

STATE OF MONTANA
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
MINUTES OF THE
BOARD OF OIL AND GAS CONSERVATION SPECIAL MEETING
February 17, 2016

CALL TO ORDER

The special meeting of the Montana Board of Oil and Gas Conservation was called to order by Chairman Linda Nelson at 9:00 a.m., Wednesday, February 17, 2016, at its office at 2535 St. Johns Avenue in Billings, Montana. Board members present were Chairman Linda Nelson, Steven Durrett, Ronald S. Efta, John Evans, Paul Gatzemeier, and Peggy Ames-Nerud. Staff present was Jim Halvorson, Ben Jones, Jennifer Rath, and Rob Stutz. Wayne Smith was absent.

PUBLIC COMMENT

There was no public comment.

PROPOSED NOTICE OF AMENDMENT OF 36.22.1242 “REPORTS BY PRODUCERS – TAX REPORT – TAX RATE”

The special meeting was called to order to initiate rulemaking to raise the privilege and license tax to 100% of the statutory maximum. The current rate of .26% that industry pays will be raised .04%. This will total the statutory maximum rate of .30%.

Motion – Mr. Efta made the motion to approve the recommendation and Mr. Gatzemeier seconded. The motion passed unanimously.

DNRC is developing a rulemaking schedule which includes the development of a small business impact analysis. A rule hearing may be held in conjunction with one of the board’s regularly scheduled hearings.

During the rulemaking process, the Board can lower the rate if the low oil prices increase.

Mr. Efta asked if this affects only cities and counties. Mr. Halvorson said the tax rate effect to oil and gas producers would increase 0.04%, or from 0.26% to 0.30%,

Mr. Evans asked if this would affect royalty owners. Mr. Halvorson believed so, because the license and privilege tax is collected on the royalty owners’ share of production.

MEETING ADJOURNED

Meeting adjourned at 9:15 a.m.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA



Linda Nelson, Chairman
Steven Durrett, Board Member
Ronald S. Efta, Board Member
John Evans, Board Member
Paul Gatzemeier, Board Member
Peggy Ames-Nerud, Board Member

ATTEST:


Jennifer Rath, Program Specialist