

Sixty-second
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1458

Introduced by

Representatives Skarphol, Drovdal, Froseth, Kreun, Nathe, Thoreson

1 A BILL for an Act to create and enact chapter 17-09, a new subsection to section 57-51-15, and
2 section 57-51-15.1 of the North Dakota Century Code, relating to establishment of an
3 infrastructure development office and grant program, an energy infrastructure development
4 fund, and to provide for deposit and allocation of certain oil and gas gross production tax
5 revenues; to amend and reenact sections 21-06-10, 57-51-15, and 57-62-03 of the North
6 Dakota Century Code, relating to allocation of revenues from federal flood control mineral
7 leases and oil and gas gross production tax allocation; to repeal sections 57-62-03.1 and
8 57-62-04 of the North Dakota Century Code, relating to the energy development impact office;
9 to provide for a transfer; to provide appropriations; to provide a continuing appropriation; to
10 provide an effective date; and to provide an expiration date.

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

12 **SECTION 1.** Chapter 17-09 of the North Dakota Century Code is created and enacted as
13 follows:

14 **17-09-01. Infrastructure development office - Appointment of director - Staff -**
15 **Assistance of department of transportation.**

16 The infrastructure development office is established within the office of the commissioner of
17 the board of university and school lands, the director of which must be appointed by and serve
18 at the pleasure of the governor. The director must be knowledgeable in matters of state and
19 local government and infrastructure development.

20 The director may employ staff and fix staff compensation within the appropriation made for
21 that purpose. The director may employ a certified public accountant and certified planner among
22 staff members. The director and staff shall monitor and cooperate with political subdivisions
23 awarded grants to assure proper use and reporting of grant funds.

1 The department of transportation shall provide technical assistance as required by the
2 infrastructure development office to evaluate, prioritize, and monitor infrastructure development
3 projects and coordinate commencement of those projects with the department's projects. The
4 department shall monitor county, city, and township infrastructure development contracting to
5 determine if an adequate amount of qualified contractors are available to maintain competitive
6 bidding and timely completion of county, city, and township infrastructure development projects.
7 If the department finds there is an inadequate amount of qualified contractors, the department
8 shall assist counties, cities, and townships to reach a broader audience of qualified contractors
9 with requests for project bids.

10 **17-09-02. Powers and duties of infrastructure development office director.**

11 The infrastructure development office director shall:

- 12 1. Develop a plan for infrastructure development assistance through financial grants or
13 other means of providing assistance for counties, cities, and townships in energy
14 infrastructure development areas.
- 15 2. Establish procedures and prescribe forms for political subdivisions to use in making
16 application for and using grant funds as provided in this chapter.
- 17 3. Make and administer grants to counties, cities, and townships as provided in this
18 chapter and chapter 57-51 and within the limits of available funds. In determining the
19 amount of grants for which political subdivisions are eligible, the amount of funds
20 available and revenue to which such political subdivisions will be entitled from property
21 taxes and local, state, federal, and other sources must be considered.

22 **17-09-03. Guidelines on energy infrastructure development grants.**

23 Grants distributed by the infrastructure development office under section 57-51-15.1 must
24 be used by grantees to meet energy infrastructure development needs. Grants distributed by
25 the infrastructure development office from the energy infrastructure development grant fund
26 must be used by grantees to meet initial impacts affecting basic governmental services, and
27 directly necessitated by oil and gas development. As used in this section, "basic governmental
28 services" do not include activities relating to marriage or guidance counseling or services or
29 programs to alleviate other sociological impacts. All grant applications and presentations to the
30 infrastructure development office must be made by an appointed or elected government official.

1 **17-09-04. Energy infrastructure development fund and energy infrastructure**
2 **development grant fund - Continuing appropriation.**

3 There is created in the state treasury an energy infrastructure development fund and an
4 energy infrastructure development grant fund. The moneys accumulated in the energy
5 infrastructure development fund and energy infrastructure development grant fund are provided
6 as a continuing appropriation and must be allocated for distribution through grants as provided
7 by this chapter and chapter 57-51 through the energy infrastructure development office to cities,
8 counties, and townships.

