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Title.

Prepared by the Legislative Council  
staff for Senate Appropriations -  
Education and Environment Division  
Committee

February 10, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO

### SENATE BILL NO. 2323

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; and to provide an  
6 expiration date.

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

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

10 **57-51-15. Gross production tax allocation. (Effective through June 30, ~~2027~~2037)**

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

- 12 1. ~~The tax revenue collected under this chapter equal to one percent of the gross value~~  
13 ~~at the well of the oil and one fifth of the tax on gas must be deposited with the state~~  
14 ~~treasurer. The state treasurer shall allocate the funding in the following order:~~
- 15 a. ~~Eight percent of the amount available under this subsection to the North Dakota~~  
16 ~~outdoor heritage fund, but not in an amount exceeding twenty million dollars per~~  
17 ~~fiscal year.~~
  - 18 b. ~~Four percent of the amount available under this subsection to the abandoned oil~~  
19 ~~and gas well plugging and site reclamation fund, but not in an amount exceeding~~

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- 1                    seven million five hundred thousand dollars per fiscal year and not in an amount  
2                    that would bring the balance in the fund to more than one hundred million dollars.
- 3                    e. Any remaining revenues pursuant to subsection 3.
- 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                    2. The tax revenue collected under this chapter equal to four percent of the gross value  
7                    at the well of the oil and four-fifths of the tax on gas must be deposited with the state  
8                    treasurer. The state treasurer shall allocate the funding in the following order:
- 9                    a. The first five million dollars of collections received from a county each fiscal year  
10                    is allocated to the county.
- 11                    b. The remaining revenue collections received from a county each fiscal year are  
12                    allocated thirty percent to the county and seventy percent as follows:
- 13                    (1) Monthly amounts to the hub city funding pool to provide fifteen million four  
14                    hundred thousand dollars per fiscal year for the allocations under  
15                    paragraph 2 of subdivision a of subsection 5.
- 16                    (2) Monthly amounts to the hub city school district funding pool to provide two  
17                    million one hundred thousand dollars per fiscal year for the allocations  
18                    under paragraph 3 of subdivision a of subsection 5.
- 19                    (3) Monthly amounts to the supplemental school district funding pool to provide  
20                    seventy percent of the total amount needed for the allocations under  
21                    paragraph 4 of subdivision a of subsection 5.
- 22                    (4) Any remaining revenue collections to the state for the state's allocations  
23                    pursuant to subsection 3.
- 24                    e. For purposes of this subsection, "fiscal year" means the period beginning  
25                    September first and ending August thirty-first of the following calendar year.
- 26                    3. After the allocations under subsections 1 and 2, the amount remaining is allocated first  
27                    to provide for deposit of thirty percent of all revenue collected under this chapter in the  
28                    legacy fund as provided in section 26 of article X of the Constitution of North Dakota  
29                    and the remainder must be allocated to the state general fund. If the amount available  
30                    for a monthly allocation under this subsection is insufficient to deposit thirty percent of  
31                    all revenue collected under this chapter in the legacy fund, the state treasurer shall

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- 1           ~~transfer the amount of the shortfall from the state general fund share of oil extraction~~  
2           ~~tax collections and deposit that amount in the legacy fund.~~
- 3           4. ~~For a county that received less than five million dollars of allocations under~~  
4           ~~subsection 2 in the most recently completed even numbered fiscal year before the~~  
5           ~~start of the biennium, revenues allocated to that county must be distributed by the~~  
6           ~~state treasurer as follows:~~
- 7           a. ~~Forty-five percent must be distributed to the county treasurer and credited to the~~  
8           ~~county general fund.~~
- 9           b. ~~Thirty-five percent must be distributed proportionally to school districts within the~~  
10           ~~county on the average daily attendance distribution basis for kindergarten~~  
11           ~~through grade twelve students residing within the county, as certified to the state~~  
12           ~~treasurer by the county superintendent of schools. However, a hub city school~~  
13           ~~district must be omitted from distributions under this subdivision.~~
- 14           e. ~~Twenty percent must be distributed to the incorporated cities of the county. A hub~~  
15           ~~city must be omitted from distributions under this subdivision. Distributions~~  
16           ~~among cities under this subsection must be proportional based upon the~~  
17           ~~population of each incorporated city according to the last official decennial federal~~  
18           ~~census. In determining the population of any city in which total employment~~  
19           ~~increases by more than two hundred percent seasonally due to tourism, the~~  
20           ~~population of that city for purposes of this subdivision must be increased by eight~~  
21           ~~hundred percent.~~
- 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.~~
- 24           5. ~~For a county that received five million dollars or more of allocations under subsection 2~~  
25           ~~in the most recently completed even numbered fiscal year before the start of the~~  
26           ~~biennium, revenues allocated to that county must be distributed by the state treasurer~~  
27           ~~as follows:~~
- 28           a. ~~A portion of the revenues from each county must be distributed to a hub city~~  
29           ~~funding pool, a hub city school district funding pool, and a supplemental school~~  
30           ~~district funding pool as follows:~~

