

Sixty-first  
Legislative Assembly  
of North Dakota

## HOUSE BILL NO. 1274

Introduced by

Representatives S. Meyer, Drovdal, Kempenich, Onstad

Senators Triplett, Warner

1 A BILL for an Act to amend and reenact section 57-51-15(2) of the North Dakota Century Code,  
2 relating to the elimination of the limit on the amount counties may receive under the oil and gas  
3 gross production tax; and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Section 57-51-15(2) is amended:

- 6 2. The first one million dollars of annual revenue after the deduction of the amount  
7 provided for in subsection 1 from oil or gas produced in any county must be  
8 allocated to that county. The second one million dollars of annual revenue after  
9 the deduction for the amount provided for in subsection 1 from oil and gas  
10 produced in any county must be allocated seventy-five percent to that county and  
11 twenty-five percent to the state general fund. The third one million dollars of  
12 annual revenue after the deduction of the amount provided for in subsection 1 from  
13 oil or gas produced in any county must be allocated fifty percent to that county and  
14 fifty percent to the state general fund. All annual revenue after the deduction of the  
15 amount provided for in subsection 1 above three million dollars from oil or gas  
16 produced in any county must be allocated twenty-five percent to that county and  
17 seventy-five percent to the state general fund. ~~However, the amount to which each~~  
18 ~~county is entitled pursuant to this subsection must be limited based upon the~~  
19 ~~population of the county according to the last official decennial federal census as~~  
20 ~~follows:~~  
21 a. ~~Counties having a population of three thousand or less shall receive no more~~  
22 ~~than three million nine hundred thousand dollars for each fiscal year;~~  
23 ~~however, a county may receive up to four million nine hundred thousand~~  
24 ~~dollars under this subdivision for each fiscal year if during that fiscal year the~~

1 ~~county levies a total of at least ten mills for combined levies for county road~~  
2 ~~and bridge, farm to market and federal aid road, and county road purposes.~~  
3 ~~Any amount received by a county exceeding three million nine hundred~~  
4 ~~thousand dollars under this subdivision is not subject to allocation under~~  
5 ~~subsection 3 but must be credited by the county treasurer to the county~~  
6 ~~general fund.~~

7 b. ~~Counties having a population of over three thousand but less than six~~  
8 ~~thousand shall receive no more than four million one hundred thousand~~  
9 ~~dollars for each fiscal year; however, a county may receive up to five million~~  
10 ~~one hundred thousand dollars under this subdivision for each fiscal year if~~  
11 ~~during that fiscal year the county levies a total of at least ten mills for~~  
12 ~~combined levies for county road and bridge, farm to market and federal aid~~  
13 ~~road, and county road purposes. Any amount received by a county exceeding~~  
14 ~~four million one hundred thousand dollars under this subdivision is not subject~~  
15 ~~to allocation under subsection 3 but must be credited by the county treasurer~~  
16 ~~to the county general fund.~~

17 e. ~~Counties having a population of six thousand or more shall receive no more~~  
18 ~~than four million six hundred thousand dollars for each fiscal year; however, a~~  
19 ~~county may receive up to five million six hundred thousand dollars under this~~  
20 ~~subdivision for each fiscal year if during that fiscal year the county levies a~~  
21 ~~total of ten mills or more for combined levies for county road and bridge,~~  
22 ~~farm to market and federal aid road, and county road purposes. Any amount~~  
23 ~~received by a county exceeding four million six hundred thousand dollars~~  
24 ~~under this subdivision is not subject to allocation under subsection 3 but must~~  
25 ~~be credited by the county treasurer to the county general fund.~~

26 ~~Any allocations for any county pursuant to this subsection which exceed the~~  
27 ~~applicable limitation for that county as provided in subdivisions a through e must be~~  
28 ~~deposited instead in the state's general fund.~~

29 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable events occurring after

30 June 30, 2009.