

HOUSE BILL 10

Introduced by Kadas, et al.

1/02	Introduced
1/02	Referred to Taxation
1/10	Hearing
1/10	Tabled in Committee

1                   HOUSE       BILL NO. 10  
2   INTRODUCED BY   KADAS  
3  
4   A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOCATE OIL  
5   SEVERANCE TAX REVENUE GENERATED BY OIL PRICES GREATER THAN  
6   \$20 A BARREL TO THE EDUCATION TRUST FUND ACCOUNT; AMENDING  
7   SECTION 15-36-112, MCA; AND PROVIDING AN EFFECTIVE DATE."  
8  
9   BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
10       **Section 1.** Section 15-36-112, MCA, is amended to read:  
11       "15-36-112. Disposition of oil and gas severance  
12   taxes. (1) Each year the department of revenue shall  
13   determine the amount of tax collected under this chapter  
14   from within each county.  
15       (2) The Except as provided in subsection (4), the  
16   severance taxes collected under this chapter are allocated  
17   as follows:  
18       (a) the amount, if any, by which the tax collected  
19   from within a county for any fiscal year exceeds the total  
20   amount collected from within that county for the previous  
21   fiscal year, by reason of increased production and not  
22   because of increase in or elimination of federal price  
23   ceilings on oil and gas, is statutorily appropriated, as  
24   provided in 17-7-502, for allocation to the general fund of  
25   the county for distribution as provided in subsection (3);

1       (b) any amount not allocated to the county under  
2   subsection (2)(a) is allocated to the state general fund.  
3       (3) (a) The county treasurer shall distribute the  
4   money received under subsection (2)(a) of this section to  
5   the county and to all the incorporated cities and towns  
6   within the county in the following manner. The county  
7   receives the available money multiplied by the ratio of the  
8   rural population to the county population. Each incorporated  
9   municipality receives the available money multiplied by the  
10   ratio of the population of the incorporated municipality to  
11   the county population. The rural population is that  
12   population of the county living outside the boundaries of an  
13   incorporated municipality. Population shall be based on the  
14   most recent figures as determined by the department of  
15   commerce.  
16       (b) The money distributed under this subsection may be  
17   used for any purpose as determined by the governing body of  
18   the county, city, or town.  
19       (4) In making the yearly determination required in  
20   subsection (1), the department of revenue shall determine  
21   for each quarter of the year the incremental amount of  
22   severance tax collected under this chapter attributable to  
23   the price of oil being greater than \$20 a barrel. The amount  
24   so determined is allocated to the education trust fund  
25   account established in 90-6-202."

LC 0228/01

1       **Section 2. Extension of authority.** Any existing  
2 authority to make rules on the subject of the provisions of  
3 [this act] is extended to the provisions of [this act].

4       **Section 3. Effective date.** [This act] is effective  
5 July 1, 1989.

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