

HOUSE BILL NO. 1457

Introduced by

Representatives Froseth, Dietrich, Kasper, Ruby

Senators Bowman, Tollefson

1 A BILL for an Act to amend and reenact section 57-51.1-07.2 of the North Dakota Century
2 Code, relating to the balance of the permanent oil tax trust fund and to provide an effective
3 date.

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

5 **SECTION 1. AMENDMENT.** Section 57-51.1-07.2 of the North Dakota Century Code
6 is amended and reenacted as follows:

7 **57-51.1-07.2. Permanent oil tax trust fund - Deposits - Interest - Adjustment of**
8 **distribution formula.** All revenue deposited in the general fund during a biennium derived
9 from taxes imposed on oil and gas under chapters 57-51 and 57-51.1 which exceeds
10 seventy-one million dollars must be transferred by the state treasurer to a special fund in the
11 state treasury known as the permanent oil tax trust fund. Until the principal balance of the
12 permanent oil tax trust fund reaches one billion dollars, the first two hundred million dollars per
13 biennium deposited in the fund must be considered part of the principal balance of the fund and
14 may not be expended for any reason. When the principal balance of the permanent oil tax trust
15 fund exceeds one billion dollars but does not exceed two billion dollars, the first one hundred
16 million dollars per biennium deposited in the fund must be considered part of the principal
17 balance of the fund and may not be expended for any reason. The state treasurer shall transfer
18 interest earnings of the permanent oil tax trust fund to the general fund at the end of each fiscal
19 year. The principal balance of the permanent oil tax trust fund may not be expended ~~except~~ for
20 any reason but any amount in the permanent oil tax trust fund which is not considered part of
21 the principal balance of the fund under this section may be expended for property tax relief or
22 elementary and secondary education funding upon a two-thirds vote of the members elected to
23 each house of the legislative assembly.

1 If the distribution formulas under chapter 57-51 or 57-51.1 are amended effective after
2 June 30, 1997, the director of the budget shall adjust the seventy-one million dollar amount in
3 this section by the same percentage increase or decrease in the amount of revenue allocable to
4 the general fund after the change in the allocation formula, and transfers to the permanent oil
5 tax trust fund shall thereafter be made using that adjusted figure so that the dollar amount of the
6 transfers to the permanent oil tax trust fund is not increased or decreased merely because of
7 changes in the distribution formulas.

8 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable events occurring after
9 June 30, 2007.