

Fifty-seventh
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1341

Introduced by

Representatives Wald, Delzer, Haas, Kempenich

Senators Lyson, Solberg

1 A BILL for an Act to amend and reenact section 57-51-14, subsection 2 of section 57-51-15,
2 and section 57-51-16 of the North Dakota Century Code, relating to allocation of oil and gas
3 gross production tax revenues to political subdivisions by the tax commissioner.

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

5 **SECTION 1. AMENDMENT.** Section 57-51-14 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **57-51-14. Duties of commissioner ~~and state treasurer~~.** It is the duty of the
8 commissioner to deposit with the state treasurer all moneys collected by the commissioner and
9 designated for deposit in the state general fund or the oil and gas impact grant fund under this
10 chapter ~~and to accompany each remittance, when possible, with a certificate showing the~~
11 ~~county where produced.~~ The ~~state treasurer~~ commissioner, no less than quarterly, shall pay
12 over to the county treasurers and city auditors of the several counties the moneys to which they
13 are entitled hereunder.

14 **SECTION 2. AMENDMENT.** Subsection 2 of section 57-51-15 of the North Dakota
15 Century Code is amended and reenacted as follows:

16 2. a. The first one million dollars of annual revenue after the deduction of the
17 amount provided for in subsection 1 from oil or gas produced in any county
18 must be allocated seventy-five percent to that county and twenty-five percent
19 to the state general fund. The second one million dollars of annual revenue
20 after the deduction of the amount provided for in subsection 1 from oil or gas
21 produced in any county must be allocated fifty percent to that county and fifty
22 percent to the state general fund. All annual revenue after the deduction of
23 the amount provided for in subsection 1 above two million dollars from oil or
24 gas produced in any county must be allocated twenty-five percent to that

county and seventy-five percent to the state general fund. However, the amount to which each county is entitled pursuant to this subsection must be limited based upon the population of the county according to the last official decennial federal census as follows:

- a- (1) Counties having a population of three thousand or less shall receive no more than three million nine hundred thousand dollars for each fiscal year.
- b- (2) Counties having a population of over three thousand but less than six thousand shall receive no more than four million one hundred thousand dollars for each fiscal year.
- e- (3) Counties having a population of six thousand or more shall receive no more than four million six hundred thousand dollars for each fiscal year.
- b. Any allocations for any county pursuant to this subsection which exceed the applicable limitation for that county as provided in ~~subdivisions~~ paragraphs 1 through 3 of subdivision a through e must be deposited instead in the state's general fund.
- c. The oil and gas gross production tax allocation fund is created as a special fund in the state treasury. The commissioner shall deposit in this fund all revenues for allocation to counties under this chapter and shall make payments to counties from this fund of amounts allocated to counties under this chapter.

SECTION 3. AMENDMENT. Section 57-51-16 of the North Dakota Century Code is amended and reenacted as follows:

57-51-16. Distribution of proceeds in certain cases. If gross production tax is paid to the commissioner and the reports accompanying such tax are insufficient to enable the commissioner to determine the source, by county, from which it is produced, the ~~state treasurer~~ commissioner shall allocate those revenues under this section. In the first distribution to counties under section 57-51-15 which occurs after June gross production tax revenues are received ~~by the state treasurer~~ for allocation, the revenue under this section must be allocated among counties in the same proportions that revenue was allocated among counties that received distributions under section 57-51-15 during the year ended June thirtieth. Revenue

- 1 received by the county under this section must be allocated within the county as provided in
- 2 subsection 3 of section 57-51-15.