Prepared by the Legislative Council staff for
Representative Skarphol
February 2, 2009

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1466

Page 1, line 3, after "57-51-15" insert "and section 57-62-03"

Page 1, line 4, after "remediation" insert "and elimination of the energy development impact office; to repeal sections 57-62-03.1, 57-62-04, 57-62-05, and 57-62-06 of the North Dakota Century Code, relating to elimination of the energy development impact office"

Page 2, line 7, replace "energy development impact office" with "North Dakota association of oil-producing counties"

Page 2, line 23, replace "**remediation commission**" with "**grant**"

Page 2, line 24, replace "remediation" with "grant"

Page 2, line 25, remove the first "commission"

Page 2, line 29, replace "remediation commission" with "grant"

Page 3, line 10, replace "six" with "twenty" and after "dollars" insert "per biennium"

Page 3, line 13, remove "and deposit the remaining revenues in the oil and gas"

Page 3, line 14, remove "impact remediation commission fund", overstrike the comma, and remove "sixty-six"

Page 3, line 15, remove "and two-thirds percent of the"

Page 3, after line 16, insert:

"**SECTION 3. AMENDMENT.** Section 57-62-03 of the North Dakota Century Code is amended and reenacted as follows:

57-62-03. Loans - Terms and conditions - Repayment. The board of university and school lands is authorized to make loans to coal development-impacted counties, cities, and school districts before or after the beginning of actual coal mining from moneys deposited in the coal development trust fund established by subsection 2 of section 57-62-02. Loans made prior to actual mining must be preceded by site permitting and by beginning actual construction of the mine or its mine mouth facility. Loans may be made for any purpose for which a grant ~~may be~~ could have been made pursuant to this chapter~~, but before making any loan the board of university and school lands shall receive the recommendation of the energy development impact office~~ before August 1, 2009. The board of university and school lands shall prescribe the terms and conditions of such loans within the provisions of this chapter and shall require a warrant executed by the governing body of the county, city, or school district as evidence of such loan. The warrants must bear interest at a rate not to exceed six percent. The warrants shall be payable only from the allocations of moneys from the coal development fund to the borrowing county, city, or school district and shall not constitute a general obligation of the county, city, or school district nor may such loans be considered as indebtedness of the county, city, or school district. Loans made in

advance of actual coal mining must provide that repayment is to begin when the borrowing county, city, or school district receives allocations from the coal development fund. The terms of the loan must provide that not less than ten percent of each allocation made to the borrowing county, city, or school district pursuant to this chapter must be withheld by the state treasurer to repay the principal of the warrants and the interest thereon. The amount withheld by the state treasurer as payment of interest must be deposited in the general fund and the amount withheld by the state treasurer as payment of principal must be remitted to the board of university and school lands and deposited by the board in the trust fund provided for in subsection 2 of section 57-62-02. The warrants executed by the county, city, or school district have all of the qualities and incidents of negotiable paper and are not subject to taxation by the state of North Dakota or by any political subdivision thereof.

The board of university and school lands is authorized to sell such warrants to other parties and the proceeds of such sale which constitute principal must be deposited in the coal development trust fund and that which constitutes interest in the general fund. If the future allocations of moneys to the borrowing county, city, or school district should, for any reason, permanently cease, the loan shall be canceled except that if the county, city, or school district is merged with another county, city, or school district which receives an allocation of moneys from the coal development fund, the surviving county, city, or school district is obligated to repay the loan from such allocation. If the loan is canceled due to the permanent cessation of allocations of moneys to the county, city, or school district pursuant to this chapter, the board of university and school lands shall cancel those warrants it holds from such county, city, or school district and shall pay from any moneys in the trust fund provided for in subsection 2 of section 57-62-02 the principal and interest, as it becomes due, on those warrants of the county, city, or school district which are held by another party.

SECTION 4. REPEAL. Sections 57-62-03.1, 57-62-04, 57-62-05, and 57-62-06 of the North Dakota Century Code are repealed."

Renumber accordingly