9 **SECTION 2. AMENDMENT.** Section 21-06-10 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **21-06-10. Moneys received through leasing of lands acquired by United States for**
12 **flood control distributed to counties for schools and roads.**

13 The state treasurer shall pay the moneys allocated to the state under 33 U.S.C. 701(c)(3) to
14 the counties entitled to receive them in proportion to the area of the land in the county acquired
15 by the United States for which compensation is being provided under 33 U.S.C. 701(c)(3) as
16 that area bears to the total of these federal lands in the state. A county receiving an allocation
17 under this section shall disburse the moneys received as follows:

- 18 1. ~~One-half must be paid to the school districts in the county which have lost land subject~~
19 ~~to taxation because of the acquisition of lands by the United States for which~~
20 ~~compensation is being provided under 33 U.S.C. 701(c)(3) in proportion to the area of~~
21 ~~these federal lands in each district as that area bears to the total of such lands in all of~~
22 ~~the school districts in the county. If, however, all of the land in a district has been~~
23 ~~acquired by the United States, that district's proportionate share of the funds allocated~~
24 ~~under this subsection must be paid into the county tuition fund and expended~~
25 ~~according to the law governing that fund.~~
- 26 2. ~~One-quarter must be paid to the county for road purposes to be expended as the~~
27 ~~county commissioners shall determine.~~
- 28 3. ~~The final quarter must be allocated among the organized townships, if any, which have~~
29 ~~lost land subject to taxation because of land acquisitions by the United States for~~
30 ~~which compensation is being provided under 33 U.S.C. 701(c)(3) and the county for~~
31 ~~road purposes in proportion to the area of these lands in each township as that area~~

1 bears to the total area of these federal lands in the county. The county must be
2 allocated a similar proportionate share based on the area of these lands in the county
3 not within an organized township.

4 ~~This section applies to all funds heretofore received or to be received by the counties entitled~~
5 ~~theretodeposit all amounts received in a special federal flood control mineral leasing fund in the~~
6 ~~county treasury. From the federal flood control mineral leasing fund, the county treasurer shall~~
7 ~~make a payment to each school district in the county that has lost land subject to taxation~~
8 ~~because of the acquisition of lands by the United States for which compensation is being~~
9 ~~provided under 33 U.S.C. 701(c)(3). The payment to a school district is determined by~~
10 ~~multiplying the lost land acres in the school district times the current average taxable valuation~~
11 ~~of agricultural property in the county, multiplying the resulting amount by the current school~~
12 ~~district general fund mill rate before reduction under chapter 57-64, and multiplying that result~~
13 ~~times ten. However, the total of annual payments to school districts may not exceed fifty percent~~
14 ~~of the balance of the fund. After the annual payment to school districts, remaining amounts in~~
15 ~~the federal flood control mineral leasing fund may be used for infrastructure development by the~~
16 ~~county, provided through grants to school districts in the county for one-time expenditures, or~~
17 ~~provided through grants to townships, or for the benefit of unorganized townships, for township~~
18 ~~road and bridge purposes.~~

19 **SECTION 3. AMENDMENT.** Section 57-51-15 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **57-51-15. Apportionment and use of proceeds of tax.**

22 The gross production tax provided for in this chapter must be apportioned as follows:

- 23 1. First the tax revenue collected under this chapter equal to one percent of the gross
24 value at the well of the oil and one-fifth of the tax on gas must be deposited with the
25 state treasurer who shall:
- 26 a. ~~Credit thirty-three and one-third percent of the revenues to the oil and gas impact~~
27 ~~grant fund, but not in an amount exceeding credit~~ eight million dollars per
28 biennium;
 - 29 b. ~~Allocate five hundred thousand dollars per fiscal year to each city in an~~
30 ~~oil producing county which has a population of seven thousand five hundred or~~
31 ~~more and more than two percent of its private covered employment engaged in~~

