2011 SENATE APPROPRIATIONS

SB 2132

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2132
January 25, 2011
13325

☐ Conference Committee

Committee Clerk Signature Rose Laning

Explanation or reason for introduction of bill/resolution:

A bill to provide an appropriation to the Department of Commerce for a grant to the Dunn County Fair Association.

Minutes: See attached testimony # 1-14

Chairman Holmberg called the committee hearing to order on SB 2132. Roll call was taken.

Roxanne Woeste - Legislative Council; Joe Morrissette - OMB.

Senator George Nodland, State Senator, District 36
Bill Sponsor
Testimony attached - # 1- 2006-2011 oil revenues in Dunn County brought in to the state of ND.

Bill to appropriation $500,000 for a High Plains Culture Center. Have 4 individuals to tell about the project.

Dunn County will add a $200,000 M for the next biennium, asking for ¼% of that revenue.

Rep. Shirley Meyer, District 36
Bill Sponsor
Testimony attached - # 2 – 2009-11 Oil Tax Revenue Allocations

Gave amount that Dunn County will contribute to the state funds. How sad if all they get, our roads repaired that weren't wrecked in the first place.

Senator Warner – Do these numbers include sales & income tax revenues derived from Dunn County? (Asking Joe Morrissette –Legislative Council) Just oil tax revenues

Gerald Bang, Dunn County Fair Association
Testimony attached - # 3. Testified in favor of SB 2132

Asking for High Plains Cultural Center. The community development group started this project. Are all strong committee members. Lynell Sandvick discussed the impact of the building. Betty Paulson – effect on energy workers and Hanson – discuss financing.

Snow will melt and spring follow, and they want to fight for dream.
Lynell Sandvick – Dunn County Fair Association
Testimony attached - # 4. Testified in favor of SB 2132.

Beni Paulson, Dunn County resident
Testimony attached - # 5. Testified in favor of SB 2132.

Don Hedger, President, Killdeer Mountain Manufacturing
Testified in favor of SB 2132.
Testimony attached - # 6 – High Plains Cultural Center Project Costs

Killdeer Mountain Manufacturing employs 100 people, but with a total of 300 around counting Dickinson, Hettinger and Regent but have no place to take all of employees. Since we've started there was a beautiful green football practice field now converted to parking lot for oil tankers. I continuously see the drivers that sleep in those vehicles. This facility would give them a place to hang out. Has gone to DC and Bismarck with rural development meetings and the Bank of North Dakota and the Commerce Department and have been encouraged to do this.

Start up costs of $255,000 that includes architect, engineering and land fees. Has done a nursing home and is almost debt free. Total cost would be $3,555,000. We have paid off the $200,000 of the architectural fees and purchased the land for the project from the city. We currently have between cash collected and grants firm and in place of $855,000. We're counting on a loan of $2M from rural development and that has been broken up into 2 1M dollar loans. One directly from Rural Development part of the USDA and the other $1M is also guaranteed by the Rural Development but will be made by three local banks serving us. They still need $500,000. DSU has done preliminary work at the Small Business Center in the Strom Center.

Senator Grindberg – What's the source of repayment for the loan?

Don Hedger - They have a 1 mill committed by Dunn County. We have letters of commitment from various groups and organizations that covers a little over of 60% of what we need. And that's nothing from oil companies. They are waiting for us to get started; they need training or a place to meet. The energy impact doubled the usage for training rentals. If they get this started, they've had 3 oil companies that would commit if they would start the project. We hope to receive much more funds to pay off loan.

Senator Bowman Once the building is built, there will be upkeep cost, and is that figured in?

Don Hedger – That is all figured in.

Senator Wardner – What will a mill bring in Dunn County?

Don Hedger - $16,500. That amount is going up in relation to more pipelines. Since this is a County Fair Association, there is a potential for with the cooperation of the Commissioners of increasing that, but we're not counting on that on our detailed Performa. But that amount is going up because as we put in more pipelines in particular, the tax base goes up.

Senator Christmann – Been approached earlier, but didn't have a lot of questions. There are two communities in his district that have approached him. If we start doing this, explain the uniqueness of this. Either we will have to do multi – million dollar community centers around the state or we need to know why Killdeer should have one when there are some oil companies that you mentioned, that are probably willing to kick in and there are some people who've struck it kind of rich compared to the community on the other side of the state who doesn't have those kinds of potential donors in the area but they have a need for centers too. Explain to me that.

Don Hedger Killdeer is hoping for a nudge in terms of total cost. The company I work with has been challenged significantly by the pressure of the labor market for the energy companies. They need every quality of life issue addressed to maintain the people that we have working and to bring on new workers. The quality in life in Killdeer has degraded significantly. We are in a unique issue there with the energy. We have looked at the majority coming from the local community. .

Chairman Holmberg closed the hearing on SB 2132.

Additional letters of support & information –

#7 – Killdeer Public School, Killdeer, ND 58640

#8 – Hill Top Home of Comfort, Inc. Killdeer, ND

#9 – City of Halliday, Halliday, ND

#10 – City of Dunn Center, Dunn Center, ND

#11 – City of Killdeer, Killdeer, ND

#12 – Dunn County Soil Conservation District, Killdeer, ND

#13 - Organizational information

#14 – High Plains Cultural Center promotional brochure

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2132
02-16-2011
Job 14634 (Meter 4.59)

☐ Conference Committee

Committee Clerk Signature Alice Delzer

Explanation or reason for introduction of bill/resolution:

Commerce Grant for Dunn County Fair Association

Minutes: You may make reference to "attached testimony."

Chairman Holmberg opened the discussion in reference to SB 2132. All committee members were present except V. Chair Grindberg. Tammy R. Dolan, OMB and Brady Larson, Legislative Council were also present. I will ask V. Chair Bowman about SB 2132. This Bill revolves around the idea of impact funding that community centers could qualify and there was going to be an amendment prepared allowing that to be possible. Is that amendment ready?

V. Chair Bowman: It is not ready. I went up and talked to Legislative Council and right now the Bill that that would fit on is still in the House because our Bills have been killed other than these two (meaning SB 2228 and this Bill) and by doing that we have to wait until it's final version because in the final version we don't know what it will be. The hearing was today and the place was packed. But my feeling is the way the current Bill in the House is written there is no restrictions to the money that can be used to the 3 bigger cities, and yet as soon as it comes down to the smaller cities we restrict them basically to roads. Now the impact to those smaller communities is just as great, when you put it into proportion to the size of the city, as it is to the larger cities. So why should we make it almost impossible for them to get a grant to do some of these projects and whatever Bill we end up with there will be an amendment prepared that will allow these smaller communities to apply for impact grants up to $500,000 and there will be some restrictions on that because we are not just going to give the money away but we are going to see that they will have an opportunity to do some of the projects they feel is necessary to keep their communities alive. If you want an amendment to this Bill I could get one real quick. But then the money would have to come out of the impact fund.

Chairman Holmberg: The basic question is do we want to pass that language over to the House, at least it keeps alive the concept and the hope and the idea. I sensed a great reluctance in starting to pick one or two cultural centers or community centers and we start funding them. The question is then, where do we stop?

Senator Robinson: When you talk about cultural center do you mean Dunn Center and the facility in Crosby?

Chairman Holmberg: That is correct because they both are in the oil country.. He again asked the committee what their preference was to this Bill.

Senator O'Connell stated he would like to see an amendment in one of our Bills.

Chairman Holmberg asked V. Chair Bowman to prepare an amendment. The amendment itself is pretty small.

V. Chair Bowman: It would just be that the funding comes out of the impact funds. It would be the same amendment that we were going to put on that one Bill that was killed in the Senate earlier from the governor's office.

Chairman Holmberg It isn't that a grant to Dunn County comes from the impact funds, it's those kinds of things are eligible to apply. He was asked if it could be location and was told no.

Senator Christmann Are we specifying money is for these types of projects or just that this is all part of the whole picture and that these things can be considered? (Meter 1036)

V. Chair Bowman: If we have a Bill that has the impact funding in it that's eligible for communities less than 7,500 people, I believe that's the way it's stated, we would make part of that money available for other than just road use, it might be $8M, it might be $7M or $5M but the funding still comes out of that pool of money that is set aside for impacts. It's not coming out of any other pool of money. It just would ease the restrictions, on let's say a small community wants an ambulance, and we could help fund that ambulance, or a fire truck, things like that, or up do their city park. It gives them an opportunity to give the people something other than Club 35 downtown.

Senator Robinson: Are you suggesting this language be amended at one of these bills or are we going to simplify an amendment on this bill, one of them to provide for access to that fund, work out the criteria that you just been talking about on the other bill. I am a little confused.

V. Chair Bowman: So was I when we first started talking about this because I had all this prepared for a bill that we had in the Senate and I worked with the governor's office to do this. He liked the idea of not having all these bills come in for different communities. Set up a fund that makes available to grant back to those communities. There would be some restrictions. You would have to have upfront money, you'd have to have a (inaudible) you'd have to show that you could take care of it after it's built. But if you do that then you should be able to get the grant to finish the project. I think that's good policy.

Senator Robinson: My question would be would you put that criteria that you summarized on one of these bills or simple language that would direct these entities to seek impact funding and then we amend the impact bill that's in the House with criteria when it comes after crossover, that's my question.

V. Chair Bowman: I think it would be up to Council as to how they think it could be best done. We all get the message of what we are trying to do and it's a matter of doing it the right way so that there is no question, whatever bill is passed, that we've allowed access to part of that impact money for other projects other than just roads.

