

**FIRST ENGROSSMENT**

**ENGROSSED SENATE BILL NO. 2302**

Introduced by

Senators Patten, Beard, Kessel

Representatives Hagert, Novak, Porter

1 A BILL for an Act to amend and reenact sections 15-01-02 and 15-05-09 of the North Dakota  
2 Century Code, relating to the powers of the board of university and school lands and leases on  
3 state lands.

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

5 **SECTION 1. AMENDMENT.** Section 15-01-02 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **15-01-02. Powers - Control of public lands and permanent funds.**

8 The board has:

- 9 1. Full control of the selection, appraisalment, rental, sale, disposal, and management of:
- 10 a. Lands donated or granted by or received from the United States or from any  
11 other source for the support and maintenance of the common schools.
- 12 b. All lands which fall to the state by escheat.
- 13 c. All lands donated or granted by or received from the United States or from any  
14 other source for the maintenance of the educational, penal, or charitable  
15 institutions.
- 16 d. All lands acquired by the state through the investment of the permanent school  
17 funds of the state as the result of mortgage foreclosure or otherwise.
- 18 2. Full control of the investment of the permanent funds derived from the sale of any of  
19 the lands described in subsection 1.
- 20 3. Full control of such percent of the proceeds of any sale of public lands as may be  
21 granted to the state by the United States on such sale.

- 1       4. Full control of the proceeds of any property that fall to the state by escheat and of the  
2       proceeds of all gifts and donations to the state for the support or maintenance of the  
3       common schools, and of all other property otherwise acquired by the state for the  
4       maintenance of the common schools. Any gift to the state not specifically appropriated  
5       to any other purpose must be considered as a gift for the support and maintenance of  
6       the common schools.
- 7       5. Authority to expend moneys for the purpose of making refunds in cases in which an  
8       error has been made by the board, or a person dealing with the board, with regard to  
9       any of the lands, minerals, funds, proceeds, or any other kind of property managed by  
10      the board. Moneys expended to make refunds must come from the same fund or  
11      account into which the money to be refunded was originally placed.
- 12      6. Authority to award and distribute energy infrastructure and impact grants from moneys  
13      deposited in the oil and gas impact grant fund, except that grants awarded annually  
14      may not exceed sixty percent of the biennial appropriation for energy infrastructure  
15      and impact grants. The board may create an advisory committee to assist the board in  
16      making its grant award determinations.
- 17      7. Authority to adopt policies and rules necessary to carry out the responsibilities of the  
18      board in conformity with any statute administered or enforced by the board.

19      **SECTION 2. AMENDMENT.** Section 15-05-09 of the North Dakota Century Code is  
20      amended and reenacted as follows:

21      **15-05-09. Leases for oil, gas, and other products.**

22      The board of university and school lands may lease:

- 23      1. Lease any lands under its control believed to contain resources, including oil, gas,  
24      coal, cement materials, sodium sulfate, sand and gravel, road material, building stone,  
25      chemical substances, metallic ores, critical minerals, rare earth elements, colloidal or  
26      other clays, or other naturally occurring elements and their compounds, ~~and may~~  
27      make;
- 28      2. Cancel a lease if it is discovered that a lessee intends to hinder or block development  
29      of the resources; and
- 30      3. Make and establish rules and regulations for development, drilling, and mining  
31      operations.