

1999 SENATE NATURAL RESOURCES

SB 2203

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2203

Senate Natural Resources Committee

Conference Committee

Hearing Date January 21, 1999

Tape Number	Side A	Side B	Meter #
1	x		4570-5300
1	x		2550-4780
Committee Clerk Signature <i>Sylvia W. Zagen</i>			

Minutes:

SENATOR FISCHER opened the hearing on SB 2203. A BILL FOR AN ACT TO AMEND AND REENACT SECTION 15-40.1-13 OF THE NORTH DAKOTA CENTURY CODE, RELATING TO DISTRIBUTION OF MINERAL ROYALTIES TO COUNTIES AND SCHOOL DISTRICTS; TO PROVIDE AN EFFECTIVE DATE; AND TO PROVIDE A CONTINUING APPROPRIATION.

SENATOR BOWMAN testified that there is an immediate need for this bill.

PAM SHARP, ND Office of Management and Budget, testified and stated that the fiscal note is based on an estimate. (See attached testimony)

SENATOR REDLIN asked if the \$364,320.00 listed on the fiscal note relate to the 10%.

PAM SHARP replied yes.

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Senate Natural Resources Committee

Bill/Resolution Number Sb 2203

Hearing Date January 21, 1999

SENATOR BOWMAN asked if this committee would consider some type of compromise of 4 years, 25% of the 50%, 50% of the 50%, 75% of the 50%, and 50% thereon.

SENATOR FISCHER asked for further testimony in favor, against, or neutral, and after no response, closed the hearing on SB2203.

COMMITTEE ACTION-January 22, 1999-(Tape 1, Side A-Meter# 2550-4780).

SENATOR FREBORG moved for a DO NOT PASS, seconded by SENATOR CHRISTMANN.

Roll call vote indicated 5 YEAS, 0 NAYS, and 1 ABSENT OR NOT VOTING. SENATOR CHRISTMANN volunteered to carry the bill.

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: SB 2203 Amendment to: _____

Requested by Legislative Council Date of Request: 1-12-99

- 1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

This bill distributes a graduated percentage of money from mineral royalty revenues to counties. The distribution begins 1-1-00 and is phased in over five years.

- 2. State fiscal effect in dollar amounts:

Table with 6 columns: 1997-99 Biennium (General Fund, Special Funds), 1999-2001 Biennium (General Fund, Special Funds), 2001-03 Biennium (General Fund, Special Funds)

Revenues: (364,320) (1,457,280)

Expenditures:

- 3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1997-99 biennium: _____
b. For the 1999-2001 biennium: _____
c. For the 2001-03 biennium: _____

- 4. County, City, and School District fiscal effect in dollar amounts:

Table with 9 columns: 1997-99 Biennium (Counties, Cities, School Districts), 1999-2001 Biennium (Counties, Cities, School Districts), 2001-03 Biennium (Counties, Cities, School Districts)

If additional space is needed, attach a supplemental sheet.

Signed Pam Sharp

Typed Name Pam Sharp

Department OMB

Phone Number 328.4606

Date Prepared: 1-18-99

Please type or use
black pen to complete

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. SB2203

Senate Natural Resources Committee

Subcommittee on _____ (Identify or

Conference Committee _____ (check where
(appropriate

Legislative Council Amendment Number _____

Action Taken Do Not pass

Motion Made By Freborg Seconded By Christmann

Senators	Yes	No	Senators	Yes	No
SENATOR TRAYNOR, CHR	✓				
SENATOR FISCHER, VCHR	✓				
SENATOR CHRISTMANN	✓				
SENATOR FREBORG	✓				
SENATOR HEITKAMP					
SENATOR REDLIN	✓				

Total 5 0
(Yes) (No)

Absent 1

Floor Assignment Senator Christmann

If the vote is on an amendment, briefly indicate intent:

DO NOT USE HIGHLIGHTER ON ANY FORMS

REPORT OF STANDING COMMITTEE (410)
January 22, 1999 3:12 p.m.

Module No: SR-14-1029
Carrier: Christmann
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2203: Natural Resources Committee (Sen. Traynor, Chairman) recommends DO NOT PASS (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2203 was placed on the Eleventh order on the calendar.

1999 TESTIMONY

SB 2203

TESTIMONY ON SB 2203
By Pam Sharp
ND Office of Management and Budget
January 21, 1999

Good morning Senator Traynor and members of the Natural Resources Committee. My name is Pam Sharp and I am the deputy director of the Office of Management and Budget.

Senate Bill 2203 relates to money the state receives for mineral royalties on federally owned public domain land under the Minerals Leasing Act of 1920.

Several months ago Senator Bowman contacted OMB and the Governor's Office and explained the problem Bowman County was having with maintaining their roads as a result of oil activity. Senator Bowman suggested taking half of the money we receive from mineral royalties and distributing it to the counties. The Governor agreed that this problem should be addressed and we have built it into the budget. However, the budget was not able to afford the price tag of distributing 50% immediately, so we have phased the distribution in over 5 years.

Under the Minerals Leasing Act of 1920, 50 percent of mineral royalties are paid to the state and the remaining 50 percent goes to the federal government. North Dakota's share, which is deposited into the general fund is in the range of \$5 million to \$7 million per biennium.

This bill provides for distributions from the general fund collections received under the Minerals Leasing Act of 1920 to the counties in which the minerals were produced beginning in January 2000. The entire distribution is phased in over 5 years. In the first year counties would receive 10% of the general fund collections under this act, the second year they would receive 20%, the third year 30%, the fourth year 40% and in year 5 and beyond the counties would receive 50% of the general fund collections received for mineral royalties.

The bill provides that the money distributed to the counties must be used by the counties for planning, construction, and maintenance of public facilities and the provision of public services.

Mister Chairman, this concludes my testimony. I will be happy to answer any questions.

**TESTIMONY TO THE
SENATE NATURAL RESOURCES COMMITTEE
Prepared January 21, 1999 by the
North Dakota Association of Counties
Terry Traynor, NDACo Assistant Director**

Concerning Senate Bill 2202 and Senate Bill 2203

Chairman Traynor and members of the Senate Natural Resources Committee, very briefly I would like to express the support of all 53 counties for the redistribution of federal mineral royalty receipts proposed in these two bills.

Our Association recognizes that this will directly impact only a few of our members. At our annual convention however, all of our members took a very strong position in favor of the concept. County officials recognize that the oil industry is of major importance to the economy of our entire state, but that the county road budgets in a very few counties must contribute to supporting this industry. Support of these bills is about support of that industry and about fairness and equity to the taxpayers of those counties.

For this reason, the North Dakota Association of Counties wishes to go on record in support of our western members, and the redistribution contemplated by this legislation.