

Introduced by

Senators Bekkedahl, Sorvaag, Hogue

Representatives Lefor, Brandenburg, Richter

1 A BILL for an Act to create and enact a new section to chapter 57-51 of the North Dakota
2 Century Code, relating to an energy impact grant fund; to amend and reenact sections 57-51-15
3 and 57-51.1-07.5 of the North Dakota Century Code, relating to oil and gas gross production tax
4 allocations and the state share of oil and gas tax allocations; to provide a continuing
5 appropriation; to provide an exemption; and to provide an effective date.

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

7 **SECTION 1. AMENDMENT.** Section 57-51-15 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **57-51-15. Gross production tax allocation. (Effective through June 30, 2027)**

10 ~~The gross production tax must be allocated monthly as follows:~~

- 11 ~~1. The tax revenue collected under this chapter equal to one percent of the gross value~~
12 ~~at the well of the oil and one-fifth of the tax on gas must be deposited with the state~~
13 ~~treasurer. The state treasurer shall allocate the funding in the following order:~~
- 14 ~~a. Eight percent of the amount available under this subsection to the North Dakota~~
15 ~~outdoor heritage fund, but not in an amount exceeding twenty million dollars per~~
16 ~~fiscal year.~~
 - 17 ~~b. Four percent of the amount available under this subsection to the abandoned oil~~
18 ~~and gas well plugging and site reclamation fund, but not in an amount exceeding~~
19 ~~seven million five hundred thousand dollars per fiscal year and not in an amount~~
20 ~~that would bring the balance in the fund to more than one hundred million dollars.~~
 - 21 ~~c. Any remaining revenues pursuant to subsection 3.~~
 - 22 ~~d. For purposes of this subsection, "fiscal year" means the period beginning~~
23 ~~September first and ending August thirty-first of the following calendar year.~~

- 1 2. ~~The tax revenue collected under this chapter equal to four percent of the gross value~~
2 ~~at the well of the oil and four-fifths of the tax on gas must be deposited with the state~~
3 ~~treasurer. The state treasurer shall allocate the funding in the following order:~~
- 4 a. ~~The first five million dollars of collections received from a county each fiscal year~~
5 ~~is allocated to the county.~~
- 6 b. ~~The remaining revenue collections received from a county each fiscal year are~~
7 ~~allocated thirty percent to the county and seventy percent as follows:~~
- 8 (1) ~~Monthly amounts to the hub city funding pool to provide fifteen million four~~
9 ~~hundred thousand dollars per fiscal year for the allocations under~~
10 ~~paragraph 2 of subdivision a of subsection 5.~~
- 11 (2) ~~Monthly amounts to the hub city school district funding pool to provide two~~
12 ~~million one hundred thousand dollars per fiscal year for the allocations~~
13 ~~under paragraph 3 of subdivision a of subsection 5.~~
- 14 (3) ~~Monthly amounts to the supplemental school district funding pool to provide~~
15 ~~seventy percent of the total amount needed for the allocations under~~
16 ~~paragraph 4 of subdivision a of subsection 5.~~
- 17 (4) ~~Any remaining revenue collections to the state for the state's allocations~~
18 ~~pursuant to subsection 3.~~
- 19 e. ~~For purposes of this subsection, "fiscal year" means the period beginning~~
20 ~~September first and ending August thirty-first of the following calendar year.~~
- 21 3. ~~After the allocations under subsections 1 and 2, the amount remaining is allocated first~~
22 ~~to provide for deposit of thirty percent of all revenue collected under this chapter in the~~
23 ~~legacy fund as provided in section 26 of article X of the Constitution of North Dakota~~
24 ~~and the remainder must be allocated to the state general fund. If the amount available~~
25 ~~for a monthly allocation under this subsection is insufficient to deposit thirty percent of~~
26 ~~all revenue collected under this chapter in the legacy fund, the state treasurer shall~~
27 ~~transfer the amount of the shortfall from the state general fund share of oil extraction~~
28 ~~tax collections and deposit that amount in the legacy fund.~~
- 29 4. ~~For a county that received less than five million dollars of allocations under~~
30 ~~subsection 2 in the most recently completed even-numbered fiscal year before the~~

1 start of the biennium, revenues allocated to that county must be distributed by the
2 state treasurer as follows:

3 a. Forty-five percent must be distributed to the county treasurer and credited to the
4 county general fund.