Senator Robinson: We don't necessarily disagree over here. We were thinking if the amendment was really simple and straight forward we could act on the bill now and not send it to the floor until the amendment's down here. We've done that before.

Chairman Holmberg: Yes, I think we should wait until we see it. So we will not dispose of these, one will be the vehicle, the other one will die, which one should die and we will take a motion on that. the other number is 2228.

V. Chair Bowman: The Killdeer one was heard first, and I don't know if that makes any difference or not. We have to be careful so that they both understand we're giving them both an opportunity once we get the final bill in the format it is with the correct amendments on it, that both of them will have an opportunity to make their case.

Chairman Holmberg: I am asking the group. Should we wait on this one or should we pass it because we are going to kill it because we are going to use the other one as the vehicle.

(MINUTES OF THIS ACTION ARE FILED IN THE CORRESPONDING BILL.) (Meter 14.40)

Senator Christmann: I move a DO NOT PASS ON 2228. SECONDED BY Senator Wardner.

Chairman Holmberg: Discussion. 2228 is the Crosby one.

Senator Wanzek: Would we be able to hold that bill until we get the other one and maybe run them on the floor at the same time.

Senator O'Connell: I guess I could put it on the other one too. I have amendments for 2228 but they can go on the other one too if it's going up so it won't make any difference.

Chairman Holmberg: Make sure they are ready for the other one, which is 2132. Would you call the roll on a DO NOT PASS ON 2228.

A ROLL CALL VOTE WAS TAKEN ON A DO NOT PASS ON 2228. YEA: 12; NAY: 0; ABSENT: 1. Senator O'Connell will carry the bill.

There are two other Bills passed out on this job. They are SB 2130 and 2339.(Minutes of that action are filed in their corresponding Bills) Discussion was had regarding SB 2132, and 2238, and they decided to pass out 2238 but the roll call vote is on a different job. (See the minutes in 2238)

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2132
02-21-2011
Job # 14773 (Meter 12.27)

☐ Conference Committee

Committee Clerk Signature Alice Delzer

Explanation or reason for introduction of bill/resolution:

A Roll call vote in reference to the Commerce Grant for Dunn County Fair Association

Minutes: You may make reference to "attached testimony."

JOB # 14773 BEGINS WITH SB 2057 AND RECORDS THE DO PASS AS AMENDED VOTE. IT ENDS AT METER 12.23).

(Meter # 12.27)

Chairman Holmberg called the committee to order on SB 2132. This bill is the vehicle. Remember we had the project in Crosby, in Dunn County and an amendment was going to be drafted to address these issues.

V. Chair Bowman presented Amendment # 11.0028.01003 and explained the amendment to the committee. What this amendment does is address all of the small communities that have projects that they would like to apply for grants. It would provide grant funds for cities of fewer than 7,500 population and counties of fewer than 10,000 population. It would be grants they could apply for but a maximum of $500,000 per biennium. What this means is if you have a city that comes in and wants a grant for #200,000 they would still be able to if they had a need to apply for an additional $300,000 for that biennium, but that's it. There are some stipulations in here if they do that. They have to have:

1. Equal matching funds.
2. They must provide a project proposal.
3. They have to show they have the ability to take care of it.

But after trying to follow all the different bills that have gone through dealing with this, it is a maze. At least this sets in place an avenue for the small communities to look at, and this would probably be amended into whatever Bill makes it over to our side, so that if it gets passed, this opens the door to these communities to apply for grants. There is $8 million in the pool, it's impact money that is already in a budget that they would be applying for; it's not new general fund money. The governor's budget had $100 million in it for impact funds and 3 of the larger cities were going to get money from this. What is the difference between this bill, and if that language gets passed, would be simply, there are strings attached to this. There is no strings attached to those larger cites. Stop and consider that. We are asking these smaller communities to raise money but they are willing to do that if they could get some of these projects funded and I commend them for that. It also makes over the next few biennium our job a lot easier because we will no longer, if this language is included in the next biennium, we

will not have a need to get all these bills from these communities for projects, where we would have to pick and chose. They would be screened based upon their application, there is a limit to what they could ask for, but in the long run I think it is an amendment that needs to be passed.

V. Chair Bowman moved the amendment # 1003. Seconded by Senator O'Connell.

Senator O'Connell: I like this idea and it helps out smaller communities. Who will this money be given to to administrate?

V. Chair Bowman: School lands currently has that authority when you apply for a grant. If that is changed in a different bill then this will be changed to meet that bill. This is just a start. I don't know how the final bill will be but If the language is changed from what we currently have today this will be addressed to meet that concern.

Senator Wanzek: I am assuming by placing this in the title or in the law where it deals with impact funds, these are communities that are impacted by oil. The way it is read, if you read it separately on it's own, it looks like any county or town, but I'm assuming by being in that part of the law.

V. Chair Bowman: The impact money has to be in the impacted counties.

Chairman Holmberg: You are absolutely correct. Call the roll on the amend 1003.

A Roll Call vote was taken on the amendment 1003. Yea: 13; Nay: 0; Absent 0. The motion passed.

V. Chair Bowman Moved Do Pass as Amended. Seconded by Senator O'Connell.

A Roll Call vote was taken. Yea: 13; Nay: 0; Absent 0. V. Chair Bowman will carry the bill.

Chairman Holmberg thanked V. Chair Bowman and his committee for looking at this. We will look down the road next session at this as being very good for these small projects that now don't qualify. The hearing was closed on SB 2132.

11.0028.01003
Title.02000

Prepared by the Legislative Council staff for
Senator Bowman
February 18, 2011

PROPOSED AMENDMENTS TO SENATE BILL NO. 2132

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 57-62 of the North Dakota Century Code, relating to designation of a portion of the oil and gas impact grant fund for grants to cities of fewer than seven thousand five hundred population or counties of fewer than ten thousand population.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 57-62 of the North Dakota Century Code is created and enacted as follows:

Impact grants for smaller cities or counties.

During each biennium, eight million dollars of the amount deposited in the oil and gas impact grant fund must be set aside for grants to cities of fewer than seven thousand five hundred population and counties of fewer than ten thousand population. Grants under this section are limited to not more than five hundred thousand dollars for any city or county during each biennium to fund one or more projects in that city or county. A city or county must provide equal matching funds for any grant awarded under this section. A city or county seeking grant funding under this section must provide a project proposal that includes information on how ongoing expenses for maintenance, utilities, and other continuing costs will be funded from city or county sources. Cities or counties eligible for grant funds under this section remain eligible for grant funds as otherwise provided by law."

Renumber accordingly

Date: 2-21-11
Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2132

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 11.0028.01003

Action Taken: ☒ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Bowman Seconded By O'Connell

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Warner	✓	
Senator Bowman	✓		Senator O'Connell	✓	
Senator Grindberg	✓		Senator Robinson	✓	
Senator Christmann	✓				
Senator Wardner	✓				
Senator Kilzer	✓				
Senator Fischer	✓				
Senator Krebsbach	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 13 No

Absent

Floor Assignment

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

Date: 2-21-11
Roll Call Vote # 2

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2132

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Bowman Seconded By O'Connell

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Warner	✓	
Senator Bowman	✓		Senator O'Connell	✓	
Senator Grindberg	✓		Senator Robinson	✓	
Senator Christmann	✓				
Senator Wardner	✓				
Senator Kilzer	✓				
Senator Fischer	✓				
Senator Krebsbach	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 13 No _____

Absent _____

Floor Assignment Bowman

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

REPORT OF STANDING COMMITTEE

SB 2132: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2132 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 57-62 of the North Dakota Century Code, relating to designation of a portion of the oil and gas impact grant fund for grants to cities of fewer than seven thousand five hundred population or counties of fewer than ten thousand population.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 57-62 of the North Dakota Century Code is created and enacted as follows:

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Renumber accordingly

2011 HOUSE APPROPRIATIONS

SB 2132

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Education and Environment Division
Sakakawea Room, State Capitol

SB 2132
3/7/11
15050

☐ Conference Committee

Committee Clerk Signature Shirley Branning

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact a new section to chapter 57-62 of the North Dakota Century Code, relating to designation of a portion of the oil and gas impact grant fund for grants to cities of fewer than seven thousand five hundred population or counties of fewer than ten thousand population.

Minutes: You may make reference to "attached testimony."

Chairman Skarphol: The Committee was called to order to hear SB 2132.

Sen. George Nodland, District 36 Representing Stark and Dunn Counties. He spoke in support of SB 2132 that he presented to support the City of Killdeer. He distributed attachment #s 1 and 2. The project was started five or six years ago and put a plan together two to three years ago. It is a community center that the community of Killdeer and the Dunn County plan to build. Dunn County is an oil producing county and Legislative Council something together showing what amount of taxes dunn County has brought in for the state of North Dakota. Averaging now about $8M a month, The small communities have contributed a large amount are feeling the impact.

Rep. Williams: Last session we had a bill for the Killdeer Community Center, how was it financed?

Sen. Nodland: It was killed. That was a General Fund appropriation.

Chairman Skarphol: On lines 13 and 14 of the engrossed bill, it says the city or county must provide equal Matching funds for any grant awarded under this section. What kind of matching fund are we talking about? Local tax dollars?

Sen. Nodland: In this case, the money is raised privately.

Chairman Skarphol: You have raised a sufficient amount of money?

