

SENATE BILL NO. 388

INTRODUCED BY B. HAMLETT

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A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT UNDERGROUND PIPELINES THAT ASSIST IN THE HYDROFRACTURING PROCESS ARE EXEMPT FROM TAXATION IF POTABLE WATER IS PROVIDED TO LOCAL GOVERNMENTS AND CERTAIN MONTANA HOUSEHOLDS; PROVIDING DEFINITIONS; AMENDING SECTION 15-6-213, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

Section 1. Section 15-6-213, MCA, is amended to read:

"15-6-213. Down-hole equipment in oil and gas wells and certain hydrofracturing pipelines exempt -- definitions. (1) All down-hole equipment in oil and gas wells is exempt from taxation.

(2) Infrastructure underground pipelines that assist in the hydrofracturing process are exempt from taxation if the pipelines include waterlines that are located below the frostline and infrastructure to supply potable water to local governments and inhabitants of Montana rural farms and ranches.

(3) As used in this section, the following definitions apply:

(a) "Hydrofracturing" is a procedure used to release oil, gas, or other natural resource substances from rocks and rock formations by injecting fluid into the cracks.

(b) "Local government" means an incorporated city or town, a county, a consolidated local government, a tribal government, a county or multicounty water, sewer, or solid waste district, or an authority as defined in 75-6-304.

(c) "Tribal government" means the government of a federally recognized Indian tribe within the state of Montana."

NEW SECTION. Section 2. Notification to tribal governments. The secretary of state shall send a copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell Chippewa tribe.

NEW SECTION. Section 3. Applicability. [This act] applies to tax years beginning after December 31,



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