

**SENATE BILL NO. 2229**

Introduced by

Senators Stenehjem, O'Connell

Representatives Boucher, Carlson

(At the request of the Governor)

1 A BILL for an Act to amend and reenact subsections 1 and 2 of section 57-51-15 and section  
2 57-51.1-07.3 of the North Dakota Century Code, relating to the apportionment of oil and gas  
3 gross production taxes and oil and gas research fund deposits.

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

5 **SECTION 1. AMENDMENT.** Subsections 1 and 2 of section 57-51-15 of the North  
6 Dakota Century Code are 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 twenty 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 2. The first one million dollars of annual revenue after the deduction of the amount  
15 provided for in subsection 1 from oil or gas produced in any county must be  
16 allocated to that county. The second one million dollars of annual revenue after  
17 the deduction for the amount provided for in subsection 1 from oil and gas  
18 produced in any county must be allocated seventy-five percent to that county and  
19 twenty-five percent to the state general fund. The third one million dollars of  
20 annual revenue after the deduction of the amount provided for in subsection 1 from  
21 oil or gas produced in any county must be allocated fifty percent to that county and  
22 fifty percent to the state general fund. All annual revenue after the deduction of the  
23 amount provided for in subsection 1 above three million dollars from oil or gas  
24 produced in any county must be allocated twenty-five percent to that county and

1           seventy-five percent to the state general fund. However, the amount to which each  
2           county is entitled pursuant to this subsection must be limited based upon the  
3           population of the county according to the last official decennial federal census as  
4           follows:

5           a.    Counties having a population of three thousand or less shall receive no more  
6           than ~~three~~ four million nine hundred thousand dollars for each fiscal year;  
7           however, a county may receive up to ~~four~~ five million nine hundred thousand  
8           dollars under this subdivision for each fiscal year if during that fiscal year the  
9           county levies a total of at least ten mills for combined levies for county road  
10          and bridge, farm-to-market and federal-aid road, and county road purposes.  
11          Any amount received by a county exceeding ~~three~~ four million nine hundred  
12          thousand dollars under this subdivision is not subject to allocation under  
13          subsection 3 but must be credited by the county treasurer to the county  
14          general fund.

15          b.    Counties having a population of over three thousand but less than six  
16          thousand shall receive no more than ~~four~~ five million one hundred thousand  
17          dollars for each fiscal year; however, a county may receive up to ~~five~~ six  
18          million one hundred thousand dollars under this subdivision for each fiscal  
19          year if during that fiscal year the county levies a total of at least ten mills for  
20          combined levies for county road and bridge, farm-to-market and federal-aid  
21          road, and county road purposes. Any amount received by a county exceeding  
22          ~~four~~ five million one hundred thousand dollars under this subdivision is not  
23          subject to allocation under subsection 3 but must be credited by the county  
24          treasurer to the county general fund.

25          c.    Counties having a population of six thousand or more shall receive no more  
26          than ~~four~~ five million six hundred thousand dollars for each fiscal year;  
27          however, a county may receive up to ~~five~~ six million six hundred thousand  
28          dollars under this subdivision for each fiscal year if during that fiscal year the  
29          county levies a total of ten mills or more for combined levies for county road  
30          and bridge, farm-to-market and federal-aid road, and county road purposes.  
31          Any amount received by a county exceeding ~~four~~ five million six hundred

1                   thousand dollars under this subdivision is not subject to allocation under  
2                   subsection 3 but must be credited by the county treasurer to the county  
3                   general fund.

4                   Any allocations for any county pursuant to this subsection which exceed the  
5                   applicable limitation for that county as provided in subdivisions a through c must be  
6                   deposited instead in the state's general fund.

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

9                   **57-51.1-07.3. Oil and gas research fund - Deposits - Continuing appropriation.**

10 There is established a special fund in the state treasury to be known as the oil and gas  
11 research fund. Two percent of the state's share of the oil and gas gross production tax and oil  
12 extraction tax revenues, up to ~~three~~ five million dollars per biennium, must be deposited into the  
13 oil and gas research fund. The state treasurer shall transfer into the oil and gas research fund  
14 two percent of the state's share of the oil and gas production tax and the oil extraction tax  
15 revenues for the previous three months. All moneys deposited in the oil and gas research fund  
16 and interest on all such moneys are appropriated as a continuing appropriation to the council to  
17 be used for purposes stated in chapter 54-17.6.