5 b. Thirty-five percent must be distributed proportionally to school districts within the
6 county on the average daily attendance distribution basis for kindergarten
7 through grade twelve students residing within the county, as certified to the state
8 treasurer by the county superintendent of schools. However, a hub city school
9 district must be omitted from distributions under this subdivision.

10 e. Twenty percent must be distributed to the incorporated cities of the county. A hub
11 city must be omitted from distributions under this subdivision. Distributions
12 among cities under this subsection must be proportional based upon the
13 population of each incorporated city according to the last official decennial federal
14 census. In determining the population of any city in which total employment
15 increases by more than two hundred percent seasonally due to tourism, the
16 population of that city for purposes of this subdivision must be increased by eight
17 hundred percent.

18 d. For purposes of this subsection, "fiscal year" means the period beginning
19 September first and ending August thirty-first of the following calendar year.

20 5. For a county that received five million dollars or more of allocations under subsection 2
21 in the most recently completed even-numbered fiscal year before the start of the
22 biennium, revenues allocated to that county must be distributed by the state treasurer
23 as follows:

24 a. A portion of the revenues from each county must be distributed to a hub city
25 funding pool, a hub city school district funding pool, and a supplemental school
26 district funding pool as follows:

27 (1) The amount distributed from each county to the funding pools under this
28 subdivision must be proportional to each county's monthly oil and gas gross
29 production tax revenue collections relative to the combined total monthly oil
30 and gas gross production tax revenue collections from all the counties that
31 receive allocations under this subsection.

1 (2) ~~The state treasurer shall distribute, to the hub city funding pool, the monthly~~
2 ~~amount needed from each county to provide six million six hundred~~
3 ~~thousand dollars per fiscal year for the allocations under this paragraph.~~

4 (a) ~~The state treasurer shall allocate monthly amounts from the hub city~~
5 ~~funding pool to provide a combined total of twenty-two million dollars~~
6 ~~per fiscal year to all the hub cities, which includes the fifteen million~~
7 ~~four hundred thousand dollars under paragraph 1 of subdivision b of~~
8 ~~subsection 2 and the six million six hundred thousand dollars under~~
9 ~~this paragraph. The monthly allocation to each hub city must be~~
10 ~~proportional to each hub city's impact percentage score, including~~
11 ~~fractional percentage points rounded to the nearest tenth of a percent,~~
12 ~~relative to the combined total of all the hub cities' impact percentage~~
13 ~~scores.~~

14 (b) ~~The state treasurer shall calculate the impact percentage score for~~
15 ~~each hub city by summing the following:~~

16 [1] ~~The percentage of mining, quarrying, and oil and gas extraction~~
17 ~~employment relative to the total employment of all industries in~~
18 ~~the county in which the hub city is located, based on the most~~
19 ~~recent annual data for all ownership types compiled by job~~
20 ~~service North Dakota in the quarterly census of employment and~~
21 ~~wages, multiplied by forty-five hundredths;~~

22 [2] ~~The average of the percentage of mining, quarrying, and oil and~~
23 ~~gas extraction employment relative to the total employment of all~~
24 ~~industries in each county for all the counties in the human~~
25 ~~service region in which the hub city is located, based on the most~~
26 ~~recent annual data for all ownership types compiled by job~~
27 ~~service North Dakota in the quarterly census of employment and~~
28 ~~wages, multiplied by fifteen hundredths;~~

29 [3] ~~The percentage of establishments engaged in mining, quarrying,~~
30 ~~and oil and gas extraction relative to the total establishments of~~
31 ~~all industries in the county in which the hub city is located, based~~

1 on the most recent annual data for all ownership types compiled
2 by job service North Dakota in the quarterly census of
3 employment and wages, multiplied by one-tenth;

4 [4] The percentage of oil production in the human service region in
5 which the hub city is located relative to the total oil production in
6 all the human service regions with hub cities, based on the most
7 recently available calendar year data compiled by the industrial
8 commission in a report on the historical barrels of oil produced by
9 county, multiplied by one-tenth;

10 [5] The percentage change in population from five years prior for the
11 hub city, based on the most recent actual or estimated census
12 data published by the United States census bureau, multiplied by
13 one-tenth; and

14 [6] The percentage change in population from five years prior for the
15 county in which the hub city is located, based on the most recent
16 actual or estimated census data published by the United States
17 census bureau, multiplied by one-tenth.