- 1 the mining industry, according to data compiled by job service North Dakota. The
2 allocation under this subdivision must be doubled if the city has more than seven
3 and one-half percent of its private covered employment engaged in the mining
4 industry, according to data compiled by job service North Dakota; and
- 5 e. Credit to the energy infrastructure development grant fund and credit the
6 remaining revenues to the state general fund.
- 7 2. After deduction of the amount provided in subsection 1, annual revenue collected
8 under this chapter from oil and gas produced in each county must be allocated as
9 follows:
- 10 a. The first two million dollars must be allocated to the county.
- 11 b. The next one million dollars must be allocated seventy-five percent to the county
12 and twenty-five percent to the state general fund.
- 13 c. The next one million dollars must be allocated fifty percent to the county and fifty
14 percent to the state general fund.
- 15 d. The next fourteen million dollars must be allocated twenty-five percent to the
16 county and seventy-five percent to the state general fund.
- 17 e. All annual revenue remaining after the allocation in subdivision d must be
18 allocated ten percent to the county, fifteen percent to the energy infrastructure
19 development fund, and ~~ninety~~seventy-five percent to the state general fund.
- 20 3. The amount to which each county is entitled under subsection 2 must be allocated
21 within the county ~~so the first five million three hundred fifty thousand dollars is~~
22 ~~allocated under subsection 4 for each fiscal year and any~~for the first three million nine
23 hundred thousand dollars for a county with a population of fewer than three thousand,
24 four million one hundred thousand dollars for a county with a population of three
25 thousand to six thousand, and four million six hundred thousand dollars for a county
26 with a population of more than six thousand. Any amount received by a county
27 ~~exceeding five million three hundred fifty thousand dollars is credited~~the amount to be
28 allocated under subsection 4 must be allocated by the county treasurer ~~to the county~~
29 ~~infrastructure fund and allocated under subsection 5.~~
- 30 4. a. Forty-five percent of all revenues allocated to any county for allocation under this
31 subsection must be credited by the county treasurer to the county general fund.

1 However, the allocation to a county under this subdivision must be credited to the
2 state general fund if during that fiscal year the county does not levy a total of at
3 least ten mills for combined levies for county road and bridge, farm-to-market and
4 ~~federal-aid~~federal aid road, and county road purposes.

- 5 b. Thirty-five percent of all revenues allocated to any county for allocation under this
6 subsection must be apportioned by the county treasurer no less than quarterly to
7 school districts within the county on the average daily attendance distribution
8 basis, as certified to the county treasurer by the county superintendent of
9 schools. However, no school district may receive in any single academic year an
10 amount under this subsection greater than the county average per student cost
11 multiplied by seventy percent, then multiplied by the number of students in
12 average daily attendance or the number of children of school age in the school
13 census for the county, whichever is greater. Provided, however, that in any county
14 in which the average daily attendance or the school census, whichever is greater,
15 is fewer than four hundred, the county is entitled to one hundred twenty percent
16 of the county average per student cost multiplied by the number of students in
17 average daily attendance or the number of children of school age in the school
18 census for the county, whichever is greater. Once this level has been reached
19 through distributions under this subsection, all excess funds to which the school
20 district would be entitled as part of its thirty-five percent share must be deposited
21 instead in the county general fund. The county superintendent of schools of each
22 oil-producing county shall certify to the county treasurer by July first of each year
23 the amount to which each school district is limited pursuant to this subsection. As
24 used in this subsection, "average daily attendance" means the average daily
25 attendance for the school year immediately preceding the certification by the
26 county superintendent of schools required by this subsection.