Sen. Nodland: Over $700,000.

Chairman Skarphol: Need to know what type of dollars you are talking about when you talk about matching funds. I would have difficulty with someone matching these funds with other oil impact dollars. or other oil revenue received.

Sen. Andrist State Senator from Crosby, District 2: Provided testimony in support for SB 2132, which is now the culmination of two bills, see Attachment # 3.

Rep. Mike Schatz, from District 36: He spoke in support of SB 2132.

Sen. Bill Sen. Bowman, District 39: He spoke in support of SB 2132. He spoke about amendments attached to this bill. It speaks to needs other than roads in the small communities because they can't qualify for grants like this under Current Law 576206. This gives the people in those small communities something to do. Going to a bar is about all small communities have to offer. They have to match whatever they apply for dollar for dollar or more to meet the ceiling on this of $500,000. They can only apply for one grant in a two year period. They need to have a plan to present to the Impact Board to finance and support it after it has been built. It is limited to one grant per biennium.

Rep. Monson: How far will $8M go how many cities and counties will be able to make use of this? Especially if they get the maximum.

Sen. Sen. Bowman: 16, that's it. It is the pool of money that is set aside for impacts right now. $8M would go for this project rather than for roads and things like that.

Rep. Monson: No roads are included in this. How many towns are included?

Sen. Bowman: Not a definite number but going from the Canadian border to the South Dakota boarder there are quite a few of them. Rigs are drilling south of Belfield.

Rep. Monson: First come first serve thing. There may be good projects that won't get funded if they are slow at getting in.

Sen. Bowman: Rather limit it to a certain amount of money and see how it goes and let communities see how it works.

Rep. Monson: Strictly cash, no inkind, there has to be cash to match?.

Sen. Bowman: They have to have money up front before they can apply. That shows ownership to them.

Chairman Skarphol: I don't see any limitations on whatever project the community might want to do here.

Sen. Bowman: The land board that applies the grants will have all of that answered before they get the grant out. It doesn't say that in here but that is their job to review the application.

Chairman Skarphol: It is strictly a match deal.

Sen. Bowman: They are restricted from using this money for anything like this according Current Law 576206.

Chairman Skarphol: A lagoon is not a building.
Reading from the First Engrossment, lines 13 and 14 a city must provide equal matching funds for any grant awarded under this section. You don't have any inhibitions about them using local tax dollars.

Sen. Bowman: They have to have a matching dollar of one to one to even apply. As long as it doesn't come through the other grant process.

Chairman Skarphol: Would you be open to an amendment that would state that match dollars may not be appropriated state dollars?

Sen. Bowman: The intent of this is to show ownership not to tax to raise funds.

Rep. Dosch: You indicate that the oil and gas impact fund, where does it state that? Is it in current code now? Where are these rules written and who is going to write them?

Sen. Bowman: They are written in the amendment. I wanted them to take ownership and feel proud.

Rep. Dosch: I am talking about the selection criteria for these projects. Where does it say that they have to submit a business plan?

Sen. Bowman: Reading lines 14 to 16 from the First Engrossment.

Chairman Skarphol: A second granting period two years from now...You would not expect an entity to come in and get a second grant for the same project.

Sen. Bowman: No, it is a one time deal for one project.

Chairman Skarphol: You wouldn't have any problem with us putting something like that in here. It is a good idea for all oil impact money based on a percent.

Sen. Bowman: Some communities would never be able to raise enough money.

Lynell Sandvick, From Killdeer and a member of the Dunn County Fair Board: Speaking in favor of SB 2132. Our project, the High Plains Cultural Center, is shovel ready. We are ready but need the money. See Attachment # 2

Chairman Skarphol: How short are you of the funds you need?

Sandvick: We need $500,000.

Sen. Andrist: Answer to Rep. Monson question, for a small community to raise $500,000 is not easy. I don't think you will get 16 applicants. Further, you can put in whatever restriction you want but every restriction may rule out one or two projects.

Rep. Monson: A county could easily use up all the money and some worthy projects would not be funded. There may be some projects that wouldn't get funded because one project could come in and scoop up all the money.

Sen. Andrist: Restricting it so they don't use oil impact money.

Chairman Skarphol: If we said it had to be private dollars it would limit the counties to a more equitable level.

Sen. Andrist: The match is so that the locals would have something invested.

Chairman Skarphol: Smaller communities may be able to raise $50,000 and I would not want to preclude them either

Sen. Andrist: If you are dealing with $50,000 projects, they don't build very much infrastructure, but it would serve more communities.

Meeting Adjourned.

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Education and Environment Division
Sakakawea Room, State Capitol

SB 2132
3/24/11
15939

☐ Conference Committee

Committee Clerk Signature Shirley Branning

A BILL for an Act to create and enact a new section to chapter 57-62 of the North Dakota Century Code, relating to designation of a portion of the oil and gas impact grant fund for grants to cities of fewer than seven thousand five hundred population or counties of fewer than ten thousand population.

Minutes: You may make reference to "attached testimony."

Chairman Skarphol: What are the wishes of the Committee?

Dosch: Move Do not Pass

Rep. Monson: Second

Rep. Monson: We didn't this, right. Senator Bowman's amendment HB 1003 we have in here but.....that was the Hog House. Is that what they did already?

Chairman Skarphol: Can you give us an idea what it is?

Rep. Monson: It is a Hog House and I am wondering if that is not what the Engrossed Bill is now. The Senate must have adopted that. He didn't bring it in for use to do anything with, did he?

Chairman Skarphol: $8M of the amount deposited in the Oil and Gas Impact Fund must be set aside. If we left the first sentence out, I could live with it. We have a Do Not Pass and a second. A Roll Call Vote will be taken.

Roll Call Vote: 6-0-0

Carrier: Rep. Dosch

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee
Roughrider Room, State Capitol

SB 2132
3/24/11
15956

☐ Conference Committee

Committee Clerk Signature Meredith Traxler

Explanation or reason for introduction of bill/resolution:

A BILL for an Act relating to designation of a portion of the oil and gas impact grant fund for grants to cities of fewer than seven thousand five hundred population or counties of fewer than ten thousand population.

Minutes: You may make reference to "attached testimony."

Chairman Delzer: Called the committee to order. Roll was called and all were present. We need to work on a few bills, and we'll start with 2132 out of Education and Environment.

Representative Dosch: 2132 deals with providing grant funds up to $8 million to small communities out of the oil and gas impact grant funds. On the surface it sounds like an okay idea, but when you start getting into it and as our committee discussed it in more detail, it basically is a bill that starts getting us involved in providing funding for community centers and cultural centers and all sorts of things. It also is a bill that picks winners and losers based on the size of the community. It goes to cities of fewer than 7500 population or counties less than 10,000. What about some of the other counties in the state that are also impacted, smaller communities, like Mandan, for example? Nothing would be available to them. We're getting away from funding critical infrastructure out of the oil impact dollars to funding supplemental projects. The committee felt it was not in the best interests of the state to be getting involved in things like this. By a vote of 6-0, we recommend Do Not Pass and ask for your concurrence. I move Do Not Pass.

Representative Skarphol: Second.

Chairman Delzer: We have a motion and a second. Discussion.

Representative Kaldor: The existing impact dollars are distributed on the basis of grant applications. In this bill, would this mean that communities would not have to do that?

Representative Dosch: It's my understanding this is still a grant program, and therefore they would have to submit applications in order to obtain the funds.

Representative Kaldor: I'm wondering about the justification for the legislation. Was the reasoning for putting this bill forward based on an inadequacy of the current grant program in terms of smaller communities? Are they not feeling they get their fair share?

Chairman Delzer: This grant with 1013 the way we passed it out is $100 million. I think they were hoping this would open it up in ways that it is not open under the current language, but I don't think it really makes any difference.

Representative Skarphol: That's exactly right. Under the current guidelines, these types of facilities are not an eligible entity to be granted money. This would change that and make them eligible. If you read the language, it really doesn't accomplish that to begin with, but our subcommittee felt that there were enough other needs out there yet that these secondary needs were premature. There are more important needs that should be met prior to initiating something like this.

Chairman Delzer: Further discussion? Seeing none, we'll call the roll for a Do Not Pass on SB 2132. Motion carried 17-4-0. Representative Dosch will be the carrier.

Date: 3/24/11
Roll Call Vote #: 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2132

House Appropriations – Education and Environment Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 1

Action Taken: ☐ Do Pass ☒ Do Not Pass ☐ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Dosch Seconded By Rep. Monson:

Representatives	Yes	No	Representatives	Yes	No
Bob Skarphol	X		Clark Williams	X	
Kathy Hawken	X				
Mark Dosch	X				
Rep. Martinson:	X				
David Monson	X				

Total (Yes) 6 No 0

Absent 0

Floor Assignment

Rep. Dosch:

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

Date: 3/24
Roll Call Vote #: 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2132

House Appropriations Committee

Legislative Council Amendment Number _____

Action Taken: ☐ Do Pass ☒ Do Not Pass ☐ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Dosch Seconded By Rep. Skarphol

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X		Representative Nelson	X	
Vice Chairman Kempenich	X		Representative Wieland	X	
Representative Pollert	X				
Representative Skarphol	X				
Representative Thoreson	X		Representative Glassheim		X
Representative Bellew	X		Representative Kaldor		X
Representative Brandenburg	X		Representative Kroeber		X
Representative Dahl	X		Representative Metcalf		X
Representative Dosch	X		Representative Williams	X	
Representative Hawken	X				
Representative Klein	X				
Representative Kreidt	X				
Representative Martinson	X				
Representative Monson	X				

Total (Yes) 17 No 4

Absent 0

Floor Assignment Rep. Dosch

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

REPORT OF STANDING COMMITTEE

SB 2132, as engrossed: Appropriations Committee (Rep. Delzer, Chairman) recommends **DO NOT PASS** (17 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2132 was placed on the Fourteenth order on the calendar.