18 (e) For purposes of this paragraph, "human service region" means the
19 areas designated by the governor's executive order 1978-12 dated
20 October 5, 1978.

21 (3) The state treasurer shall distribute, to the hub city school district funding
22 pool, the monthly amount needed from each county to provide nine hundred
23 thousand dollars per fiscal year for the allocations under this paragraph.

24 (a) The state treasurer shall allocate monthly amounts from the hub city
25 school district funding pool to provide a combined total of three million
26 dollars per fiscal year to all the hub city school districts, which
27 includes the two million one hundred thousand dollars under
28 paragraph 2 of subdivision b of subsection 2 and the nine hundred
29 thousand dollars under this paragraph. The monthly allocation to each
30 hub city school districts must be proportional to each hub city school
31 district's impact percentage score, including fractional percentage

1 points rounded to the nearest tenth of a percent, relative to the
2 combined total of all the hub cities' impact percentage scores.

3 (b) For the purpose of determining the impact percentage score for each
4 hub city school district, the state treasurer shall use the same impact
5 percentage score as the corresponding score calculated for each hub
6 city in paragraph 2.

7 (4) The state treasurer shall distribute, to the supplemental school district
8 funding pool, the monthly amount needed from each county to provide for
9 thirty percent of the total allocations under this paragraph. To each county
10 that received more than five million dollars but less than thirty million dollars
11 of total allocations under subsection 2 in the most recently completed
12 even-numbered fiscal year before the start of the biennium, the state
13 treasurer shall allocate a monthly amount from the supplemental school
14 district funding pool which will be added to the distributions to school
15 districts under paragraph 2 of subdivision b, as follows:

16 (a) To each county that received more than five million dollars but not
17 exceeding ten million dollars of total allocations under subsection 2 in
18 the most recently completed even-numbered fiscal year before the
19 start of the biennium, the state treasurer shall allocate a monthly
20 amount that will provide a total allocation of one million five hundred
21 thousand dollars per fiscal year. The allocation must be distributed to
22 school districts within the county pursuant to paragraph 2 of
23 subdivision b.

24 (b) To each county that received more than ten million dollars but not
25 exceeding fifteen million dollars of total allocations under subsection 2
26 in the most recently completed even-numbered fiscal year before the
27 start of the biennium, the state treasurer shall allocate a monthly
28 amount that will provide a total allocation of one million two hundred
29 fifty thousand dollars per fiscal year. The allocation must be distributed
30 to school districts within the county pursuant to paragraph 2 of
31 subdivision b.

- 1 (e) ~~To each county that received more than fifteen million dollars but not~~
2 ~~exceeding twenty million dollars of total allocations under subsection 2~~
3 ~~in the most recently completed even-numbered fiscal year before the~~
4 ~~start of the biennium, the state treasurer shall allocate a monthly~~
5 ~~amount that will provide a total allocation of one million dollars per~~
6 ~~fiscal year. The allocation must be distributed to school districts within~~
7 ~~the county pursuant to paragraph 2 of subdivision b.~~
- 8 (d) ~~To each county that received more than twenty million dollars but not~~
9 ~~exceeding twenty-five million dollars of total allocations under~~
10 ~~subsection 2 in the most recently completed even-numbered fiscal~~
11 ~~year before the start of the biennium, the state treasurer shall allocate~~
12 ~~a monthly amount that will provide a total allocation of seven hundred~~
13 ~~fifty thousand dollars per fiscal year. The allocation must be distributed~~
14 ~~to school districts within the county pursuant to paragraph 2 of~~
15 ~~subdivision b.~~
- 16 (e) ~~To each county that received more than twenty-five million dollars but~~
17 ~~not exceeding thirty million dollars of total allocations under~~
18 ~~subsection 2 in the most recently completed even-numbered fiscal~~
19 ~~year before the start of the biennium, the state treasurer shall allocate~~
20 ~~a monthly amount that will provide a total allocation of five hundred~~
21 ~~thousand dollars per fiscal year. The allocation must be distributed to~~
22 ~~school districts within the county pursuant to paragraph 2 of~~
23 ~~subdivision b.~~
- 24 b. ~~After the distributions in subdivision a, each county's remaining revenues must be~~
25 ~~distributed as follows:~~
- 26 (1) ~~Sixty percent must be distributed to the county treasurer and credited to the~~
27 ~~county general fund.~~
- 28 (2) ~~Five percent must be distributed proportionally to school districts within the~~
29 ~~county on the average daily attendance distribution basis for kindergarten-~~
30 ~~through grade twelve students residing within the county, as certified to the~~