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- 1           (1) ~~The amount distributed from each county to the funding pools under this~~  
2           ~~subdivision must be proportional to each county's monthly oil and gas gross~~  
3           ~~production tax revenue collections relative to the combined total monthly oil~~  
4           ~~and gas gross production tax revenue collections from all the counties that~~  
5           ~~receive allocations under this subsection.~~
- 6           (2) ~~The state treasurer shall distribute, to the hub city funding pool, the monthly~~  
7           ~~amount needed from each county to provide six million six hundred~~  
8           ~~thousand dollars per fiscal year for the allocations under this paragraph.~~
- 9           (a) ~~The state treasurer shall allocate monthly amounts from the hub city~~  
10           ~~funding pool to provide a combined total of twenty-two million dollars~~  
11           ~~per fiscal year to all the hub cities, which includes the fifteen million~~  
12           ~~four hundred thousand dollars under paragraph 1 of subdivision b of~~  
13           ~~subsection 2 and the six million six hundred thousand dollars under~~  
14           ~~this paragraph. The monthly allocation to each hub city must be~~  
15           ~~proportional to each hub city's impact percentage score, including~~  
16           ~~fractional percentage points rounded to the nearest tenth of a percent,~~  
17           ~~relative to the combined total of all the hub cities' impact percentage~~  
18           ~~scores.~~
- 19           (b) ~~The state treasurer shall calculate the impact percentage score for~~  
20           ~~each hub city by summing the following:~~
- 21           [1] ~~The percentage of mining, quarrying, and oil and gas extraction~~  
22           ~~employment relative to the total employment of all industries in~~  
23           ~~the county in which the hub city is located, based on the most~~  
24           ~~recent annual data for all ownership types compiled by job~~  
25           ~~service North Dakota in the quarterly census of employment and~~  
26           ~~wages, multiplied by forty-five hundredths;~~
- 27           [2] ~~The average of the percentage of mining, quarrying, and oil and~~  
28           ~~gas extraction employment relative to the total employment of all~~  
29           ~~industries in each county for all the counties in the human~~  
30           ~~service region in which the hub city is located, based on the most~~  
31           ~~recent annual data for all ownership types compiled by job~~

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~~service North Dakota in the quarterly census of employment and wages, multiplied by fifteen hundredths;~~

~~[3] The percentage of establishments engaged in mining, quarrying, and oil and gas extraction relative to the total establishments of all industries in the county in which the hub city is located, based on the most recent annual data for all ownership types compiled by job service North Dakota in the quarterly census of employment and wages, multiplied by one-tenth;~~

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

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

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

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

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

~~(a) The state treasurer shall allocate monthly amounts from the hub city school district funding pool to provide a combined total of three million dollars per fiscal year to all the hub city school districts, which~~

