

**SECOND ENGROSSMENT
with Senate Amendments**

Sixty-first
Legislative Assembly
of North Dakota

REENGROSSED HOUSE BILL NO. 1225

Introduced by

Representatives Drovdal, Kempenich, S. Meyer

Senators Andrist, Lyson

1 A BILL for an Act to amend and reenact subsection 1 of section 57-51-15 and section 57-62-06
2 of the North Dakota Century Code, relating to apportionment and use of the proceeds of the oil
3 and gas gross production tax; to provide an appropriation; and to declare an emergency.

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

5 **SECTION 1. AMENDMENT.** Subsection 1 of section 57-51-15 of the North Dakota
6 Century Code, as effective after July 31, 2008, is amended and reenacted as follows:

7 1. First the tax revenue collected under this chapter equal to one percent of the gross
8 value at the well of the oil and one-fifth of the tax on gas must be deposited with
9 the state treasurer who shall credit thirty-three and one-third percent of the
10 revenues to the oil and gas impact grant fund, but not in an amount exceeding ~~six~~
11 eight million dollars per biennium, ~~including any amounts otherwise appropriated~~
12 ~~for oil and gas impact grants for the biennium by the legislative assembly,~~ and who
13 shall credit the remaining revenues to the state general fund.

14 **SECTION 2. AMENDMENT.** Section 57-62-06 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **57-62-06. Legislative intent and guidelines on impact grants.** The legislative
17 assembly intends that the moneys appropriated to, and distributed by, the energy development
18 impact office for grants are to be used by grantees to meet initial impacts affecting basic
19 governmental services, and directly necessitated by coal development and oil and gas
20 development impact; however, the energy development impact office shall give priority to
21 projects funded from the proceeds of the oil and gas gross production tax to transportation
22 infrastructure projects. As used in this section, "basic governmental services" do not include
23 activities relating to marriage or guidance counseling, services or programs to alleviate other
24 sociological impacts, or services or facilities to meet secondary impacts. All grant applications

1 and presentations to the energy development impact office must be made by an appointed or
2 elected government official.

3 **SECTION 3. APPROPRIATION.** There is appropriated out of any moneys in the
4 permanent oil tax trust fund in the state treasury, not otherwise appropriated, the sum of
5 \$8,000,000, or so much of the sum as may be necessary, to the energy development impact
6 office for the purpose of allocation of oil and gas impact grants among political subdivisions in
7 addition to the amounts to be allocated as provided by law, for the period beginning with the
8 effective date of this Act and ending June 30, 2011. The funds provided in this section must be
9 allocated to provide additional grant funds of \$4,000,000 in the grant round awarded in 2009
10 and \$4,000,000 in 2010.

11 **SECTION 4. EMERGENCY.** This Act is declared to be an emergency measure.