1 state treasurer by the county superintendent of schools. However, a hub city
2 school district must be omitted from distributions under this subdivision.

3 (3) ~~Twenty percent must be distributed to the incorporated cities of the county. A~~
4 ~~hub city must be omitted from distributions under this subdivision.~~

5 ~~Distributions among cities under this subsection must be proportional based~~
6 ~~upon the population of each incorporated city according to the last official~~
7 ~~decennial federal census. In determining the population of any city in which~~
8 ~~total employment increases by more than two hundred percent seasonally~~
9 ~~due to tourism, the population of that city for purposes of this subdivision~~
10 ~~must be increased by eight hundred percent.~~

11 (4) ~~Four percent must be allocated among the organized and unorganized~~
12 ~~townships of the county. The state treasurer shall allocate the funds~~
13 ~~available under this subdivision among townships in proportion to each~~
14 ~~township's road miles relative to the total township road miles in the county.~~
15 ~~The amount allocated to unorganized townships under this subdivision must~~
16 ~~be distributed to the county treasurer and credited to a special fund for~~
17 ~~unorganized township roads, which the board of county commissioners shall~~
18 ~~use for the maintenance and improvement of roads in unorganized~~
19 ~~townships.~~

20 (5) ~~Nine percent must be distributed among hub cities. The state treasurer shall~~
21 ~~distribute the funds available under this subdivision in proportion to the~~
22 ~~amounts the hub cities receive under paragraph 2 of subdivision a.~~

23 (6) ~~Two percent must be distributed among hub city school districts. The state~~
24 ~~treasurer shall distribute the funds available under this subdivision in~~
25 ~~proportion to the amounts the hub city school districts receive under~~
26 ~~paragraph 3 of subdivision a.~~

27 (7) ~~For purposes of this subsection, "fiscal year" means the period beginning~~
28 ~~September first and ending August thirty-first of the following calendar year.~~

29 **Gross production tax allocation. (Effective after June 30, 2027)** The gross production
30 tax must be allocated monthly as follows:

- 1 1. The tax revenue collected under this chapter equal to one percent of the gross value
2 at the well of the oil and one-fifth of the tax on gas must be deposited with the state
3 treasurer. The state treasurer shall allocate the funding in the following order:
- 4 a. Eight percent of the amount available under this subsection to the North Dakota
5 outdoor heritage fund, but not in an amount exceeding twenty million dollars per
6 fiscal year.
- 7 b. Four percent of the amount available under this subsection to the abandoned oil
8 and gas well plugging and site reclamation fund, but not in an amount exceeding
9 seven million five hundred thousand dollars per fiscal year and not in an amount
10 that would bring the balance in the fund to more than one hundred million dollars
11 through June 30, 2027, or to more than fifty million dollars after June 30, 2027.
- 12 c. Up to twenty million dollars per fiscal year to the energy impact grant fund under
13 section 2 of this Act.
- 14 d. Any remaining revenues pursuant to subsection 3.
- 15 ~~d.e.~~ For purposes of this subsection, "fiscal year" means the period beginning
16 September first and ending August thirty-first of the following calendar year.
- 17 2. The tax revenue collected under this chapter equal to four percent of the gross value
18 at the well of the oil and four-fifths of the tax on gas must be deposited with the state
19 treasurer. The state treasurer shall allocate the funding in the following order:
- 20 a. The first five million dollars of collections received from a county each fiscal year
21 is allocated to the county.
- 22 b. The remaining revenue collections received from a county each fiscal year are
23 allocated thirty percent to the county and seventy percent as follows:
- 24 (1) Monthly amounts to the hub city funding pool to provide fifteen million four
25 hundred thousand dollars per fiscal year for the allocations under
26 paragraph 2 of subdivision a of subsection 5.
- 27 (2) Monthly amounts to the hub city school district funding pool to provide two
28 million one hundred thousand dollars per fiscal year for the allocations
29 under paragraph 3 of subdivision a of subsection 5.