27 ~~The countywide allocation to school districts under this subdivision is subject~~
28 ~~to the following:~~

- 29 (1) ~~The first three hundred fifty thousand dollars is apportioned entirely among~~
30 ~~school districts in the county.~~

- 1 (2) ~~The next three hundred fifty thousand dollars is apportioned seventy-five-~~
2 percent among school districts in the county and twenty-five percent to the
3 county infrastructure fund.
- 4 (3) ~~The next two hundred sixty-two thousand five hundred dollars is-~~
5 apportioned two-thirds among school districts in the county and one-third to
6 the county infrastructure fund.
- 7 (4) ~~The next one hundred seventy-five thousand dollars is apportioned fifty-~~
8 percent among school districts in the county and fifty percent to the county
9 infrastructure fund.
- 10 (5) ~~Any remaining amount is apportioned to the county infrastructure fund-~~
11 except from that remaining amount the following amounts are apportioned
12 among school districts in the county:
- 13 (a) ~~Four hundred ninety thousand dollars, for counties having a~~
14 population of three thousand or fewer.
- 15 (b) ~~Five hundred sixty thousand dollars, for counties having a population~~
16 of more than three thousand and fewer than six thousand.
- 17 (c) ~~Seven hundred thirty-five thousand dollars, for counties having a~~
18 population of six thousand or more.
- 19 c. Twenty percent of all revenues allocated to any county for allocation under this
20 subsection must be apportioned no less than quarterly by the state treasurer to
21 the incorporated cities of the county. Apportionment among cities under this
22 subsection must be based upon the population of each incorporated city
23 according to the last official decennial federal census. A city may not receive an
24 allocation for a fiscal year under this subsection and subsection 5 which totals
25 more than seven hundred fifty dollars per capita. Once this level has been
26 reached through distributions under this subsection, all excess funds to which
27 any city would be entitled except for this limitation must be deposited instead in
28 that county's general fund. In determining the population of any city in which total
29 employment increases by more than two hundred percent seasonally due to
30 tourism, the population of that city for purposes of this subdivision must be
31 increased by eight hundred percent. If a city receives a direct allocation under

1 subsection ~~16~~, the allocation to that city receives no allocation under this
2 subsection is limited to sixty percent of the amount otherwise determined for that
3 city under this subsection and the amount exceeding this limitation must be
4 reallocated among the other cities in the county.

5 5. a. Forty-five percent of all revenues to be allocated ~~to a county infrastructure fund~~
6 ~~under subsections 3 and 4~~ under this subsection must be credited by the county
7 treasurer to the county general fund. However, the allocation to a county general
8 fund under this subdivision must be credited to the state general fund if during
9 that fiscal year the county does not levy a total of at least ten mills for combined
10 levies for county road and bridge, farm-to-market and ~~federal aid~~ federal aid road,
11 and county road purposes.

12 b. Thirty-five percent of all revenues to be allocated ~~to~~ under this subsection must be
13 deposited in the county infrastructure fund ~~under subsections 3 and 4~~ must be
14 allocated for allocation by the board of county commissioners to or for the benefit
15 of townships in the county on the basis of applications by townships for funding to
16 offset oil and gas development impact to township roads or other infrastructure
17 needs ~~or applications by school districts for repair or replacement of school~~
18 ~~district vehicles necessitated by damage or deterioration attributable to travel on~~
19 ~~oil and gas development impacted roads~~. An organized township is not eligible
20 for an allocation of funds under this subdivision unless during that fiscal year that
21 township levies at least ten mills for township purposes. For unorganized
22 townships within the county, the board of county commissioners may expend an
23 appropriate portion of revenues under this subdivision to offset oil and gas
24 development impact to township roads or other infrastructure needs in those
25 townships. The amount deposited during each calendar year in the county
26 infrastructure fund which is ~~designated for allocation under this subdivision and~~
27 ~~which is~~ unexpended and unobligated at the end of the calendar year must be
28 transferred by the county treasurer to the county road and bridge fund for use on
29 county road and bridge projects.