2011 TESTIMONY

SB 2132

SB 2102
1-25-11

1

11.9041.01000

Prepared by the North Dakota Legislative Council staff for Senator Nodland
January 2011

DUNN COUNTY OIL REVENUES

The following table provides information on the amount of total oil tax revenue derived from oil produced in Dunn County and the distributions to Dunn County from the oil and gas gross production tax for fiscal years 2006 through 2010 and for fiscal year 2011 through January 2011:

Fiscal Year	Oil and Gas Gross Production Tax Revenue From Oil Produced in Dunn County	Oil Extraction Tax Revenue From Oil Produced in Dunn County	Total Oil Revenue From Oil Produced in Dunn County	Distribution To Dunn County From Oil and Gas Gross Production Tax	Distribution Amount as a Percentage of Total Oil Revenue
2006	$2,513,950	$2,147,778	$4,661,728	$1,255,572	26.9%
2007	3,694,346	3,862,295	7,556,641	1,483,122	19.6%
2008	15,486,335	12,386,117	27,872,452	3,854,982	13.8%
2009	21,295,417	17,144,685	38,440,102	5,207,169	13.5%
2010	37,368,485	40,882,188	78,250,673	7,803,202	10.0%
2011 (through January 2011)	18,495,484	28,241,867	46,737,351	5,653,040	12.1%
Total	$98,854,017	$104,664,930	$203,518,947	$25,257,087	12.4%

SB 2132
1-25-11
2

19291.08

Prepared by the North Dakota Legislative Council staff

January 2011

2009-11 OIL TAX REVENUE ALLOCATIONS

STATE GENERAL FUND

The table below provides information on the approximate amounts of oil and gas tax revenues deposited in the state general fund from oil produced in each respective county and the Fort Berthold Reservation each month from August through November 2009.

County/ Reservation	August 2009		September 2009		October 2009		November 2009		Total State General Fund Share[3]
	Gross Production Tax	Oil Extraction Tax	Gross Production Tax	Oil Extraction Tax	Gross Production Tax	Oil Extraction Tax	Gross Production Tax[2]	Oil Extraction Tax	
Billings	$885,620	$574,148	$160,116	$544,332	$494,865	$603,355		$203,749	$3,466,185
Bottineau	402,136	100,067	78,951	75,861	230,882	94,484		39,336	1,021,717
Bowman	3,079,826	1,519,920	582,378	1,416,594	1,705,717	1,528,353		510,936	10,343,724
Burke	310,750	110,231	54,946	139,510	192,580	179,993		50,121	1,038,131
Divide	335,136	217,400	68,918	207,080	207,759	210,518		77,337	1,324,148
Dunn	1,916,147	1,193,056	374,277	1,248,845	1,140,773	1,422,340		526,608	7,822,046
Golden Valley	115,771	70,646	22,712	61,089	64,756	64,475		21,216	420,665
McHenry	8,888		1,208		3,794				13,890
McKenzie	2,341,343	1,396,966	443,113	1,388,271	1,416,228	1,515,824		531,926	9,033,671
Mountrail	5,820,423	4,587,445	1,165,403	4,499,734	4,064,639	5,738,307		1,764,135	27,640,086
Renville	173,013	45,313	33,836	42,121	78,193	44,187		18,376	435,039
Slope	115,160	1,427	21,339	876	68,361	1,896		682	209,741
Stark	266,973	195,010	47,513	171,732	139,562	182,610		69,664	1,073,064
Ward	14,522	8,491	2,952	7,924	8,331	9,114		3,148	54,482
Williams	1,507,375	883,982	251,685	839,902	891,257	949,165		331,502	5,654,868
Fort Berthold[1]	617,028		161,910		629,269			40,336	1,448,543
Total	$17,910,111	$10,904,102	$3,471,257	$10,643,871	$11,336,966	$12,544,621		$4,189,072	$71,000,000

[1]Pursuant to North Dakota Century Code Section 57-51.1-07.4, the first $700,000 of the state's share of oil extraction tax revenue produced from wells within the exterior boundaries of the Fort Berthold Reservation is required to be deposited in the permanent oil tax trust fund.

[2]There were no gross production taxes deposited in the state general fund in November 2009.

[3]The statutory cap of $71 million for the state general fund share of oil and gas tax revenue for the 2009-11 biennium was reached in November 2009.

PERMANENT OIL TAX TRUST FUND

The table below provides information on the approximate amounts of oil and gas tax revenues deposited in the permanent oil tax trust fund from oil produced in each respective county and the Fort Berthold Reservation for the period of August 2009 through December 2010.

	Fiscal Year 2010 August 2009-July 2010		August 2010		September 2010		October 2010		November 2010		December 2010		Total Deposited in Permanent Oil Tax Trust Fund[1]
County/Reservation	Gross Production Tax	Oil Extraction Tax	Gross Production Tax	Oil Extraction Tax	Gross Production Tax	Oil Extraction Tax	Gross Production Tax	Oil Extraction Tax	Gross Production Tax	Oil Extraction Tax	Gross Production Tax	Oil Extraction Tax	
Billings	$6,865,386	$5,259,588	$843,568	$569,465	$355,079	$586,586	$654,208	$593,297	$711,871	$576,942	$815,943	$673,586	$18,505,519
Bottineau	3,649,241	887,391	441,625	99,283	210,824	115,013	437,278	192,126	470,620	208,663	431,588	175,938	7,319,590
Bowman	23,209,730	11,991,327	2,739,693	1,212,616	1,208,775	1,281,115	2,191,868	1,242,308	2,279,084	1,130,188	2,554,360	1,326,957	52,368,021
Burke	3,395,769	1,808,453	483,926	250,523	206,771	283,205	402,151	309,092	392,316	293,577	510,754	420,605	8,757,142
Divide	3,991,324	2,871,307	786,166	559,385	400,336	705,815	738,413	728,403	777,822	700,923	886,130	784,757	13,930,781
Dunn	20,429,522	17,059,164	3,040,750	2,454,722	1,344,650	2,576,183	2,622,313	2,768,873	2,953,104	2,782,889	3,389,020	3,227,863	64,649,053
Golden Valley	1,045,252	722,342	113,098	71,130	57,545	77,917	99,721	82,291	107,372	76,234	129,022	94,265	2,676,189
Hettinger	864										0	0	864
McHenry	56,849		5,388		1,461		4,891		3,065		2,651	0	74,305
McKenzie	24,423,595	17,296,503	3,677,788	2,500,470	1,744,193	3,079,292	3,264,026	3,126,620	3,283,010	2,805,789	4,518,828	4,008,319	73,728,433
McLean			2								0	0	2
Mercer	11,559	3,485	1,373	363	872	540			1,718	532	641	199	21,282
Mountrail	62,469,963	54,033,112	8,936,931	7,379,789	4,153,743	8,244,746	7,581,196	8,358,352	8,082,949	7,966,713	9,252,713	9,181,426	195,641,633
Renville	1,506,443	372,397	186,054	30,498	86,902	36,921	144,257	32,763	150,578	31,714	158,772	32,420	2,769,719
Slope	956,773	10,639	114,028	1,530	50,358	1,593	94,121	1,122	90,148	2,110	117,638	1,797	1,441,857
Stark	2,536,970	2,190,217	262,647	195,540	129,448	245,773	255,613	260,848	332,012	307,447	386,691	361,405	7,464,611
Ward	110,478	78,555	12,219	8,242	6,437	8,516	8,785	7,504	12,314	7,794	11,990	8,596	281,430
Williams	15,524,559	11,072,170	2,365,780	1,619,950	1,101,164	2,013,666	2,207,243	2,174,157	2,466,237	2,187,956	2,864,540	2,595,728	48,193,150
Fort Berthold	13,389,759	2,103,171	2,280,079	216,484	1,062,640	383,585	2,119,077	538,644	2,512,573	468,131	2,584,541	554,149	28,212,833
Total	$183,574,036	$127,759,821	$26,291,115	$17,169,990	$12,121,198	$19,640,466	$22,825,161	$20,416,400	$24,626,793	$19,547,602	$28,615,822	$23,448,010	$526,036,414

[1]The statutory cap of $71 million for the state general fund share of oil and gas tax revenue for the 2009-11 biennium was reached in November 2009 resulting in the state's share of oil and gas tax revenue being deposited in the permanent oil tax trust fund.

TOTAL GENERAL FUND AND PERMANENT OIL TAX TRUST FUND

The table below provides information on the approximate total amounts of oil and gas tax revenues deposited in the general fund and the permanent oil tax trust fund from oil produced in each respective county and the Fort Berthold Reservation during the period August 2009 through December 2010.

