

Fifty-fifth  
Legislative Assembly  
of North Dakota

**HOUSE BILL NO. 1025**

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the state water  
2 commission; to amend and reenact section 57-51.1-07 of the North Dakota Century Code,  
3 relating to allocation of the oil extraction tax development fund; and to provide an effective date.

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

5 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the  
6 funds as may be necessary, are hereby appropriated out of any moneys in the general fund in  
7 the state treasury, not otherwise appropriated, and from special funds derived from federal  
8 funds and other income, to the various divisions of the state water commission for the purpose  
9 of defraying the expenses of the various divisions, for the biennium beginning July 1, 1997, and  
10 ending June 30, 1999, as follows:

11 Salaries and wages	\$ 7,702,494
12 Operating expenses	9,527,402
13 Equipment	152,250
14 Capital improvements	32,800,000
15 Grants	10,384,663
16 Cooperative research	<u>3,050,000</u>
17 Total all funds	\$63,616,809
18 Less estimated income	<u>56,558,176</u>
19 Total general fund appropriation	\$ 7,058,633

20 **SECTION 2. RESOURCES TRUST FUND.** The amount of \$13,473,548, or so much of  
21 the funds as may be necessary, included in the estimated income line item in section 1 of this  
22 Act is from the resources trust fund for the biennium beginning July 1, 1997, and ending  
23 June 30, 1999.

1           **SECTION 3. ALLOCATION OF GRANT FUNDS.** The funds appropriated in the grants  
2 line item in section 1 of this Act must be disbursed by the state water commission in  
3 accordance with section 61-02-64.1.

4           **SECTION 4. GRANTS.** Section 54-44.1-11 does not apply to appropriations made for  
5 grants in this Act. However, this exclusion is only in effect for the two-year period immediately  
6 following June 30, 1999. Any unexpended funds after this period has expired must be  
7 transferred to the resources trust fund.

8           **SECTION 5. RESOURCES TRUST FUND APPROPRIATION - ADJUSTMENT.** If the  
9 resources trust fund 1997-99 revenues are in excess of \$13,473,548, any excess is hereby  
10 appropriated, subject to emergency commission approval, from the resources trust fund to the  
11 state water commission for the biennium beginning July 1, 1997, and ending June 30, 1999.

12           **SECTION 6. WATER USE FUND.** The estimated income line item included in  
13 section 1 of this Act includes \$30,000 that the state water commission may spend from the  
14 water use fund for the biennium beginning July 1, 1997, and ending June 30, 1999.

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

17           **57-51.1-07. (~~Effective through June 30, 1997~~) Allocation of moneys in oil**  
18 **extraction tax development fund.** Moneys deposited in the oil extraction tax development  
19 fund must be apportioned quarterly by the state treasurer as follows:

- 20           1. Twenty percent must be allocated and credited to the sinking fund established for  
21 payment of the state of North Dakota water development bonds, southwest  
22 pipeline series, and any moneys in excess of the sum necessary to maintain the  
23 accounts within the sinking fund and for the payment of principal and interest on  
24 the bonds, must be credited to a special trust fund, to be known as the resources  
25 trust fund. The resources trust fund must be established in the state treasury and  
26 the funds therein must be deposited and invested as are other state funds to earn  
27 the maximum amount permitted by law which income must be deposited in the  
28 resources trust fund. The principal and income of the resources trust fund may be  
29 expended only pursuant to legislative appropriation and are available to:
  - 30           a. The state water commission for planning for and construction of water-related  
31 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:~~

- ~~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~~

1                    ~~development of cogeneration systems that increase the capacity of a system~~  
2                    ~~to produce more than one kind of energy from the same fuel; for studies for~~  
3                    ~~development of waste products utilization; and for the making of grants and~~  
4                    ~~loans in connection therewith.~~

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

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