30 c. Twenty percent of all revenues to be allocated ~~to any county infrastructure fund~~
31 ~~under subsections 3 and 4~~ under this subsection must be allocated by the county

1 treasurer no less than quarterly to the incorporated cities of the county.
2 Apportionment among cities under this subsection must be based upon the
3 population of each incorporated city according to the last official decennial federal
4 census. A city may not receive an allocation for a fiscal year under this
5 subsection and subsection 4 which totals more than seven hundred fifty dollars
6 per capita. Once this per capita limitation has been reached, all excess funds to
7 which a city would otherwise be entitled must be deposited instead in that
8 county's general fund. If a city receives a direct allocation under subsection 4~~6~~,
9 ~~the allocation to that city receives no allocation under this subsection is limited to~~
10 ~~sixty percent of the amount otherwise determined for that city under this~~
11 ~~subsection and the amount exceeding this limitation must be reallocated among~~
12 ~~the other cities in the county.~~

13 6. From the revenue that would otherwise be deposited in the state general fund under
14 subsections 1 and 2, the state treasurer shall provide a payment in September of each
15 year, or as soon as funds become available, to each city with a population of seven
16 thousand five hundred or more which is located in an oil-producing county. The
17 payment under this subsection must be ten million dollars per fiscal year if the city's
18 private covered employment engaged in the mining industry exceeds twelve percent,
19 five million dollars per fiscal year if the city's private covered employment engaged in
20 the mining industry exceeds two percent but does not exceed twelve percent, and two
21 million five hundred thousand dollars per fiscal year if the city's private covered
22 employment engaged in the mining industry is measurable but totals two percent or
23 less. For purposes of this subsection, job service North Dakota shall determine the
24 annual percentage of oil and gas-related private employment for cities eligible for
25 allocation of funds under this subsection.

26 7. Within sixty~~thirty~~ days after the end of each fiscal~~calendar~~ year, the board of county
27 commissioners of each county that has received an allocation under this section shall
28 file a report for the fiscal~~calendar~~ year with the tax commissioner, in a format
29 prescribed by the tax commissioner, showing~~including~~ :

30 a. ~~The amount received by the county in its own behalf, the amount of those funds~~
31 ~~expended for each purpose to which funds were devoted, and the share of~~

1 county property tax revenue expended for each of those purposes, and the
2 amount of those funds unexpended at the end of the fiscal year The county's
3 statement of revenues and expenditures; and

4 b. The amount available in the county infrastructure fund for allocation to or for the
5 benefit of townships ~~or school districts~~, the amount allocated to each organized
6 township ~~or school district~~ and the amount expended from each such allocation
7 by that township ~~or school district~~, the amount expended by the board of county
8 commissioners on behalf of each unorganized township for which an expenditure
9 was made, and the amount available for allocation to or for the benefit of
10 townships ~~or school districts~~ which remained unexpended at the end of the fiscal
11 year.

12 Within ~~sixty~~fifteen days after the time when reports under this subsection were
13 due, the tax commissioner shall provide ~~a report~~the reports to the legislative council
14 ~~compiling the information from reports received under this subsection~~and the
15 infrastructure development office.

16 ~~In developing the format for reports under this subsection, the tax commissioner~~
17 ~~shall consult the energy development impact office and at least two county auditors~~
18 ~~from oil-producing counties.~~

19 **SECTION 4.** A new subsection to section 57-51-15 of the North Dakota Century Code is
20 created and enacted as follows:

21 From the revenue that would otherwise be deposited in the state general fund under
22 subsections 1 and 2, the state treasurer shall provide a payment in September of each
23 year, or as soon as funds become available, to each city that has a population of
24 seven thousand five hundred or more which is located in an oil-producing county. The
25 payment must be four hundred thousand dollars for each full or fractional percentage
26 point of the city's oil and gas-related private employment, but the payment to a city
27 may not exceed ten million dollars. For purposes of this subsection, job service North
28 Dakota shall determine the annual percentage of oil and gas-related private
29 employment for cities eligible for allocation of funds under this subsection.