- 1 (3) Monthly amounts to the supplemental school district funding pool to provide
2 seventy percent of the total amount needed for the allocations under
3 paragraph 4 of subdivision a of subsection 5.
- 4 (4) Any remaining revenue collections to the state for the state's allocations
5 pursuant to subsection 3.
- 6 c. For purposes of this subsection, "fiscal year" means the period beginning
7 September first and ending August thirty-first of the following calendar year.
- 8 3. After the allocations under subsections 1 and 2, the amount remaining is allocated first
9 to provide for deposit of thirty percent of all revenue collected under this chapter in the
10 legacy fund as provided in section 26 of article X of the Constitution of North Dakota
11 and the remainder must be allocated to the state general fund. If the amount available
12 for a monthly allocation under this subsection is insufficient to deposit thirty percent of
13 all revenue collected under this chapter in the legacy fund, the state treasurer shall
14 transfer the amount of the shortfall from the state general fund share of oil extraction
15 tax collections and deposit that amount in the legacy fund.
- 16 4. For a county that received less than five million dollars of allocations under
17 subsection 2 in the most recently completed even-numbered fiscal year before the
18 start of the biennium, revenues allocated to that county must be distributed by the
19 state treasurer as follows:
- 20 a. Forty-five percent must be distributed to the county treasurer and credited to the
21 county general fund.
- 22 b. Thirty-five percent must be distributed proportionally to school districts within the
23 county on the average daily attendance distribution basis for kindergarten
24 through grade twelve students residing within the county, as certified to the state
25 treasurer by the county superintendent of schools. However, a hub city school
26 district must be omitted from distributions under this subdivision.
- 27 c. Twenty percent must be distributed to the incorporated cities of the county. A hub
28 city must be omitted from distributions under this subdivision. Distributions
29 among cities under this subsection must be proportional based upon the
30 population of each incorporated city according to the last official decennial federal
31 census. In determining the population of any city in which total employment

1 increases by more than two hundred percent seasonally due to tourism, the
2 population of that city for purposes of this subdivision must be increased by eight
3 hundred percent.

4 d. For purposes of this subsection, "fiscal year" means the period beginning
5 September first and ending August thirty-first of the following calendar year.

6 5. For a county that received five million dollars or more of allocations under subsection 2
7 in the most recently completed even-numbered fiscal year before the start of the
8 biennium, revenues allocated to that county must be distributed by the state treasurer
9 as follows:

10 a. A portion of the revenues from each county must be distributed to a hub city
11 funding pool, a hub city school district funding pool, and a supplemental school
12 district funding pool as follows:

13 (1) The amount distributed from each county to the funding pools under this
14 subdivision must be proportional to each county's monthly oil and gas gross
15 production tax revenue collections relative to the combined total monthly oil
16 and gas gross production tax revenue collections from all the counties that
17 receive allocations under this subsection.

18 (2) The state treasurer shall distribute, to the hub city funding pool, the monthly
19 amount needed from each county to provide six million six hundred
20 thousand dollars per fiscal year for the allocations under this paragraph.

21 (a) The state treasurer shall allocate monthly amounts from the hub city
22 funding pool to provide a combined total of twenty-two million dollars
23 per fiscal year to all the hub cities, which includes the fifteen million
24 four hundred thousand dollars under paragraph 1 of subdivision b of
25 subsection 2 and the six million six hundred thousand dollars under
26 this paragraph. The monthly allocation to each hub city must be
27 proportional to each hub city's impact percentage score, including
28 fractional percentage points rounded to the nearest tenth of a percent,
29 relative to the combined total of all the hub cities' impact percentage
30 scores.

