

**FIRST ENGROSSMENT
with Senate Amendments
ENGROSSED HOUSE BILL NO. 1451**

Introduced by

Representatives Monson, Carlson, Delzer, Skarphol

Senators Oehlke, Sitte

1 A BILL for an Act to create and enact a new section to chapter 57-51.1 of the North Dakota
2 Century Code, relating to deposit of oil and gas tax revenue; to amend and reenact sections
3 15-08.1-08 and 57-51.1-07.3 of the North Dakota Century Code, relating to the lands and
4 minerals trust fund, legacy fund, state infrastructure fund, and the oil and gas research fund; to
5 repeal sections 57-51.1-07.2 and 57-51.1-07.4 of the North Dakota Century Code, relating to
6 elimination of the permanent oil tax trust fund; to provide for transfers; to provide an effective
7 date; and to declare an emergency.

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

9 **SECTION 1. AMENDMENT.** Section 15-08.1-08 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **15-08.1-08. Income - Expenses - Reimbursement - Creation of lands and minerals**
12 **trust fund.**

13 The income derived from the sale, lease, and management of the mineral interests acquired
14 by the board of university and school lands pursuant to this chapter and other funds as provided
15 by law must, after deducting the expenses of sale, lease, and management of the property, be
16 deposited in a fund to be known as the lands and minerals trust fund. Deposits in the lands and
17 minerals trust fund are limited to one hundred fifty million dollars during a biennium and any
18 amounts exceeding this limitation must be deposited in the legacy fund. The corpus and interest
19 of ~~such~~the lands and minerals trust fund may be expended as the legislative assembly may
20 provide.

21 **SECTION 2. AMENDMENT.** Section 57-51.1-07.3 of the North Dakota Century Code is
22 amended and reenacted as follows:

1 **57-51.1-07.3. Oil and gas research fund - Deposits - Continuing appropriation.**

2 There is established a special fund in the state treasury to be known as the oil and gas
3 research fund. Before depositing oil and gas gross production tax and oil extraction tax
4 revenues in the general fund, property tax relief sustainability fund, or the ~~permanent oil tax-~~
5 ~~trust~~state infrastructure fund, two percent of the revenues must be deposited monthly into the oil
6 and gas research fund, up to four million dollars per biennium. All moneys deposited in the oil
7 and gas research fund and interest on all such moneys are appropriated as a continuing
8 appropriation to the council to be used for purposes stated in chapter 54-17.6.

9 **SECTION 3.** A new section to chapter 57-51.1 of the North Dakota Century Code is created
10 and enacted as follows:

11 **State share of oil and gas taxes - Deposits.**

12 The state treasurer shall deposit the first two hundred million dollars of the state general
13 fund share of revenue derived from taxes imposed on oil and gas under chapters 57-51 and
14 57-51.1 into the general fund, the next three hundred fifty million dollars of the state general
15 fund share of revenue from these taxes into the property tax relief sustainability fund, and any
16 additional state general fund share of revenue from these taxes into the state infrastructure
17 fund.

18 **SECTION 4. REPEAL.** Sections 57-51.1-07.2 and 57-51.1-07.4 of the North Dakota
19 Century Code are repealed at the end of the biennium beginning July 1, 2009, and ending
20 June 30, 2011. For purposes of this section, at the end of the biennium means after
21 cancellation of unexpended appropriations under section 54-44.1-11 but before any transfers to
22 the budget stabilization fund under section 54-27.2-02.

23 **SECTION 5. TRANSFERS - PERMANENT OIL TAX TRUST FUND TO LEGACY FUND**

24 **AND GENERAL FUND.** As soon as practicable after the end of the biennium beginning July 1,
25 2009, and ending June 30, 2011, the state treasurer shall transfer \$52,000,000 from the
26 permanent oil tax trust fund to the legacy fund and any remaining balance in the permanent oil
27 tax trust fund to the state general fund and then shall close out the permanent oil tax trust fund.
28 For purposes of this section, at the end of the biennium means after cancellation of unexpended
29 appropriations under section 54-44.1-11 but before any transfers to the budget stabilization fund
30 under section 54-27.2-02.

31 **SECTION 6. EFFECTIVE DATE.** This Act is effective July 1, 2011.

1 **SECTION 7. EMERGENCY.** This Act is declared to be an emergency measure.