30 **SECTION 5.** Section 57-51-15.1 of the North Dakota Century Code is created and enacted
31 as follows:

1 **57-51-15.1. Energy infrastructure development fund - Continuing appropriation.**

2 Revenue deposited in the energy infrastructure development fund is appropriated to the
3 infrastructure development office to be allocated as follows:

4 1. Eighty percent to counties experiencing a need for energy infrastructure development
5 to implement the plan recommendations of the upper great plains transportation
6 institute submitted to the department of commerce in December 2010. However, the
7 allocation to a county under this subdivision must be credited to the state general fund
8 if during that fiscal year the county does not levy a total of at least ten mills for
9 combined levies for county road and bridge, farm-to-market and federal aid road, and
10 county road purposes.

11 a. Eighty percent of the funds under this subsection must be allocated monthly
12 directly to counties and allocated among counties in proportion to their shares of
13 total oil production in the state. Funds received by counties under this subdivision
14 must be used to fully or partially fund county infrastructure development projects.

15 b. Twenty percent of the funds under this subsection may be awarded by the
16 infrastructure development office as grants to counties to supplement funding
17 under subdivision a or to provide full or partial funding for county infrastructure
18 development projects not fully funded under subdivision a. Applications by
19 counties for grant funding under this subsection must be made in a format
20 prescribed by the director. Grants under this subdivision must obtain prior
21 approval from the budget section of the legislative management.

22 2. Twelve percent may be awarded by the infrastructure development office as grants to
23 cities with a population of fewer than seven thousand five hundred to meet energy
24 infrastructure development needs.

25 3. Eight percent to or for the benefit of townships.

26 a. Two-thirds of the funds under this subsection must be allocated directly to
27 townships, or to the county for the benefit of unorganized townships, in annual
28 payments of five thousand dollars for each township with at least one producing
29 oil or gas well plus an additional three hundred fifty dollars for each additional
30 producing well, up to a maximum of ten thousand dollars per township. The
31 unexpended amount under this subdivision at the end of the fiscal year must be

1 transferred to the state treasurer to be allocated among oil-producing counties in
2 proportion to their shares of total oil production in the state and deposited by a
3 recipient county in its county infrastructure fund for use as provided in section
4 57-51-15.

5 b. One-third of the funds under this subsection may be awarded as grants by the
6 infrastructure development office to townships, or to the county for the benefit of
7 unorganized townships, requiring infrastructure development attributable to oil
8 and gas development activity, including townships that have no production of oil
9 or gas. Applications for township grants under this subdivision must be reviewed
10 by the board of county commissioners, which shall prioritize and make its funding
11 recommendation for each grant application.

12 4. Grant awards under this section may be made over one or more years and may
13 extend beyond the end of a biennium. Grant awards and unexpended grant funds are
14 not subject to section 54-44.1-11.

15 5. Through August 31, 2012, all allocations under this section must be made from funds
16 specifically appropriated for that purpose by the legislative assembly and any amounts
17 deposited in the energy infrastructure development fund under section 57-51-15 after
18 June 30, 2011, must be accumulated and may not be expended until after August 31,
19 2012. The amount that may be expended from the energy infrastructure development
20 fund after August 31, 2012, is subject to determination by the budget section of the
21 legislative management, after receiving the recommendation of the infrastructure
22 development office.