- 1 (b) The state treasurer shall calculate the impact percentage score for
2 each hub city by summing the following:
- 3 [1] The percentage of mining, quarrying, and oil and gas extraction
4 employment relative to the total employment of all industries in
5 the county in which the hub city is located, based on the most
6 recent annual data for all ownership types compiled by job
7 service North Dakota in the quarterly census of employment and
8 wages, multiplied by forty-five hundredths;
- 9 [2] The average of the percentage of mining, quarrying, and oil and
10 gas extraction employment relative to the total employment of all
11 industries in each county for all the counties in the human
12 service region in which the hub city is located, based on the most
13 recent annual data for all ownership types compiled by job
14 service North Dakota in the quarterly census of employment and
15 wages, multiplied by fifteen hundredths;
- 16 [3] The percentage of establishments engaged in mining, quarrying,
17 and oil and gas extraction relative to the total establishments of
18 all industries in the county in which the hub city is located, based
19 on the most recent annual data for all ownership types compiled
20 by job service North Dakota in the quarterly census of
21 employment and wages, multiplied by one-tenth;
- 22 [4] The percentage of oil production in the human service region in
23 which the hub city is located relative to the total oil production in
24 all the human service regions with hub cities, based on the most
25 recently available calendar year data compiled by the industrial
26 commission in a report on the historical barrels of oil produced by
27 county, multiplied by one-tenth;
- 28 [5] The percentage change in population from five years prior for the
29 hub city, based on the most recent actual or estimated census
30 data published by the United States census bureau, multiplied by
31 one-tenth; and

- 1 [6] The percentage change in population from five years prior for the
2 county in which the hub city is located, based on the most recent
3 actual or estimated census data published by the United States
4 census bureau, multiplied by one-tenth.
- 5 (c) For purposes of this paragraph, "human service region" means the
6 areas designated by the governor's executive order 1978-12 dated
7 October 5, 1978.
- 8 (3) The state treasurer shall distribute, to the hub city school district funding
9 pool, the monthly amount needed from each county to provide nine hundred
10 thousand dollars per fiscal year for the allocations under this paragraph.
- 11 (a) The state treasurer shall allocate monthly amounts from the hub city
12 school district funding pool to provide a combined total of three million
13 dollars per fiscal year to all the hub city school districts, which
14 includes the two million one hundred thousand dollars under
15 paragraph 2 of subdivision b of subsection 2 and the nine hundred
16 thousand dollars under this paragraph. The monthly allocation to each
17 hub city school districts must be proportional to each hub city school
18 district's impact percentage score, including fractional percentage
19 points rounded to the nearest tenth of a percent, relative to the
20 combined total of all the hub cities' impact percentage scores.
- 21 (b) For the purpose of determining the impact percentage score for each
22 hub city school district, the state treasurer shall use the same impact
23 percentage score as the corresponding score calculated for each hub
24 city in paragraph 2.
- 25 (4) The state treasurer shall distribute, to the supplemental school district
26 funding pool, the monthly amount needed from each county to provide for
27 thirty percent of the total allocations under this paragraph. To each county
28 that received more than five million dollars but less than thirty million dollars
29 of total allocations under subsection 2 in the most recently completed
30 even-numbered fiscal year before the start of the biennium, the state
31 treasurer shall allocate a monthly amount from the supplemental school

1 district funding pool which will be added to the distributions to school
2 districts under paragraph 2 of subdivision b, as follows:

3 (a) To each county that received more than five million dollars but not
4 exceeding ten million dollars of total allocations under subsection 2 in
5 the most recently completed even-numbered fiscal year before the
6 start of the biennium, the state treasurer shall allocate a monthly
7 amount that will provide a total allocation of one million five hundred
8 thousand dollars per fiscal year. The allocation must be distributed to
9 school districts within the county pursuant to paragraph 2 of
10 subdivision b.