County/Reservation	General Fund Share	Permanent Oil Tax Trust Fund	Total
Billings	$3,466,185	$18,505,519	$21,971,704
Bottineau	1,021,717	7,319,590	8,341,307
Bowman	10,343,724	52,368,021	62,711,745
Burke	1,038,131	8,757,142	9,795,273
Divide	1,324,148	13,930,781	15,254,929
Dunn	7,822,046	64,649,053	72,471,099
Golden Valley	420,665	2,676,189	3,096,854
Hettinger		864	864
McHenry	13,890	74,305	88,195
McKenzie	9,033,671	73,728,433	82,762,104
McLean		2	2
Mercer		21,282	21,282
Mountrail	27,640,086	195,641,633	223,281,719
Renville	435,039	2,769,719	3,204,758
Slope	209,741	1,441,857	1,651,598
Stark	1,073,064	7,464,611	8,537,675
Ward	54,482	281,430	335,912
Williams	5,654,868	48,193,150	53,848,018
Fort Berthold	1,448,543	28,212,833	29,661,376
Total	$71,000,000	$526,036,414	$597,036,414

STATE DISTRIBUTION TO COUNTIES

The table below provides information on the amount of oil and gas tax revenues distributed to counties and the Three Affiliated Tribes (Fort Berthold Reservation) for the period September 2009 through December 2010. The amounts shown are the amounts distributed by the State Treasurer and do not include distributions made by the State Treasurer to cities in these counties; however, counties do allocate a portion of these amounts to cities, townships, and school districts within the county pursuant to statutory formulas.

County	Fiscal Year September 2009-August 2010	September 2010	October 2010	November 2010	December 2010	Total
Billings	$3,945,460	$590,646	$592,706	$548,531	$484,078	$6,161,421
Bottineau	2,777,275	346,402	395,542	389,371	343,050	4,251,640
Bowman	7,038,941	1,884,520	908,030	471,375	507,585	10,810,451
Burke	2,698,102	343,101	364,757	324,408	405,849	4,136,217
Divide	2,874,675	660,449	667,985	551,700	460,451	5,215,260
Dunn	6,965,567	2,224,764	866,164	790,156	934,490	11,781,141
Golden Valley	1,103,030	97,210	89,814	88,812	102,553	1,481,419
Hettinger	300					300
McHenry	59,476	2,573	4,699	2,535	2,107	71,390
McKenzie	7,140,395	2,455,104	831,075	700,856	1,138,921	12,266,351
McLean	225,368	17,047	22,083	28,397	45,813	338,708
Mercer	10,312	1,425		1,421	510	13,668
Mountrail	13,709,348	3,883,783	2,104,368	1,039,636	1,115,225	21,852,360
Renville	1,590,050	142,347	130,262	124,653	126,201	2,113,513
Slope	1,169,857	83,664	85,126	69,984	93,505	1,502,136
Stark	2,305,947	214,329	231,723	274,665	307,369	3,334,033
Ward	120,686	10,509	7,605	8,201	9,355	156,356
Williams	5,961,062	1,769,674	1,006,757	510,403	573,243	9,821,139
Three Affiliated Tribes	10,927,864	1,641,710	2,122,080	2,019,367	2,186,124	18,897,145
Total	$70,623,715	$16,369,257	$10,430,776	$7,944,471	$8,836,429	$114,204,648

STATE DISTRIBUTIONS TO CITIES

The table below provides information on the amount of oil and gas tax revenues distributed to cities for the period September 2009 through December 2010. The amounts shown are the amounts distributed by the State Treasurer and do not include any additional amounts provided to cities by counties.

Billings County	
Medora	$1,187,600
Bottineau County	
Antler	$13,213
Bottineau	556,694
Gardena	10,683
Kramer	12,369
Landa	7,871
Lansford	71,123
Maxbass	25,582
Newburg	24,738
Overly	5,341
Souris	23,333
Westhope	149,836
Willow City	62,127
Bowman County	
Bowman	$1,521,423
Gascoyne	21,871
Rhame	179,718
Scranton	289,070
Burke County	
Bowbells	$337,481
Columbus	125,516
Flaxton	60,680
Lignite	144,635
Portal	108,892
Powers Lake	256,851
Divide County	
Ambrose	$23,121
Crosby	1,094,722
Fortuna	31,163
Noonan	154,809
Dunn County	
Dodge	$176,401
Dunn Center	172,167
Halliday	320,344
Killdeer	1,006,190
Golden Valley County	
Beach	$321,897
Golva	30,574
Sentinel Butte	17,883
Hettinger County	
Mott	$88
New England	60
Regent	23

McHenry County	
Anamoose	$1,667
Balfour	118
Bantry	112
Bergen	65
Deering	698
Drake	1,904
Granville	1,691
Karlsruhe	704
Kief	77
Towner	3,393
Upham	916
Velva	6,202
Voltaire	302
McKenzie County	
Alexander	$264,304
Arnegard	127,889
Watford City	1,747,815
McLean County	
Benedict	$807
Butte	1,402
Coleharbor	1,615
Garrison	20,080
Max	4,235
Mercer	1,310
Riverdale	4,159
Ruso	91
Turtle Lake	8,836
Underwood	12,371
Washburn	21,162
Wilton	8,608
Mercer County	
Beulah	$1,648
Golden Valley	96
Hazen	1,285
Pick City	87
Stanton	180
Zap	121
Mountrail County	
New Town	$734,684
Palermo	41,383
Parshall	527,232
Plaza	89,753
Ross	25,797
Stanley	687,390
White Earth	33,859

Renville County	
Glenburn	$128,990
Grano	3,104
Loraine	6,553
Mohall	280,054
Sherwood	87,948
Tolley	21,728
Slope County	
Amidon	$32,890
Marmarth	177,100
Stark County	
Belfield	$155,509
Dickinson	1,440,246
Gladstone	44,534
Richardton	111,155
South Heart	55,129
Taylor	26,936
Ward County	
Berthold	$442
Burlington	1,039
Carpio	140
Des Lacs	198
Donnybrook	85
Douglas	61
Kenmare	1,024
Makoti	137
Minot	34,650
Ryder	87
Sawyer	357
Surrey	869
Williams County	
Alamo	$23,499
Epping	36,401
Grenora	93,076
Ray	246,051
Springbrook	11,980
Tioga	518,365
Wildrose	59,439
Williston	3,037,764
Total to cities	$19,669,677

SB 2132
1-25-11
Gerald Bang

Chairman Holmberg and members of the committee:

Thank you for meting with us this morning. We would also like to thank Senator George Nodland, Representative Shirley Meyer and Representative Mike Schatz for sponsoring bill #2132.

Last week we celebrated the birthday of a man who had a "dream". The community of Killdeer and the residents of Dunn County have had a dream for six years. And, we are here today to ask you for help in making our dream become a reality.

We stand before you to show you how the dream of a building; a 14,900 square foot High Plains Cultural Center, in energy impacted Dunn County will change and improve the quality of life for the North Dakotans living in the western part of our state, and the quality of life for our new energy industry citizens, and how we have worked toward our financial goal to make this dream come true.

A community development meeting started this community project and a committee formed to move forward. The three people who are going to speak to you today are all strong community committee members who have had a positive impact on the goals we have already reached.

Lynell Sandvick will discuss the impact this building will have on the communities that are in and surrounding Dunn County. Beni Paulson will follow Lynell discussing the impact the building will have on the energy workers and the energy companies in our area. And, finally, Don Hedger will discuss the financing of this building, the progress that has been made and our dream of breaking ground this spring.

We are in our third traditional North Dakota winter, the likes of which we haven't seen in recent history. We know this brings challenges to all of North Dakota. But, with every winter there is a light at the end of the tunnel. Spring will come. The snow will melt and new life and new hopes will develop again. Now, is the time to plan for that renewal. The people of North Dakota are survivors and we are fighters and we are here today to fight for our dream.

Personally, this is more than a dream for me. I am passionate about my involvement in this project. I am passionate about the Killdeer mountain area, the people of our communities and the quality of life that we are building for my seven grandchildren and for their children. Your help will be both instrumental and pivotal in breaking ground this spring. This is a project which is an investment in rural North Dakota now and for the future.

SB 2132
1-25-11
Lynell Sandvick

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Chairman Holmberg and members of the committee:

It is said that hope springs eternal. Our hope is that this spring will bring the construction of the High Plains Cultural Center.

The Center will house a multi-purpose room, kitchen, tourist information area, wellness center and a cultural exchange area. Each of these areas was designed with the people of western North Dakota in mind.

Agriculture, Tourism and Energy are the top three industries of North Dakota and western North Dakota has an urgent need for a meeting area for cultural, recreation, wellness and social activities.

The largest meeting and social area in Dunn County holds approximately 150 people. This does not meet the needs of our rapidly growing population. Our local residents, the youth and the elderly, are in need of a place to gather, socialize and recreate. Killdeer does have a walking path, but that path now has been dangerously impacted by energy development in the area. In two separate locations the walking path crosses an entrance to the local C store which caters to the energy development by providing parking for the trucks, showers, laundry facilities, fuel and food. Needless to say this is a high traffic area. In another area the path crosses a road that leads to fresh water that is purchased by the oil companies to use in drilling and in frac jobs. We need a place where walking can be done without the risk of being hit by traffic.

Killdeer School Superintendent, Gary Wilz, in a letter of support for the facility states, "The High Plains Cultural Center would enable the school to sponsor local and regional vocational agricultural events such as range, crop and livestock judging, science fairs, acalympics competitions, district and regional co-curricular events as FBLA, FCCLA, FFA, music festivals, and speech meets." End of quote. This Center will also become the home of our Dunn County 4-H Achievement Days so the youth of our area can show the fruits of their labor.

