.

10

11 **NEW SECTION. Section 6. Effective dates.** (1) Except as provided in subsection (2), [this act] is
12 effective on passage and approval.

13 (2) [Sections 1 and 2] are effective January 1, 2024.

14

- END -