

Sixty-first
Legislative Assembly
of North Dakota

SENATE BILL NO.

Introduced by

Senator Dotzenrod

1 A BILL for an Act to amend and reenact section 57-62-02 of the North Dakota Century Code,
2 relating to allocation of money in the coal development fund.

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

4 **SECTION 1. AMENDMENT.** Section 57-62-02 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **57-62-02. Allocation of moneys in coal development fund.** Moneys deposited in the
7 coal development fund shall be apportioned monthly by the state treasurer as follows:

8 1. Thirty percent must be deposited in a permanent trust fund in the state treasury, to
9 be known as the coal development trust fund, pursuant to section 21 of article X of
10 the Constitution of North Dakota. Those funds held in trust and administered by
11 the board of university and school lands on March 5, 1981, pursuant to section 12,
12 chapter 563, 1975 Session Laws; section 12, chapter 560, 1977 Session Laws; or
13 section 13, chapter 626, 1979 Session Laws must also be deposited in the trust
14 fund created pursuant to this subsection. The fund must be held in trust and
15 administered by the board of university and school lands for loans to coal-impacted
16 counties, cities, and school districts as provided in section 57-62-03 and for loans
17 to school districts pursuant to chapter 15.1-36. The board of university and school
18 lands may invest such funds as are not loaned out as provided in this chapter and
19 may consult with the state investment board as provided by law. The income,
20 including interest payments on loans, from the trust must be used first to replace
21 uncollectible loans made from the fund and the balance must be deposited in the
22 state's general fund. Loan principal payments must be redeposited in the trust
23 fund. The trust fund must be perpetual and held in trust as a replacement for

depleted natural resources subject to the provisions of this chapter and chapter 15.1-36.

2. Seventy percent must be allocated to the coal-producing counties and must be distributed among such counties in such proportion as the number of tons [metric tons] of coal severed at each mining operation bears to the total number of tons [metric tons] of coal severed in the state during such monthly period. Allocations under subdivisions a and b must be apportioned by the state treasurer as follows:

a. If the tipple of the currently active coal mining operation in a county is not within fifteen miles [24.14 kilometers] of another county in which no coal is mined, the revenue apportioned according to this subdivision must be allocated as follows:

(1) Thirty percent must be paid by the state treasurer to the incorporated cities of the county based upon the population of each incorporated city according to the last official regular or special federal census or the census taken in accordance with the provisions of chapter 40-02 in case of a city incorporated subsequent to such census.

(2) Forty percent must be paid to the county treasurer who shall deposit it in the county general fund to be used for general governmental purposes.

(3) Thirty percent must be apportioned by the state treasurer to school districts within the county on the average daily membership basis, as certified to the state treasurer by the county superintendent of schools.

b. If the tipple of a currently active coal mining operation in a county is within fifteen miles [24.14 kilometers] of another county in which no coal is mined, the revenue from the production not exceeding the production limitation in a calendar year which is apportioned from that coal mining operation according to this subsection must be allocated, subject to the definitions of terms and the requirements in paragraph 4, as provided in this subdivision. For purposes of this subdivision, the production limitation is three million eight hundred thousand tons [3447302.02 metric tons] through calendar year 1995, three million six hundred thousand tons [3265865.07 metric tons] in calendar

years 1996 and 1997, and three million four hundred thousand tons [3084428.12 metric tons] in calendar years after 1997. Revenue from production exceeding the production limitation in a calendar year from that coal mining operation must be allocated only within the coal-producing county under subdivision a. Allocations under this subdivision must be made as follows:

- (1) Thirty percent must be paid by the state treasurer to the incorporated cities of the coal-producing county and to any city of a non-coal-producing county when any portion of the city lies within fifteen miles [24.14 kilometers] of the tipple of the currently active coal mining operation in the coal-producing county, based upon the population of each incorporated city according to the last official regular or special federal census or the census taken in accordance with the provisions of chapter 40-02 in case of a city incorporated subsequent to such census.
- (2) Forty percent must be divided by the state treasurer between the general fund of the coal-producing county and the general fund of any non-coal-producing county when any portion of the latter county lies within fifteen miles [24.14 kilometers] of the tipple of the currently active coal mining operation in the coal-producing county. The non-coal-producing county portion must be based upon the ratio which the assessed valuation of all quarter sections of land in that county, any portion of which lies within fifteen miles [24.14 kilometers] of the tipple of the currently active coal mining operation, bears to the combined assessed valuations of all land in the coal-producing county and the quarter sections of land in the non-coal-producing county within fifteen miles [24.14 kilometers] of the tipple of the currently active coal mining operation. The county director of tax equalization of the coal-producing county shall certify to the state treasurer the number of quarter sections of land in the non-coal-producing counties which lie at least in part

1 within fifteen miles [24.14 kilometers] of the tipple of the currently active
2 coal mining operation and their assessed valuations.

3 (3) Thirty percent must be apportioned by the state treasurer to school
4 districts within the coal-producing county and to school districts in
5 adjoining non-coal-producing counties when a portion of those school
6 districts' land includes any of the quarter sections of land certified by
7 the director of tax equalization to the state treasurer to be eligible to
8 share county funds as provided for in paragraph 2. The county
9 superintendent of the non-coal-producing counties shall certify to the
10 state treasurer the number of students actually residing on these
11 quarter sections lying outside the coal-producing county and each
12 school district in non-coal-producing counties shall receive a portion of
13 the money under this paragraph based upon the ratio of the number of
14 children residing on quarter sections of that school district within the
15 fifteen-mile [24.14-kilometer] radius of the tipple of a currently active
16 coal mining operation to the total number of schoolchildren from the
17 coal-producing county combined with all the schoolchildren certified to
18 be living on quarter sections within fifteen miles [24.14 kilometers] of
19 the tipple of the currently active coal mining operation in the
20 coal-producing county.

21 (4) For the purposes of ~~this~~ subdivision b of subsection 2 of this section:

22 (a) The terms "currently active coal mining operation in a county",
23 "currently active coal mining operation in the coal-producing
24 county", and "currently active coal mining operation" mean a coal
25 mining operation that produced more than one hundred fifty
26 thousand tons [136077.71 metric tons] of coal in a coal-producing
27 county during the prior quarterly period.

28 (b) The term "coal-producing county" means a county in which more
29 than one hundred fifty thousand tons [136077.71 metric tons] of
30 coal were mined in the prior quarterly period.

- 1 (c) The term "another county in which no coal is mined" means a
2 county in which not more than seventy-five thousand tons
3 [68038.86 metric tons] of coal were mined in the prior quarterly
4 period.
- 5 (d) The terms "non-coal-producing county" and "non-coal-producing
6 counties" mean any county in which not more than seventy-five
7 thousand tons [68038.86 metric tons] of coal were mined in the
8 prior quarterly period.
- 9 (e) In computing each amount to be paid as provided in paragraph 1,
10 2, or 3 for coal severance tax revenue from coal mined during a
11 monthly period, the state treasurer shall deduct from the
12 allocation the amount of coal severance tax revenue, if any, that
13 the governmental body in the non-coal-producing county received
14 from the coal mined in the non-coal-producing county during the
15 same monthly period.