The center would provide an area for indoor walking, intramural sports activities, gatherings for weddings and funerals, graduations and anniversaries. No such structure exists. Recently Killdeer was contacted to hold an event in the area; for the local and energy people of our area, by the University of Mary. Because the event was to host 250 people, the event couldn't be held in Dunn County. The economic impact this event would have had on our county was lost.

Having the opportunities that the Center will provide, will save the 35 miles on the heavily impacted Hwy. 22 which is not so lovingly nicknamed the Kamakozzi Highway.

Finally, the High Plains Cultural Center will enhance our regions ability to meet the needs of our residents of all ages for educational and economic development opportunities, along with cultural, social, and wellness programs that will improve the quality of life for all residents of the region. We ask for your help to keep our hope alive. Invest in rural North Dakota.

Lynell Sandvick

SB 2132
1-25-11
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Chairman Holmberg and members of the committee, my name is Beni Paulson and I was born and raised in Dunn County.

To dream what has sometimes seemed an impossible dream might be frustrating to some but to the High Plains Cultural Center Committee it has fueled our flames. Two years ago this project would have been a great addition to our community for many reasons, some of which Lynell has mentioned. It was and is important for our youth, elderly and all the locals. Times are changing and now it would not only be a great addition but I think it is crucial for the growth and development of the community to complete the project.

Change and impact are two words that are used daily in Dunn county, a county that is diverse in culture. One fourth of the land in Dunn county is on the Fort Berthold Reservation. It is a county that is strong in agriculture, tourism and energy. Change is inevitable and can be positive or negative just like the oil industry is both positively and negatively impacting our area. Economically it is very positive for Dunn county and the state of North Dakota.

Recently a group built the Dunn County Veterans Memorial which is located on what will be the veranda of the High Plains Cultural Center. Also in close proximity is two RV parks, a proposed mobile home park, and very soon a motel. The HPCC is an example of the positive change we need in the wake of some of the not so positive.

There is also a change to the workers who are entering the area from all over the world, they too deserve a quality of life. The HPCC will give them social and recreational opportunities that our community can not give them presently. The companies that work and employ people are in need of a place to meet for community meetings, safety training, Christmas parties, etc.

With these employees come families and additional economic growth for our community and for North Dakota. These families, like all families, are looking for opportunities for their children and to improve their quality of life. We want these people to want to stay in our community and that they see North Dakota as a progressive state and a state with a vision.

Once again, I urge you to support this bill and our endeavors to improve the quality of life for everyone in western North Dakota.

High Plains Cultural Center

Project Cost

Building	$3,100,000
Architect, Engineering, and Land	200,000
Start Up	255,000
Total	$3,555,000

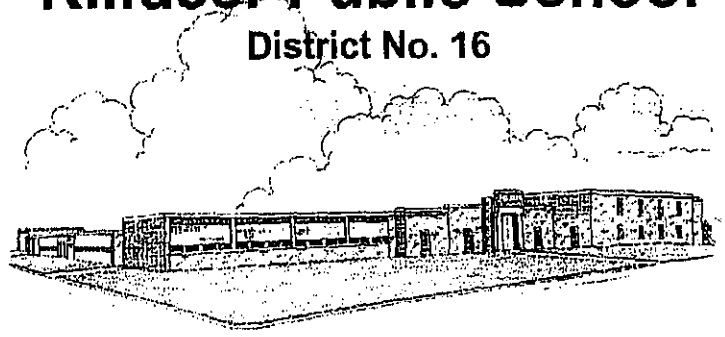
Project Financing

Architect, Engineering, and Land	$200,000	Paid
Contributions and Grants	855,000	
Loan	2,000,000	
Needed	$500,000	
Total	$3,555,000	

Gary A. Wilz; Superintendent
Steve Quintus; H.S. Principal
Carol Dietz; Elem. Principal
Nancy Tuhy, Business Manager

Board of Directors
Houghton, President
Tom Knopik
Penny Lee
Donna Scott
Bob Tuhy

Killdeer Public School
District No. 16



P.O. Box 579
101 High St. NW
Killdeer, ND 58640

(701) 764-5877
Fax (701) 764-5648
email gary.wilz@sendit.nodak.edu

7

SB 2132
1-25-11

May 2010

SUBJECT: Letter of Support

FOR: High Plains Cultural Center

We believe the Dunn County Fair Association is a visionary organization that possesses the dedication and commitment to see the proposed High Plains Cultural Center (HPCC) through to completion. We contend that this multi-use facility will provide for many community needs involving education and extracurricular activities, as well as social, ethnic, and regional events. We recognize Killdeer's potential for growth and know that our community is well established as an energy hub in the Bakken and Sanish/Three Forks formations oil play.

The extracurricular use of this building is where Killdeer Public School would see some immediate benefits. Currently, the Activity Director (AD) handles scheduling for over 200 events/performances during the academic year. In addition to this number, our AD manages practice schedules for 11 separate sports teams each with various age ranges from fifth through twelfth grade, 5 clubs, and 3 co-curricular organizations through the school year. These numbers are not inclusive of requests from outside entities that ask to use the school facilities for their organization's activities. The HPCC will provide viable options for our District's extracurricular and co-curricular scheduling.

The HPCC may also support local and regional vocational-agriculture events such as range, crop and animal judging, multi-school teacher in-service training, Science Olympiad, Science Fair, and Acalympic competitions, and District and Regional co-curricular events such as FCCLA, FBLA, FFA, Music Festivals, Speech Meets, etc.

We are hopeful for the success of this undertaking and look forward to its grand opening and future use by the community and school. Please give this project your full consideration and support.

Sincerely,

Glen Houghton, Board President

Donna Scott, Board Member

Bob Tuhy, Board Member

Penny Lee, Board Member

Thomas Knopik
Tom Knopik, Board Member

The mission at Killdeer Public School is to ensure students acquire the knowledge, attitude, ethics, and skills needed to become productive citizens in our society.

SB 2132
1-25-11
8

Hill Top Home of Comfort, Inc.

P.O. Box 780 • Killdeer, North Dakota 58640
Phone: 701-764-5682

June 29, 2009

High Plains Cultural Center
PO Box 461
Killdeer ND 58640

Subject: Letter of Intent for use of the High Plains Cultural Center

Ladies and Gentlemen:

This Letter of Intent confirms our intention of renting facilities at the High Plains Cultural Center at an annual fee of between $2,000 and $5,000. We feel that the facility will be a valuable asset to the community and will contribute to our long range strategic planning and educational programs.

The facility will provide needed meeting space in the community and the IVAN network will be a wonderful addition to the educational programs needed for continuing education by our staff.

Sincerely,

Greg Armitage,
Administrator

SB 2132
1-25-11
9

City of Halliday

Box 438
Halliday, ND 58636

April 11, 2010

High Plains Cultural Center
Box 461
Killdeer, ND 58640

Dear Board Members,

We would like to thank you for providing an update on the construction of the Center on April 5.

The Halliday City Board would like to offer our support for the construction of the Center. We believe it will be a very valuable asset to residents of Dunn County and the surrounding area.

Thank you to all persons who have worked so hard to make this Center a reality.

Sincerely,

Carolyn Klopp

Carolyn Klopp, Mayor

SB 2132
1-25-11
10

City of Dunn Center
PO Box 38
Dunn Center, ND 58636
(701) 548-8130

May 4, 2010

High Plains Cultural Center
PO Box 461
Killdeer, ND 58640-0461

Dear Committee Members:

The purpose of this letter is to reflect the City of Dunn Center's support of Phase I of the High Plains Cultural Center. We look forward to being a part of enriching the lives of the people of Western North Dakota and surrounding areas.

We would like to applaud you for all of your hard work and dedication to this project, best of luck on the future development.

Regards,

Grant Brown

Grant Brown, Mayor

SB 2132
1-25-11
11

City of Killdeer

165 Railroad St. SE
P.O. Box 270
Killdeer, ND 58640-0270
701-764-5295

"Home of the Cowboys"

March 10, 2010

High Plains Cultural Center
PO Box 461
Killdeer, ND 58640-0461

Dear Committee Members;

The Killdeer City Commission supports the concept of the High Plains Cultural Center as proposed for Phase 1. The Killdeer City Commission commends all the time the High Plains Cultural Center Committee has devoted to this project. The city commission has also appointed one commissioner as a liaison to the High Plains Cultural Committee.

Congratulations on the work you have completed and Best Wishes on the future development.

Regards,

Dan Dolechek, President

Chuck Muscha, Vice President

Anita Mjolhus, Commissioner

Steve Kilber, Commissioner

Greg Andersen, Commissioner

Attest: Dawn Marquardt, City Auditor

SB 2132
1-25-11

12

Dunn County Soil Conservation District
PO Box 359
Killdeer, ND 58640
(701) 764-5646 ext 3

June 15, 2010

Dunn County Fair Board;

On behalf of the Dunn County Soil Conservation District, I am writing this letter in support of the High Plains Cultural Center for Dunn County. The SCD Board passed an action to send this letter at our June board meeting.

We have over 50 Achievement Winner pictures that we have obtained over the years and feel the High Plains Cultural Center would be a great place to display the farms of our Dunn County Producers for all to see.

Our district and many other Dunn County organizations would be able to use the facility for educational meetings, trainings, conferences, shows, and many other activities.

We hope that interest will continue for this project so we can educate our farmers and ranchers closer to home and display the hard work these people have put into their farms and ranches for all to see.