- 1 includes the two million one hundred thousand dollars under  
2 paragraph 2 of subdivision b of subsection 2 and the nine hundred  
3 thousand dollars under this paragraph. The monthly allocation to each  
4 hub city school districts must be proportional to each hub city school  
5 district's impact percentage score, including fractional percentage  
6 points rounded to the nearest tenth of a percent, relative to the  
7 combined total of all the hub cities' impact percentage scores.
- 8 (b) For the purpose of determining the impact percentage score for each  
9 hub city school district, the state treasurer shall use the same impact  
10 percentage score as the corresponding score calculated for each hub  
11 city in paragraph 2.
- 12 (4) The state treasurer shall distribute, to the supplemental school district  
13 funding pool, the monthly amount needed from each county to provide for  
14 thirty percent of the total allocations under this paragraph. To each county  
15 that received more than five million dollars but less than thirty million dollars  
16 of total allocations under subsection 2 in the most recently completed  
17 even-numbered fiscal year before the start of the biennium, the state  
18 treasurer shall allocate a monthly amount from the supplemental school  
19 district funding pool which will be added to the distributions to school  
20 districts under paragraph 2 of subdivision b, as follows:
- 21 (a) To each county that received more than five million dollars but not  
22 exceeding ten million dollars of total allocations under subsection 2 in  
23 the most recently completed even-numbered fiscal year before the  
24 start of the biennium, the state treasurer shall allocate a monthly  
25 amount that will provide a total allocation of one million five hundred  
26 thousand dollars per fiscal year. The allocation must be distributed to  
27 school districts within the county pursuant to paragraph 2 of  
28 subdivision b.
- 29 (b) To each county that received more than ten million dollars but not  
30 exceeding fifteen million dollars of total allocations under subsection 2  
31 in the most recently completed even-numbered fiscal year before the

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

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- 1           ~~(1) Sixty percent must be distributed to the county treasurer and credited to the~~  
2           ~~county general fund.~~
- 3           ~~(2) Five percent must be distributed proportionally to school districts within the~~  
4           ~~county on the average daily attendance distribution basis for kindergarten~~  
5           ~~through grade twelve students residing within the county, as certified to the~~  
6           ~~state treasurer by the county superintendent of schools. However, a hub city~~  
7           ~~school district must be omitted from distributions under this subdivision.~~
- 8           ~~(3) Twenty percent must be distributed to the incorporated cities of the county. A~~  
9           ~~hub city must be omitted from distributions under this subdivision.~~  
10           ~~Distributions among cities under this subsection must be proportional based~~  
11           ~~upon the population of each incorporated city according to the last official~~  
12           ~~decennial federal census. In determining the population of any city in which~~  
13           ~~total employment increases by more than two hundred percent seasonally~~  
14           ~~due to tourism, the population of that city for purposes of this subdivision~~  
15           ~~must be increased by eight hundred percent.~~
- 16           ~~(4) Four percent must be allocated among the organized and unorganized~~  
17           ~~townships of the county. The state treasurer shall allocate the funds~~  
18           ~~available under this subdivision among townships in proportion to each~~  
19           ~~township's road miles relative to the total township road miles in the county.~~  
20           ~~The amount allocated to unorganized townships under this subdivision must~~  
21           ~~be distributed to the county treasurer and credited to a special fund for~~  
22           ~~unorganized township roads, which the board of county commissioners shall~~  
23           ~~use for the maintenance and improvement of roads in unorganized~~  
24           ~~townships.~~
- 25           ~~(5) Nine percent must be distributed among hub cities. The state treasurer shall~~  
26           ~~distribute the funds available under this subdivision in proportion to the~~  
27           ~~amounts the hub cities receive under paragraph 2 of subdivision a.~~
- 28           ~~(6) Two percent must be distributed among hub city school districts. The state~~  
29           ~~treasurer shall distribute the funds available under this subdivision in~~  
30           ~~proportion to the amounts the hub city school districts receive under~~  
31           ~~paragraph 3 of subdivision a.~~



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

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

5           1. The tax revenue collected under this chapter equal to one percent of the gross value  
6                   at the well of the oil and one-fifth of the tax on gas must be deposited with the state  
7                   treasurer. The state treasurer shall allocate the funding in the following order:

8                   a. Eight percent of the amount available under this subsection to the North Dakota  
9   outdoor heritage fund, but not in an amount exceeding twenty million dollars per  
10   fiscal year.

