

Fifty-fifth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2326

Introduced by

Senators Yockim, Krauter, St. Aubyn

Representatives Byerly, Kempenich, Nichols

1 A BILL for an Act to amend and reenact section 57-51.1-07 of the North Dakota Century Code,
2 relating to allocation of moneys in the oil extraction tax development fund to the highways 2 and
3 85 project account; to provide a continuing appropriation; to provide an effective date; and to
4 provide an expiration date.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. AMENDMENT.** Section 57-51.1-07 of the 1995 Supplement to the North
7 Dakota Century Code is amended and reenacted as follows:

8 **57-51.1-07. (Effective through June 30, 1997) Allocation of moneys in oil**
9 **extraction tax development fund.** Moneys deposited in the oil extraction tax development
10 fund must be apportioned quarterly by the state treasurer as follows:

- 11 1. Twenty percent must be allocated and credited to the sinking fund established for
12 payment of the state of North Dakota water development bonds, southwest
13 pipeline series, and any moneys in excess of the sum necessary to maintain the
14 accounts within the sinking fund and for the payment of principal and interest on
15 the bonds, must be credited to a special trust fund, to be known as the resources
16 trust fund. The resources trust fund must be established in the state treasury and
17 the funds therein must be deposited and invested as are other state funds to earn
18 the maximum amount permitted by law which income must be deposited in the
19 resources trust fund. The principal and income of the resources trust fund may be
20 expended only pursuant to legislative appropriation and are available to:
- 21 a. The state water commission for planning for and construction of water-related
22 projects, including rural water systems. These water-related projects must be
23 those which the state water commission has the authority to undertake and
24 construct pursuant to chapter 61-02; and

b. The industrial commission for the funding of programs for development of energy conservation and renewable energy sources; for studies for development of cogeneration systems that increase the capacity of a system to produce more than one kind of energy from the same fuel; for studies for development of waste products utilization; and for the making of grants and loans in connection therewith.

2. Twenty percent must be allocated as provided in section 24 of article X of the Constitution of North Dakota.

3. Sixty percent must be allocated and credited to the state's general fund for general state purposes.

(Effective July 1, 1997) Allocation of moneys in oil extraction tax development

fund. Moneys deposited in the oil extraction tax development fund must be apportioned quarterly by the state treasurer as follows:

1. Ten percent must be allocated and credited to the sinking fund established for payment of the state of North Dakota water development bonds, southwest pipeline series, and any moneys in excess of the sum necessary to maintain the accounts within the sinking fund and for the payment of principal and interest on the bonds, must be credited to a special trust fund, to be known as the resources trust fund. The resources trust fund must be established in the state treasury and the funds therein must be deposited and invested as are other state funds to earn the maximum amount permitted by law which income must be deposited in the resources trust fund. The principal and income of the resources trust fund may be expended only pursuant to legislative appropriation and are available to:

a. The state water commission for planning for and construction of water-related projects, including rural water systems. These water-related projects must be those which the state water commission has the authority to undertake and construct pursuant to chapter 61-02; and

b. The industrial commission for the funding of programs for development of energy conservation and renewable energy sources; for studies for development of cogeneration systems that increase the capacity of a system to produce more than one kind of energy from the same fuel; for studies for

development of waste products utilization; and for the making of grants and loans in connection therewith.

2. Twenty percent must be allocated as provided in article X, section 24, of the Constitution of North Dakota.

3. Twenty-five percent must be allocated to the highways 2 and 85 project account in the state treasury until ten million dollars has been deposited in that account during a biennium and any amount exceeding this limitation must be deposited in the state's general fund.

4. ~~Seventy~~ Forty-five percent must be allocated and credited to the state's general fund for general state purposes.

SECTION 2. CONTINUING APPROPRIATION. There is hereby appropriated as a standing and continuing appropriation out of any moneys in the highways 2 and 85 project account in the state treasury, not otherwise appropriated, the sum of \$10,000,000 per biennium, and an equal amount from special funds derived from federal funds, or so much of the sums as may be necessary, to the department of transportation for the purpose of construction of four traffic lanes for United States highways 2 and 85 within this state, for each biennium beginning July 1, 1999, or thereafter.

SECTION 3. EFFECTIVE DATE - EXPIRATION DATE. Section 1 of this Act is effective for tax revenue from oil produced after June 30, 1999. This Act becomes ineffective upon certification to the governor and the state treasurer by the director of the department of transportation that four-laning of United States highways 2 and 85 in this state has been completed. Upon such certification, the state treasurer shall transfer any unobligated balance in the highways 2 and 85 project account to the state general fund.