Sincerely,

Cara Lee

Cara Lee
District Clerk
Dunn County SCD

All programs and services of the Dunn County Soil Conservation District are offered on a nondiscriminatory basis, without regard to race, color, national origin, religion, sex, age, marital status, or handicap.

Larry Knudsvig	Alex Lazorenko	James Danks	Gordon Kadrmas	Frank Karsky Jr.
Chairman	Vice Chairman	Member	Member	Member
Dunn Center	Killdeer	Mandaree	Dickinson	Dickinson

ORGANIZATIONAL INFORMATION

Contact Information:

Name: Maggie Piatz
Public Relations Director
Dunn County Fair Association
High Plains Cultural Center

Thorris Sandvick
Chairman, Dunn County Fair Association
Terrald Bang
Vice-Chairman, Dunn County Fair Association

Address: 150 Central Avenue N.
P.O. Box 461
Killdeer, ND 58640

Phone Number: (701) 764-6533 office
(701) 549-4579 home
(701) 590-0687 cell

Thorris Sandvick: (701) 764-5219
Terrald Bang: (701) 260-2387

Fax Number: (701) 764-5818 (American Bank Center)

Email Address: dunncofair@ndsupernet.com

Note: Dunn County Fair Association is the applying entity. Any reference to the Dunn County Fair Association refers to a county government entity organized and operating much of the project.

Organizational Type: Public/Government
Non-Profit

Organizational Name: Dunn County Fair Association

Tax Status: Public/Government
501 (c) 3 status

Tax Identification Number: EIN #45-6002209 for Dunn County Fair Association

Year Established: 2004-2005

Staff Size: 3 full-time employees (upon completion of building)

Number of locations: One location

Your support is needed

I/we wish to make a gift to the
Dunn County Fair Association as described below:

❍ $1-$249	Saddle Club	❍ $2,500-$4,999	Chaps Club
❍ $250-$499	Cowboy Club	❍ $5,000-$9,999	Bronze Boot Club
❍ $500-$999	Bronc Buster Club	❍ $10,000-$24,999	Silver Spur Club
❍ $1,000-$2,499	Scouts Club	❍ $25,000-up	Gold Saddle Club

HIGH PLAINS CULTURAL CENTER

DUNN COUNTY, NORTH DAKOTA

Please make checks payable to:
Dunn County Fair Association
P.O. Box 461, Killdeer, ND 58640

The Dunn County Fair Association is a 501c3 organization. Contributions are tax deductible to the extent of the law.

NAME_____ SIGNATURE_____ DATE_____

❍ I/we wish to remain anonymous. Do not include my/ourname in any donor listing.

❍ For gift recognition, please list my/our name as indicated: _____

NAMING OPPORTUNITIES

If you wish to opt for a naming opportunity or a memorial for your family or loved one, please contact a Fair Board Member. Gifts will be permanently noted in the building, unless the donor wishes to remain anonymous.

- Sound System
- Basketball Hoops
- Kiosks
- Tables
- TV/VCR/DVD
- Doors
- Memorials
- Scoreboard
- Display Cases
- Computer
- Chairs
- Desks
- Portable Staging
- Flooring

HIGH PLAINS CULTURAL CENTER

DUNN COUNTY, NORTH DAKOTA

CONTACT:
Deb Harsha 701.290.1081
Jerrald Bang 701.863.6774
Thorris Sandvick 701.764.5219

All gifts are tax deductible.

The goal is to construct a regional multi-use complex for cultural, educational, training and social opportunities in offering the following:

- Walking Track
- Athletic Events (ex. basketball, wrestling)
- Learning Center
- Tourism Showcase
- Entertainment
- Banquets
- Weddings/Receptions
- Wellness
- Economic Development
- Meeting Rooms
- Conferences
- Fitness Center
- Cultural Activities
- Veterans Recognition
- Banquet Hall

Project goal

[illegible] a wide range of [illegible] community members [illegible] The center will provide [illegible] the city's, county's, and area's [illegible]

The facility will offer many opportunities to a large portion of western North Dakota. Area counties have a population of more than 40,000 people (Dunn County - 3,600; Billings - 888; McKenzie - 5,737; Mercer - 8,644; Stark - 22,636).

The target market and customers include community members, local and regional businesses, rodeo and livestock clubs, schools, oilfield companies, fire and ambulance squads, clubs, organizations and private ranchers and farmers, and more.

The High Plains Cultural Center is unique and diversified in its intent to serve the public. Other goals include providing these great services at affordable fees.

High Plains Cultural Center

Dunn County - North Dakota

The goal is to build a multi-use, regional facility, the High Plains Cultural Center, that welcomes all and encourages growth and development of the region.

The 14,900 plus square foot building, estimated cost of $3 million will include:

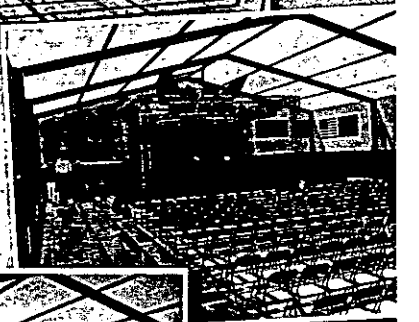
MULTI-PURPOSE ROOM - 80'x100' that will seat 450 banquet style, 800 auditorium style, and an additional 140 on retractible bleachers, for 4-H activities, receptions, anniversaries, classes, presentations, conventions, trainings, dances, meetings, youth and adult athletics, fine arts, and more.

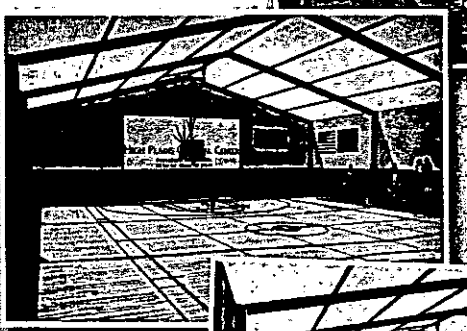
KITCHEN for event catering and concessions.

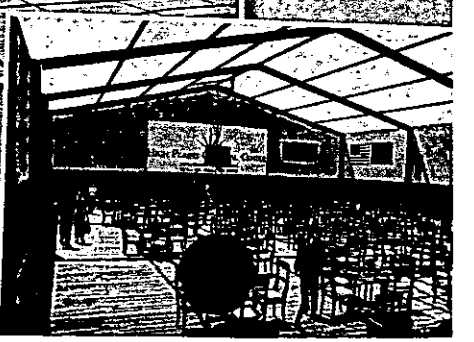
TOURISM CENTER for providing information about local and regional attractions.

PLAZA FOR WESTERN CULTURES for celebrating the Region's Native American and European Heritages.

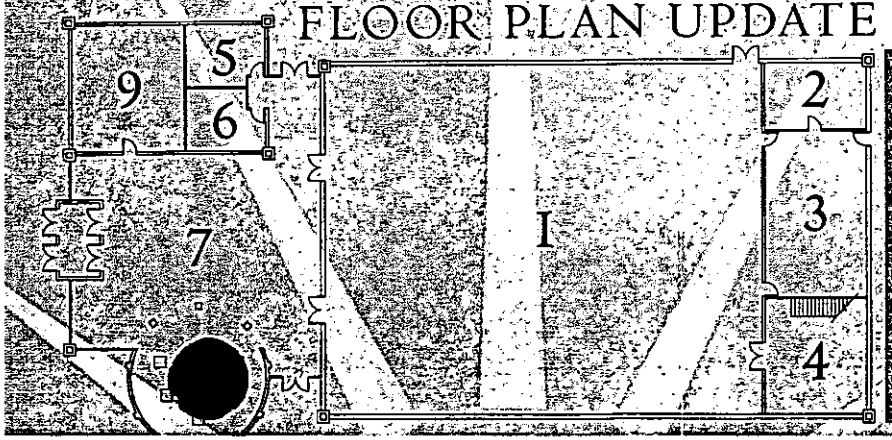
VETERANS MEMORIAL MONUMENT







FLOOR PLAN UPDATE



1. MULTIPURPOSE
2. STORAGE
3. KITCHEN
4. STORAGE
5. MEN RESTROOM
6. WOMEN RESTROOM
7. LOBBY
8. PLAZA [illegible] WESTERN CULTURES
9. DISTA[illegible]CARNING CLASSROOM

SB 2132

11.9041.01000

Prepared by the North Dakota Legislative Council staff for Senator Nodland
January 2011

attachment #1

DUNN COUNTY OIL REVENUES

The following table provides information on the amount of total oil tax revenue derived from oil produced in Dunn County and the distributions to Dunn County from the oil and gas gross production tax for fiscal years 2006 through 2010 and for fiscal year 2011 through January 2011:

Fiscal Year	Oil and Gas Gross Production Tax Revenue From Oil Produced in Dunn County	Oil Extraction Tax Revenue From Oil Produced in Dunn County	Total Oil Revenue From Oil Produced in Dunn County	Distribution To Dunn County From Oil and Gas Gross Production Tax	Distribution Amount as a Percentage of Total Oil Revenue
2006	$2,513,950	$2,147,778	$4,661,728	$1,255,572	26.9%
2007	3,694,346	3,862,295	7,556,641	1,483,122	19.6%
2008	15,486,335	12,386,117	27,872,452	3,854,982	13.8%
2009	21,295,417	17,144,685	38,440,102	5,207,169	13.5%
2010	37,368,485	40,882,188	78,250,673	7,803,202	10.0%
2011 (through January 2011)	18,495,484	28,241,867	46,737,351	5,653,040	12.1%
Total	$98,854,017	$104,664,930	$203,518,947	$25,257,087	12.4%

SB 2132
attachment #3
3/7/11

Senate Bill 2132 Testimony
John M. Andrist, State Senator District 2
Senate Appropriations Committee January 25, 2011

I know I speak for other oil patch legislators, including your chairman, when I thank you for your commitment to helping us deal with infrastructure needs these past two sessions.