11                   b. Four percent of the amount available under this subsection to the abandoned oil  
12   and gas well plugging and site reclamation fund, but not in an amount exceeding  
13   seven million five hundred thousand dollars per fiscal year and not in an amount  
14   that would bring the balance in the fund to more than one hundred million dollars  
15   through June 30, 2027, or to more than fifty million dollars after June 30, 2027.

16                   c. Up to twenty million dollars per fiscal year to the energy impact grant fund under  
17   section 2 of this Act.

18                   d. Any remaining revenues pursuant to subsection 3.

19                   ~~d.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           2. The tax revenue collected under this chapter equal to four percent of the gross value  
22                   at the well of the oil and four-fifths of the tax on gas must be deposited with the state  
23                   treasurer. The state treasurer shall allocate the funding in the following order:

24                   a. The first five million dollars of collections received from a county each fiscal year  
25   is allocated to the county.

26                   b. The remaining revenue collections received from a county each fiscal year are  
27   allocated thirty percent to the county and seventy percent as follows:

28   (1) Monthly amounts to the hub city funding pool to provide fifteen million four  
29   hundred thousand dollars per fiscal year for the allocations under  
30   paragraph 2 of subdivision a of subsection 5.

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

- 1 among cities under this subsection must be proportional based upon the  
2 population of each incorporated city according to the last official decennial federal  
3 census. In determining the population of any city in which total employment  
4 increases by more than two hundred percent seasonally due to tourism, the  
5 population of that city for purposes of this subdivision must be increased by eight  
6 hundred percent.
- 7 d. For purposes of this subsection, "fiscal year" means the period beginning  
8 September first and ending August thirty-first of the following calendar year.
- 9 5. For a county that received five million dollars or more of allocations under subsection 2  
10 in the most recently completed even-numbered fiscal year before the start of the  
11 biennium, revenues allocated to that county must be distributed by the state treasurer  
12 as follows:
- 13 a. A portion of the revenues from each county must be distributed to a hub city  
14 funding pool, a hub city school district funding pool, and a supplemental school  
15 district funding pool as follows:
- 16 (1) The amount distributed from each county to the funding pools under this  
17 subdivision must be proportional to each county's monthly oil and gas gross  
18 production tax revenue collections relative to the combined total monthly oil  
19 and gas gross production tax revenue collections from all the counties that  
20 receive allocations under this subsection.
- 21 (2) The state treasurer shall distribute, to the hub city funding pool, the monthly  
22 amount needed from each county to provide six million six 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 funding pool to provide a combined total of twenty-two million dollars  
26 per fiscal year to all the hub cities, which includes the fifteen million  
27 four hundred thousand dollars under paragraph 1 of subdivision b of  
28 subsection 2 and the six million six hundred thousand dollars under  
29 this paragraph. The monthly allocation to each hub city must be  
30 proportional to each hub city's impact percentage score, including  
31 fractional percentage points rounded to the nearest tenth of a percent,

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

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

- 1 even-numbered fiscal year before the start of the biennium, the state  
2 treasurer shall allocate a monthly amount from the supplemental school  
3 district funding pool which will be added to the distributions to school  
4 districts under paragraph 2 of subdivision b, as follows:
- 5 (a) To each county that received more than five million dollars but not  
6 exceeding ten million dollars of total allocations under subsection 2 in  
7 the most recently completed even-numbered fiscal year before the  
8 start of the biennium, the state treasurer shall allocate a monthly  
9 amount that will provide a total allocation of one million five hundred  
10 thousand dollars per fiscal year. The allocation must be distributed to  
11 school districts within the county pursuant to paragraph 2 of  
12 subdivision b.
- 13 (b) To each county that received more than ten million dollars but not  
14 exceeding fifteen million dollars of total allocations under subsection 2  
15 in the most recently completed even-numbered fiscal year before the  
16 start of the biennium, the state treasurer shall allocate a monthly  
17 amount that will provide a total allocation of one million two hundred  
18 fifty thousand dollars per fiscal year. The allocation must be distributed  
19 to school districts within the county pursuant to paragraph 2 of  
20 subdivision b.
- 21 (c) To each county that received more than fifteen million dollars but not  
22 exceeding twenty million dollars of total allocations under subsection 2  
23 in the most recently completed even-numbered fiscal year before the  
24 start of the biennium, the state treasurer shall allocate a monthly  
25 amount that will provide a total allocation of one million dollars per  
26 fiscal year. The allocation must be distributed to school districts within  
27 the county pursuant to paragraph 2 of subdivision b.
- 28 (d) To each county that received more than twenty million dollars but not  
29 exceeding twenty-five million dollars of total allocations under  
30 subsection 2 in the most recently completed even-numbered fiscal  
31 year before the start of the biennium, the state treasurer shall allocate

