

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1046

Page 1, line 5, after the first semicolon insert "to provide for a legislative management study;"

Page 4, remove line 7

Page 4, line 8, replace "any processing plant, mining facility, or satellite facility producing potash or byproducts." with "The payment of the taxes under this chapter must be in full and in lieu of all ad valorem taxes by the state, counties, cities, school districts, and other taxing districts upon any property rights attached to or inherent in the right to producing potash and potash byproducts; upon producing potash and potash byproducts leases; upon machinery, appliances, and equipment used in and around any well producing potash or potash byproducts and actually used in the operation of the well; and upon any investment in property."

Page 4, line 9, replace "on which" with "and"

Page 4, line 9, remove "is located"

Page 4, line 11, remove "nor excise taxes upon the sale of"

Page 4, line 12, remove "minerals or byproducts at retail"

Page 4, replace lines 22 through 26 with:

- "1. The first one million dollars of the taxes collected under this chapter from production within each spacing unit must be allocated to the county in which the spacing unit is located. If a spacing unit is located in more than one county, the first one million dollars of the taxes collected under this chapter from production within that unit must be allocated among the counties on the basis of the acreage of the spacing unit within each county. Amounts allocated to the county under this subsection must be deposited by the county treasurer in the county road and bridge fund.
2. After the allocation under subsection 1 has been made, revenue from taxes collected from production within each spacing unit must be allocated as follows:
 - a. For the first calendar year, sixty percent to the producing county and forty percent to the state general fund.
 - b. For the first calendar year after the allocation under subdivision a is completed, fifty percent to the producing county and fifty percent to the state general fund.
 - c. For the first calendar year after the allocation under subdivision b is completed, forty percent to the producing county and sixty percent to the state general fund.
 - d. After the allocation under subdivision c is completed, thirty percent to the producing county and seventy percent to the state general fund.

- e. Before deposit of revenue allocated to the state general fund under this subsection, the state treasurer shall deduct thirty percent of that revenue and deposit that amount in the legacy fund.
- 3. The county treasurer shall deposit ten percent of the revenue received by the county under subsection 2 in a special potash impact grant fund for the county.

57-65-07.1. County potash impact grant fund - Grants - Reports.

Amounts deposited in the county potash impact grant fund under section 57-65-07 must be allocated through grants by the board of county commissioners to or for the benefit of the county or townships or cities within the county. Grants also may be awarded to the county on behalf of unorganized townships in the county. Grants may be awarded on the basis of applications for funding to offset potash development impact. Grants under this section may be awarded to grantees only to meet initial impacts affecting basic governmental services and directly necessitated by potash development impact."

Page 12, after line 7, insert:

"57-65-19. Powers of industrial commission.

The industrial commission shall adopt and maintain rules for potash mining, environmental protection, and reclamation. Environmental protection and reclamation rules, at a minimum, must establish a high degree of protection for surface owners, surface and underground water, productive capacity of soils, public health and safety, and participation of public officials and members of the public in counties in which potash mining will be conducted.

SECTION 4. LEGISLATIVE MANAGEMENT STUDY - POTASH MINING TAXATION. During the 2011-12 interim, the legislative management shall study potash mining and taxation issues. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-third legislative assembly."

Renumber accordingly