

Sixty-first  
Legislative Assembly  
of North Dakota

## REENGROSSED 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 of the North  
2 Dakota Century Code, relating to the apportionment of oil and gas gross production taxes; and  
3 to provide an effective date.

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 ten million dollars per biennium, including any amounts otherwise appropriated for  
12 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  
2           each 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~~ may  
4           be limited as follows:

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

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

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

1 federal-aid road, and county road purposes. ~~Any amount received by a~~  
2 ~~county exceeding four million six hundred thousand dollars under this~~  
3 ~~subdivision is not subject to allocation under subsection 3 but must be~~  
4 ~~credited by the county treasurer to the county general fund.~~

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

8 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable events occurring after  
9 June 30, 2009.