

September 2008

Introduced by

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

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

6 **SECTION 1. AMENDMENT.** Subsection 2 of section 57-51-15 of the North Dakota
7 Century Code is amended and reenacted as follows:

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

1 however, a county may receive up to four million nine hundred thousand
2 dollars under this subdivision for each fiscal year if during that fiscal year the
3 county levies a total of at least ten mills for combined levies for county road
4 and bridge, farm-to-market and federal-aid road, and county road purposes.
5 Any amount received by a county exceeding three million nine hundred
6 thousand dollars under this subdivision is not subject to allocation under
7 subsection 3 but must be credited by the county treasurer to the county
8 general fund.

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

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

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

1 **SECTION 2. APPLICATION.** Notwithstanding the provisions of section 57-51-07.2, the
2 director of the budget may not consider the enactment of this Act to be an amendment of the
3 distribution formula under chapter 57-51 and the director of the budget may not adjust the
4 seventy-one million dollar amount under section 57-51-07.2 due to enactment of this Act.

5 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable events occurring after
6 June 30, 2009.