

Introduced by

Legislative Management

(Energy Development and Transmission Committee)

1 A BILL for an Act to create and enact a new section to chapter 57-62 of the North Dakota  
2 Century Code, relating to impact grants; and to amend and reenact sections 57-62-04,  
3 57-62-05, and 57-62-06 of the North Dakota Century Code, relating to the energy development  
4 impact office and grants.

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

6 **SECTION 1. AMENDMENT.** Section 57-62-04 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **57-62-04. Energy development impact office - Appointment of director.**

9 There is hereby created an energy development impact office, to be a division within the  
10 office of the commissioner of the board of university and school lands, the director of which  
11 must be appointed by and serve at the pleasure of the ~~board~~commissioner of university and  
12 school lands. The director shall have knowledge of state and local government and shall have  
13 experience or training in the fields of taxation and accounting. The salary of the director must be  
14 set by the commissioner of university and school lands within the limits of legislative  
15 appropriations. The director may employ such other persons as may be necessary and may fix  
16 their compensation within the appropriation made for such purpose. The ~~board~~commissioner of  
17 university and school lands shall fill any vacancy in the position of director ~~in the same manner~~  
18 ~~as listed above and, in addition, shall serve as an appeals board under rules promulgated by~~  
19 ~~the board of university and school lands to reconsider grant applications for aid under this~~  
20 ~~chapter which have been denied by the director. All action by the board of university and school~~  
21 ~~lands, including appointment of a director, must be by majority vote.~~

22 **SECTION 2. AMENDMENT.** Section 57-62-05 of the North Dakota Century Code is  
23 amended and reenacted as follows:

1       **57-62-05. Powers and duties of energy development impact director.**

2       The energy development impact director shall:

- 3       1.    Develop a plan for the assistance, through financial grants for services and facilities, of  
4            counties, cities, school districts, and other political subdivisions in coal development  
5            and oil and gas development impact areas.
- 6       2.    Establish procedures and provide proper forms to political subdivisions for use in  
7            making application for funds for impact assistance as provided in this chapter.
- 8       3.    Make funding award recommendations to the board of university and school lands for  
9            grants to counties, cities, school districts, and other taxing districts as provided in this  
10           chapter and within the appropriations made for such purposes. ~~In determining the~~  
11           ~~amount of impact grants for which political subdivisions are eligible, the amount of~~  
12           ~~revenue to which such political subdivisions will be entitled from taxes upon the real~~  
13           ~~property of coal and oil and gas development plants and from other tax or fund~~  
14           ~~distribution formulas provided by law must be considered.~~

15       **SECTION 3. AMENDMENT.** Section 57-62-06 of the North Dakota Century Code is  
16       amended and reenacted as follows:

17       **57-62-06. Legislative intent and guidelines on impact grants.**

18       The legislative assembly intends that the moneys appropriated to, and distributed by, the  
19       energy development impact office for grants are to be used by grantees to meet initial impacts  
20       affecting basic governmental services, and directly necessitated by coal development and oil  
21       and gas development impact, and for long-term planning and engineering studies associated  
22       with road infrastructure, water, sewer, housing, local services, and other essential needs that  
23       are impacted by oil and gas development. As used in this section, "basic governmental  
24       services" do not include activities relating to marriage or guidance counseling, services or  
25       programs to alleviate other sociological impacts, or services or facilities to meet secondary  
26       impacts. All grant applications and presentations to the energy development impact office must  
27       be made by an appointed or elected government official.

28       **SECTION 4.** A new section to chapter 57-62 of the North Dakota Century Code is created  
29       and enacted as follows:

1        **Impact grants.**

2        The board of university and school lands shall make grants to counties, cities, school  
3 districts, and other taxing districts as provided in this chapter and within the appropriations  
4 made for such purposes. In determining the amount of an impact grant for which a political  
5 subdivision is eligible, the board shall consider the amount of revenue the political subdivision  
6 will be entitled to from taxes upon the real property of coal and oil and gas development plants  
7 and from other tax or fund distribution formulas under law.