

**SECOND ENGROSSMENT  
with Senate Amendments**

Fifty-fifth  
Legislative Assembly  
of North Dakota

**REENGROSSED HOUSE BILL NO. 1071**

Introduced by

Legislative Council

(Water Resources Committee)

(Representatives Olson, Jacobs, Lloyd)  
(Senators Urlacher, Goetz, Heitkamp)

1 A BILL for an Act to provide for a statewide water development program; to amend and reenact  
2 section 57-51.1-07 of the North Dakota Century Code, relating to allocation of the oil extraction  
3 tax development fund; to provide for a transfer of funds; to provide an effective date; and to  
4 declare an emergency.

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

6 **SECTION 1. Statewide water development program.** The legislative assembly finds  
7 that there is a critical need to develop a comprehensive statewide water development program.  
8 The state water commission shall develop and implement a comprehensive statewide water  
9 development program. The commission shall design the program to serve the long-term water  
10 resource and conservation needs of the state and its people and to protect the state's current  
11 usage of, and the state's claim to, its proper share of Missouri River water.

12 **SECTION 2. AMENDMENT.** Section 57-51.1-07 of the 1995 Supplement to the North  
13 Dakota Century Code is amended and reenacted as follows:

14 **57-51.1-07. ~~(Effective through June 30, 1997)~~ Allocation of moneys in oil**  
15 **extraction tax development fund.** Moneys deposited in the oil extraction tax development  
16 fund must be apportioned quarterly by the state treasurer as follows:

17 1. Twenty percent must be allocated and credited to the sinking fund established for  
18 payment of the state of North Dakota water development bonds, southwest  
19 pipeline series, and any moneys in excess of the sum necessary to maintain the  
20 accounts within the sinking fund and for the payment of principal and interest on  
21 the bonds, must be credited to a special trust fund, to be known as the resources  
22 trust fund. The resources trust fund must be established in the state treasury and  
23 the funds therein must be deposited and invested as are other state funds to earn  
24 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 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:~~

- ~~4. 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~~

1                   ~~those which the state water commission has the authority to undertake and~~  
2                   ~~construct pursuant to chapter 61-02; and~~

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

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

11           3. ~~Seventy percent must be allocated and credited to the state's general fund for~~  
12           ~~general state purposes.~~

13           **SECTION 3. TRANSFER.** During the biennium beginning July 1, 1997, and ending  
14           June 30, 1999, the director of the office of management and budget shall transfer \$2,000,000  
15           from the state general fund to the resources trust fund.

16           **SECTION 4. EFFECTIVE DATE.** This Act becomes effective on July 1, 1997.

17           **SECTION 5. EMERGENCY.** This Act is declared to be an emergency measure.