23 **SECTION 6. AMENDMENT.** Section 57-62-03 of the North Dakota Century Code is
24 amended and reenacted as follows:

25 **57-62-03. Loans - Terms and conditions - Repayment.**

26 The board of university and school lands is authorized to make loans to coal
27 development-impacted counties, cities, and school districts before or after the beginning of
28 actual coal mining from moneys deposited in the coal development trust fund established by
29 subsection 2 of section 57-62-02. Loans made prior to actual mining must be preceded by site
30 permitting and by beginning actual construction of the mine or its mine mouth facility. Loans
31 may be made for any purpose for which a grant may be made pursuant to this chapter, but

1 before making any loan the board of university and school lands shall receive the
2 recommendation of the energyinfrastructure development ~~impæet~~ office. The board of university
3 and school lands shall prescribe the terms and conditions of such loans within the provisions of
4 this chapter and shall require a warrant executed by the governing body of the county, city, or
5 school district as evidence of such loan. The warrants must bear interest at a rate not to exceed
6 six percent. The warrants shall be payable only from the allocations of moneys from the coal
7 development fund to the borrowing county, city, or school district and shall not constitute a
8 general obligation of the county, city, or school district nor may such loans be considered as
9 indebtedness of the county, city, or school district. Loans made in advance of actual coal mining
10 must provide that repayment is to begin when the borrowing county, city, or school district
11 receives allocations from the coal development fund. The terms of the loan must provide that
12 not less than ten percent of each allocation made to the borrowing county, city, or school district
13 pursuant to this chapter must be withheld by the state treasurer to repay the principal of the
14 warrants and the interest thereon. The amount withheld by the state treasurer as payment of
15 interest must be deposited in the general fund and the amount withheld by the state treasurer
16 as payment of principal must be remitted to the board of university and school lands and
17 deposited by the board in the trust fund provided for in subsection 2 of section 57-62-02. The
18 warrants executed by the county, city, or school district have all of the qualities and incidents of
19 negotiable paper and are not subject to taxation by the state of North Dakota or by any political
20 subdivision thereof.

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

1 the principal and interest, as it becomes due, on those warrants of the county, city, or school
2 district which are held by another party.

3 **SECTION 7. REPEAL.** Sections 57-62-03.1 and 57-62-04 of the North Dakota Century
4 Code are repealed.

5 **SECTION 8. TRANSFER.** As soon as feasible after June 30, 2011, the state treasurer shall
6 close out the oil and gas impact grant fund and transfer any remaining unobligated balance to
7 the energy infrastructure development grant fund.

8 **SECTION 9. APPROPRIATION.** There is appropriated out of any moneys in the general
9 fund in the state treasury, not otherwise appropriated, the sum of \$172,500,000, or so much of
10 the sum as may be necessary, to the infrastructure development office for the purpose of
11 allocation for energy infrastructure enhancement as provided in section 57-51-15.1, with not
12 more than \$102,500,000 of that amount to be expended during the first fiscal year of the
13 biennium beginning July 1, 2011, and ending June 30, 2013. From the amount appropriated in
14 this section, the infrastructure development office may transfer \$350,000, or so much of the sum
15 as may be necessary, to the upper great plains transportation institute for the purpose of
16 updating its December 2010 report on energy infrastructure development and monitoring
17 progress on implementation of the recommendations of that report by political subdivisions, for
18 the biennium beginning July 1, 2011, and ending June 30, 2013.

19 **SECTION 10. APPROPRIATION.** There is appropriated out of any moneys in the general
20 fund in the state treasury, not otherwise appropriated, the sum of \$100,000, or so much of the
21 sum as may be necessary, to job service North Dakota for the purpose of upgrading collection
22 and use of employment data to correctly identify transportation and other employees who
23 should be included for statistical purposes in oil and gas-related employment, for the biennium
24 beginning July 1, 2011, and ending June 30, 2013.

25 **SECTION 11. EFFECTIVE DATE - EXPIRATION DATE.** Sections 3 and 5 of this Act are
26 effective for taxable events occurring after June 30, 2011, and through June 30, 2015, and are
27 thereafter ineffective. Section 4 of this Act is effective for taxable events occurring after June 30,
28 2015.