11 (b) To each county that received more than ten million dollars but not
12 exceeding fifteen million dollars of total allocations under subsection 2
13 in the most recently completed even-numbered fiscal year before the
14 start of the biennium, the state treasurer shall allocate a monthly
15 amount that will provide a total allocation of one million two hundred
16 fifty thousand dollars per fiscal year. The allocation must be distributed
17 to school districts within the county pursuant to paragraph 2 of
18 subdivision b.

19 (c) To each county that received more than fifteen million dollars but not
20 exceeding twenty million dollars of total allocations under subsection 2
21 in the most recently completed even-numbered fiscal year before the
22 start of the biennium, the state treasurer shall allocate a monthly
23 amount that will provide a total allocation of one million dollars per
24 fiscal year. The allocation must be distributed to school districts within
25 the county pursuant to paragraph 2 of subdivision b.

26 (d) To each county that received more than twenty million dollars but not
27 exceeding twenty-five million dollars of total allocations under
28 subsection 2 in the most recently completed even-numbered fiscal
29 year before the start of the biennium, the state treasurer shall allocate
30 a monthly amount that will provide a total allocation of seven hundred
31 fifty thousand dollars per fiscal year. The allocation must be distributed

1 to school districts within the county pursuant to paragraph 2 of
2 subdivision b.

3 (e) To each county that received more than twenty-five million dollars but
4 not exceeding thirty million dollars of total allocations under
5 subsection 2 in the most recently completed even-numbered fiscal
6 year before the start of the biennium, the state treasurer shall allocate
7 a monthly amount that will provide a total allocation of five hundred
8 thousand dollars per fiscal year. The allocation must be distributed to
9 school districts within the county pursuant to paragraph 2 of
10 subdivision b.

11 b. After the distributions in subdivision a, each county's remaining revenues must be
12 distributed as follows:

13 (1) Sixty percent must be distributed to the county treasurer and credited to the
14 county general fund.

15 (2) Five percent must be distributed proportionally to school districts within the
16 county on the average daily attendance distribution basis for kindergarten
17 through grade twelve students residing within the county, as certified to the
18 state treasurer by the county superintendent of schools. However, a hub city
19 school district must be omitted from distributions under this subdivision.

20 (3) Twenty percent must be distributed to the incorporated cities of the county. A
21 hub city must be omitted from distributions under this subdivision.

22 Distributions among cities under this subsection must be proportional based
23 upon the population of each incorporated city according to the last official
24 decennial federal census. In determining the population of any city in which
25 total employment increases by more than two hundred percent seasonally
26 due to tourism, the population of that city for purposes of this subdivision
27 must be increased by eight hundred percent.

28 (4) Four percent must be allocated among the organized and unorganized
29 townships of the county. The state treasurer shall allocate the funds
30 available under this subdivision among townships in proportion to each
31 township's road miles relative to the total township road miles in the county.

1 The amount allocated to unorganized townships under this subdivision must
2 be distributed to the county treasurer and credited to a special fund for
3 unorganized township roads, which the board of county commissioners shall
4 use for the maintenance and improvement of roads in unorganized
5 townships.

6 (5) Nine percent must be distributed among hub cities. The state treasurer shall
7 distribute the funds available under this subdivision in proportion to the
8 amounts the hub cities receive under paragraph 2 of subdivision a.

9 (6) Two percent must be distributed among hub city school districts. The state
10 treasurer shall distribute the funds available under this subdivision in
11 proportion to the amounts the hub city school districts receive under
12 paragraph 3 of subdivision a.

13 (7) For purposes of this subsection, "fiscal year" means the period beginning
14 September first and ending August thirty-first of the following calendar year.

15 **SECTION 2.** A new section to chapter 57-51 of the North Dakota Century Code is created
16 and enacted as follows:

17 **Energy impact grant fund - State treasurer - Continuing appropriation.**

18 1. There is created in the state treasury the energy impact grant fund. The fund consists
19 of all moneys allocated to the fund under section 57-51-15. All moneys in the fund are
20 appropriated to the state treasurer on a continuing basis for energy impact grants to
21 hub cities.