Senate bill 2132 began as an effort to provide Kildeer with a $500,000 grant from the oil and gas trust fund, which could be the final piece in securing a $3.1 million community center.

I sponsored SB 2228, which is sort of a companion bill – a $500,000 grant to make a $2.5 million Health and Wellness Center a go at Crosby. They have struggled for two years to find the dollars, and this sum could make it a go this summer if 2132 can pass with an emergency clause.

Senate Appropriations chose to replace the Kildeer and Crosby bills by amending SB 2132 by providing $8 million of the new impact fund for small city community development projects , as Sen. Bowman has explained. Note again, grants are limited to a maximum of $500,000 per city each biennium. Matching funds would be required so those cities have their own skin in the game.

$500,000 represents just ten days of oil and gas tax revenue the state collected in Divide County in the month of December. Dunn county produces that much revenue for the state every 4 days.

Ray has enormous stress on their lagoon. Only one cell and it's leaking. They are looking for funds to do something about it. How many other impact needs do we have?

The executive budget calls for an impact fund of $100 million. The plan is to earmark $35 million of that sum for larger cities and $65 million for small cities – for basic infrastructure such as roads, water, fire, ambulance and law enforcement needs.

We have many infrastructure problems that are unique, which we must figure out for ourselves. 2132 is one with which the state can give us important assistance.

So we ask you to give it favorable consideration.

Your support is needed

High Plains Cultural Center

DUNN COUNTY, NORTH DAKOTA

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- Portable Staging
- Flooring

dunncofair@nd supernet.com
www.highplainsculturalcenter.com

High Plains Cultural Center

DUNN COUNTY, NORTH DAKOTA

CONTACT:
Deb Harshe 701.290.1081
Terrald Bang 701.863.6774
Thorris Sandvick 701.764.5219
Maggie 701-548-4579

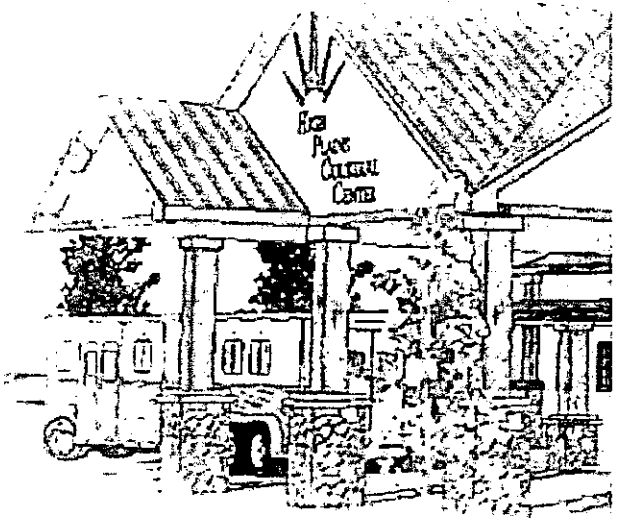
All gifts for the [redacted] tax deductible.

701-590-0687

SB 2132
Gov Finance
attachment #2
3/7/11

High Plains Cultural Center

DUNN COUNTY, NORTH DAKOTA



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- Cultural Activities
- Veteran Recognition
- Banquet Hall
- D[redacted]all
- Co[redacted]ts

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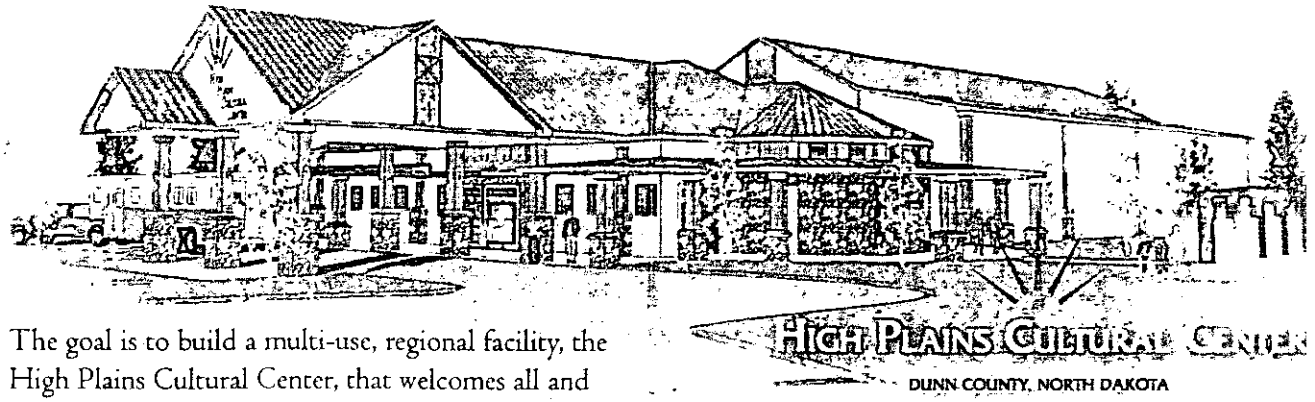

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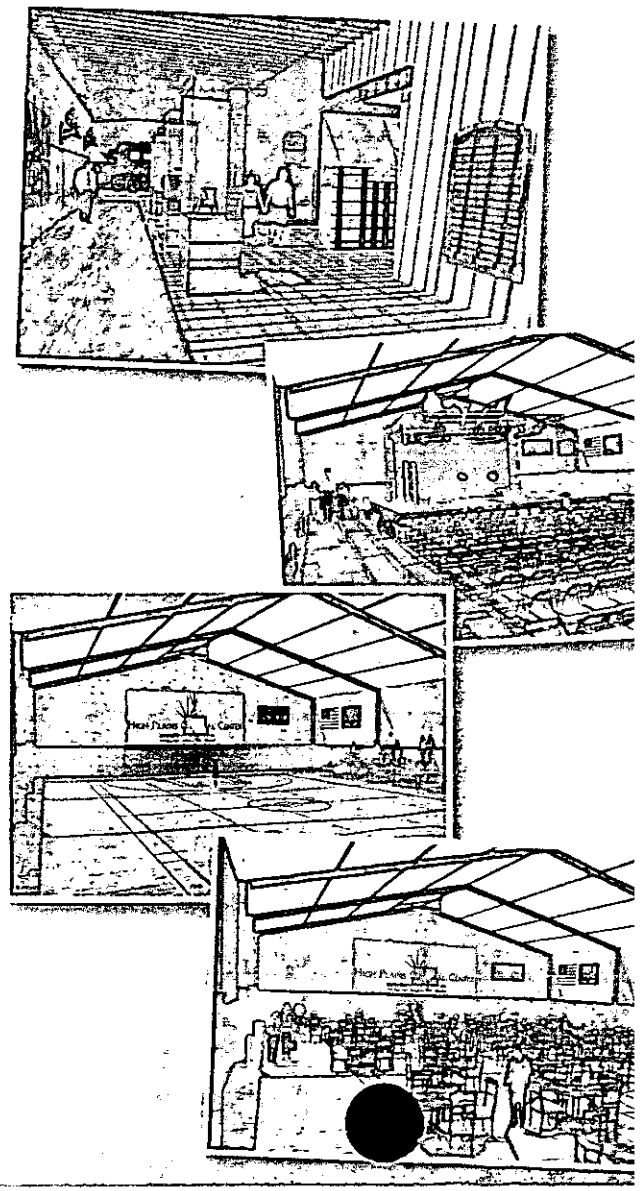
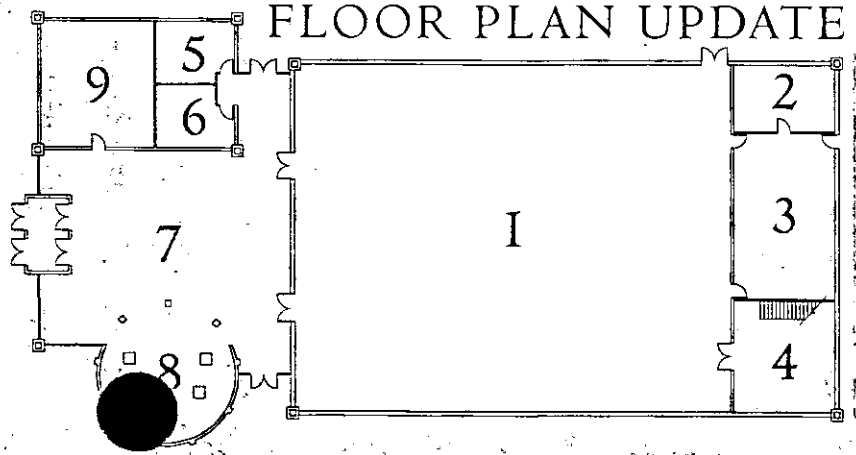


FLOOR PLAN UPDATE



1 MULTIPURPOSE
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