

April 8, 2015

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1377

Page 1, line 1, replace "next biennium K-12 fund" with "political subdivision allocation fund"

Page 1, line 4, after the first semicolon insert "to provide a continuing appropriation;"

Page 2, line 5, replace "**Next biennium K-12 fund**" with "**Political subdivision allocation fund - Oil and gas tax revenue allocations to political subdivisions - State treasurer - Continuing appropriation**"

Page 2, replace lines 6 through 8 with:

"There is created in the state treasury the political subdivision allocation fund. The fund consists of oil and gas tax revenue deposited in the fund pursuant to chapter 57-51.1. All moneys in the fund are appropriated to the state treasurer on a continuing basis for the purpose of allocations to political subdivisions in oil-producing counties.

1. If the balance of the fund exceeds ten million dollars on March first of each odd numbered year, within thirty-one days, the state treasurer shall allocate all moneys in the fund to eligible political subdivisions in oil-producing counties based on each political subdivision's oil and gas gross production tax allocations under subsection 4 or subsection 5 of section 57-51-15 in the most recently completed formula allocation year. The allocation to each eligible political subdivision must be proportional to each political subdivision's total oil and gas gross production tax allocation under subsection 4 or subsection 5 of section 57-51-15 in the most recently completed formula allocation year relative to the combined total of all oil and gas gross production tax allocations under subsection 4 and subsection 5 of section 57-51-15 in the most recently completed formula allocation year. For purposes of this subsection, "formula allocation year" means the period beginning September first of an odd-numbered year and ending August thirty-first of the following even-numbered year.
2. If the balance of the fund exceeds ten million dollars on August first of each odd numbered year, within thirty-one days, the state treasurer shall allocate all moneys in the fund to eligible political subdivisions in oil-producing counties based on each political subdivision's oil and gas gross production tax allocations under subsection 4 or subsection 5 of section 57-51-15 in the most recently completed formula allocation year. The allocation to each eligible political subdivision must be proportional to each political subdivision's total oil and gas gross production tax allocation under subsection 4 or subsection 5 of section 57-51-15 in the most recently completed formula allocation year relative to the combined total of all oil and gas gross production tax allocations under subsection 4 and subsection 5 of section 57-51-15 in the most recently completed formula allocation year. For purposes of this subsection, "formula allocation year" means the period beginning September first of an odd-numbered year and ending August thirty-first of the following even-numbered year."

Page 2, line 27, remove the overstrike over "The-next"

Page 2, line 27, after "~~thousand~~" insert "two hundred fifty million"

Page 2, line 27, remove the overstrike over "~~dollars into~~"

Page 2, line 28, remove the overstrike over "~~the property tax relief sustainability fund~~"

Page 2, line 28, remove "The next seven hundred twelve million dollars"

Page 2, line 29, remove "into the next biennium K-12 fund"

Page 2, remove line 31

Page 3, line 1, remove the overstrike over "~~4.~~"

Page 3, line 1, remove "5."

Page 3, line 3, remove the overstrike over "~~5.~~"

Page 3, line 3, remove "6."

Page 3, line 6, remove the overstrike over "~~6.~~"

Page 3, line 6, remove "7."

Page 3, line 6, overstrike "into the strategic investment and improvements fund" and insert immediately thereafter ":

- a. Seventy percent into the strategic investment and improvements fund;  
and
- b. Thirty percent into the political subdivision allocation fund"

Renumber accordingly

#### **STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment:

- Changes the state share of oil and gas tax allocations to reduce the allocation to the property tax relief sustainability fund from \$341.79 million to \$250 million. The House version added an allocation of \$712 million to a next biennium K-12 fund and moved the allocation to property tax relief sustainability fund after the second general fund allocation.
- Changes the state share of oil and gas tax allocations to reduce the allocation of remaining revenue to the strategic investment and improvements fund from 100 percent to 70 percent and to provide an allocation of 30 percent to a newly created political subdivision allocation fund.
- Creates a political subdivision allocation fund and provides a continuing appropriation to the State Treasurer to allocate funding to political subdivisions. The allocations from the fund to the political subdivisions are based on oil and gas tax allocations to political subdivisions in the first year of the biennium.