22 2. Within forty days after the fund receives its statutory limit of oil and gas tax allocations
23 for a fiscal year under section 57-51-15 or by August thirty-first of each year,
24 whichever is earlier, the state treasurer shall distribute moneys in the fund for grants to
25 hub cities as follows:

26 a. Seventy-three and eighty-eight hundredths percent of the amount under this
27 subsection to Williston;

28 b. Fifteen and sixty-six hundredths percent of the amount under this subsection to
29 Dickinson; and

30 c. Ten and forty-six hundredths percent of the amount under this subsection to
31 Minot.

- 1 3. A hub city shall use the grant funding provided under this section for debt repayments
2 related to debt incurred to address impacts from oil and gas development or for other
3 expenses incurred to address impacts from oil and gas development.

4 **SECTION 3. AMENDMENT.** Section 57-51.1-07.5 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **57-51.1-07.5. State share of oil and gas taxes - Deposits.**

7 From the revenues designated for deposit in the state general fund under chapters 57-51
8 and 57-51.1, the state treasurer shall deposit the revenues received each biennium in the
9 following order:

- 10 1. The first ~~two hundred thirty million~~ two hundred fifty million dollars into the state general
11 fund;
- 12 2. The next two hundred fifty million dollars into the social service fund;
- 13 3. The next seventy-five million dollars into the budget stabilization fund, but not in an
14 amount that would bring the balance in the fund to more than the limit in section
15 54-27.2-01;
- 16 4. The next ~~two hundred thirty million~~ two hundred fifty million dollars into the state
17 general fund;
- 18 5. The next ten million dollars into the lignite research fund;
- 19 6. The next twenty million dollars into the state disaster relief fund, but not in an amount
20 that would bring the unobligated balance in the fund to more than twenty million
21 dollars;
- 22 7. The next ~~four hundred million~~ three hundred twenty million dollars into the strategic
23 investment and improvements fund;
- 24 8. The next sixty-five million dollars to the public employees retirement fund for the main
25 system plan;
- 26 9. The next fifty-nine million seven hundred fifty thousand dollars, or the amount
27 necessary to provide for twice the amount of the distributions under subsection 2 of
28 section 57-51.1-07.7, into the funds designated for infrastructure development in
29 non-oil-producing counties under sections 57-51.1-07.7 and 57-51.1-07.8 with fifty
30 percent deposited into the municipal infrastructure fund and fifty percent deposited into
31 the county and township infrastructure fund;

- 1 10. The next one hundred seventy million two hundred fifty thousand dollars or the amount
2 necessary to provide a total of two hundred thirty million dollars into the funds
3 designated for infrastructure development in non-oil-producing counties under sections
4 57-51.1-07.7 and 57-51.1-07.8 with fifty percent deposited into the municipal
5 infrastructure fund and fifty percent deposited into the county and township
6 infrastructure fund;
- 7 11. The next twenty million dollars into the airport infrastructure fund; and
- 8 12. Any additional revenues into the strategic investment and improvements fund.

9 **SECTION 4. EXEMPTION - OIL AND GAS TAX REVENUE ALLOCATIONS - NORTH**
10 **DAKOTA OUTDOOR HERITAGE FUND - OIL AND GAS RESEARCH FUND.**

- 11 1. Notwithstanding the provisions of section 57-51-15 relating to the allocations to the
12 North Dakota outdoor heritage fund, for the period beginning September 1, 2025, and
13 ending August 31, 2027, the state treasurer shall allocate eight percent of the oil and
14 gas gross production tax revenue available under subsection 1 of section 57-51-15 to
15 the North Dakota outdoor heritage fund, but not in an amount exceeding \$7,500,000
16 per fiscal year.
- 17 2. Notwithstanding the provisions of section 57-51.1-07.3 relating to the allocations to the
18 oil and gas research fund, for the period beginning August 1, 2025, and ending
19 July 31, 2027, the state treasurer shall allocate two percent of the oil and gas gross
20 production tax and oil extraction tax revenues, up to \$17,500,000, into the oil and gas
21 research fund before allocating oil and gas tax revenues under sections 57-51.1-07.5,
22 57-51.1-07.9, and 57-51.1-07.10.

23 **SECTION 5. EFFECTIVE DATE.** Section 1 of this Act is effective for oil and gas gross
24 production tax allocations by the state treasurer occurring after August 31, 2025.