- 1 a monthly amount that will provide a total allocation of seven hundred  
2 fifty thousand dollars per fiscal year. The allocation must be distributed  
3 to school districts within the county pursuant to paragraph 2 of  
4 subdivision b.
- 5 (e) To each county that received more than twenty-five million dollars but  
6 not exceeding thirty million dollars of total allocations under  
7 subsection 2 in the most recently completed even-numbered fiscal  
8 year before the start of the biennium, the state treasurer shall allocate  
9 a monthly amount that will provide a total allocation of five hundred  
10 thousand dollars per fiscal year. The allocation must be distributed to  
11 school districts within the county pursuant to paragraph 2 of  
12 subdivision b.
- 13 b. After the distributions in subdivision a, each county's remaining revenues must be  
14 distributed as follows:
- 15 (1) Sixty percent must be distributed to the county treasurer and credited to the  
16 county general fund.
- 17 (2) Five percent must be distributed proportionally to school districts within the  
18 county on the average daily attendance distribution basis for kindergarten  
19 through grade twelve students residing within the county, as certified to the  
20 state treasurer by the county superintendent of schools. However, a hub city  
21 school district must be omitted from distributions under this subdivision.
- 22 (3) Twenty percent must be distributed to the incorporated cities of the county. A  
23 hub city must be omitted from distributions under this subdivision.  
24 Distributions among cities under this subsection must be proportional based  
25 upon the population of each incorporated city according to the last official  
26 decennial federal census. In determining the population of any city in which  
27 total employment increases by more than two hundred percent seasonally  
28 due to tourism, the population of that city for purposes of this subdivision  
29 must be increased by eight hundred percent.
- 30 (4) Four percent must be allocated among the organized and unorganized  
31 townships of the county. The state treasurer shall allocate the funds

1 available under this subdivision among townships in proportion to each  
2 township's road miles relative to the total township road miles in the county.  
3 The amount allocated to unorganized townships under this subdivision must  
4 be distributed to the county treasurer and credited to a special fund for  
5 unorganized township roads, which the board of county commissioners shall  
6 use for the maintenance and improvement of roads in unorganized  
7 townships.

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

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

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

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

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

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

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

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



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

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

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

8           **57-51.1-07.5. State share of oil and gas taxes - Deposits.**

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

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

1 percent deposited into the municipal infrastructure fund and fifty percent deposited into  
2 the county and township infrastructure fund;

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

9 11. The next twenty million dollars into the airport infrastructure fund; and

10 12. Any additional revenues into the strategic investment and improvements fund.

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

13 1. Notwithstanding the provisions of section 57-51-15 relating to the allocations to the  
14 North Dakota outdoor heritage fund, for the period beginning September 1, 2025, and  
15 ending August 31, 2027, the state treasurer shall allocate eight percent of the oil and  
16 gas gross production tax revenue available under subsection 1 of section 57-51-15 to  
17 the North Dakota outdoor heritage fund, but not in an amount exceeding \$7,500,000  
18 per fiscal year.

19 2. Notwithstanding the provisions of section 57-51.1-07.3 relating to the allocations to the  
20 oil and gas research fund, for the period beginning August 1, 2025, and ending  
21 July 31, 2027, the state treasurer shall allocate two percent of the oil and gas gross  
22 production tax and oil extraction tax revenues, up to \$17,500,000, into the oil and gas  
23 research fund before allocating oil and gas tax revenues under sections 57-51.1-07.5,  
24 57-51.1-07.9, and 57-51.1-07.10.

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