

Sixty-second
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1198

Introduced by

Representatives Onstad, Keiser, Porter, S. Meyer

Senator Warner

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 allocation to counties of a portion of the state's share of oil and gas
3 gross production tax revenues from production within the Fort Berthold Reservation; to provide
4 for retroactive application; and to provide an effective 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 Century
7 Code is amended and reenacted as follows:

8 2. After deduction of the amount provided in subsection 1, annual revenue collected
9 under this chapter from oil and gas produced in each county must be allocated as
10 follows:

11 a. The first two million dollars must be allocated to the county.

12 b. The next one million dollars must be allocated seventy-five percent to the county
13 and twenty-five percent to the state general fund.

14 c. The next one million dollars must be allocated fifty percent to the county and fifty
15 percent to the state general fund.

16 d. The next fourteen million dollars must be allocated twenty-five percent to the
17 county and seventy-five percent to the state general fund.

18 e. All annual revenue remaining after the allocation in subdivision d must be
19 allocated ten percent to the county and ninety percent to the state general fund.

20 For taxes under this chapter imposed on oil and gas production within the Fort
21 Berthold Reservation, the allocation to the county as determined under this subsection
22 must be based on the entire amount of state and tribal taxes collected on that
23 production, the allocation to the state general fund must be reduced accordingly, and
24 the allocation to the Three Affiliated Tribes of the Fort Berthold Reservation must be as

1 determined under the agreement entered under chapter 57-51.2 without any reduction
2 under this subsection.

3 **SECTION 2. RETROACTIVE APPLICATION.** This Act is retroactively effective to apply to
4 taxable events occurring after June 30, 2009. The state treasurer shall determine the amounts
5 counties would have received during the 2009-11 biennium if section 1 of this Act had been
6 effective, and deduct those amounts from the state general fund allocations within affected
7 counties under section 57-51-15 during the 2011-13 biennium and add those amounts to
8 allocations to affected counties until the amount determined by the state treasurer for the
9 2009-11 biennium has been transferred to affected counties under this section.

10 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable events occurring after
11 June 30, 2011.