

Sixty-first
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1274

Introduced by

Representatives S. Meyer, Drovdal, Kempenich, Onstad

Senators Triplett, Warner

1 A BILL for an Act to amend and reenact subsection 2 of section 57-51-15 of the North Dakota
2 Century Code, relating to the limit on the amount counties may receive under the oil and gas
3 gross production tax; and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Subsection 2 of section 57-51-15 of the North Dakota
6 Century Code is amended and reenacted as follows:

7 2. The first one million dollars of annual revenue after the deduction of the amount
8 provided for in subsection 1 from oil or gas produced in any county must be
9 allocated to that county. The second one million dollars of annual revenue after
10 the deduction for the amount provided for in subsection 1 from oil and gas
11 produced in any county must be allocated seventy-five percent to that county and
12 twenty-five percent to the state general fund. The third one million dollars of
13 annual revenue after the deduction of the amount provided for in subsection 1 from
14 oil or gas produced in any county must be allocated fifty percent to that county and
15 fifty percent to the state general fund. All annual revenue after the deduction of the
16 amount provided for in subsection 1 above three million dollars from oil or gas
17 produced in any county must be allocated twenty-five percent to that county and
18 seventy-five percent to the state general fund. However, the amount to which
19 each county is entitled pursuant to this subsection ~~must be limited based upon the~~
20 ~~population of the county according to the last official decennial federal census~~ may
21 be limited as follows:

22 a. Counties having a population of three thousand or less shall receive no more
23 than three million nine hundred thousand dollars for each fiscal year;
24 however, a county may receive ~~up to four million nine hundred thousand~~

1 ~~dollars under this subdivision~~ the full amount of its allocation under this
2 subsection for each fiscal year if during that fiscal year the county levies a
3 total of at least ten mills for combined levies for county road and bridge,
4 farm-to-market and federal-aid road, and county road purposes. ~~Any amount~~
5 ~~received by a county exceeding three million nine hundred thousand dollars~~
6 ~~under this subdivision is not subject to allocation under subsection 3 but must~~
7 ~~be credited by the county treasurer to the county general fund.~~

8 b. Counties having a population of over three thousand but less than six
9 thousand shall receive no more than four million one hundred thousand
10 dollars for each fiscal year; however, a county may receive ~~up to five million~~
11 ~~one hundred thousand dollars under this subdivision~~ the full amount of its
12 allocation under this subsection for each fiscal year if during that fiscal year
13 the county levies a total of at least ten mills for combined levies for county
14 road and bridge, farm-to-market and federal-aid road, and county road
15 purposes. ~~Any amount received by a county exceeding four million one~~
16 ~~hundred thousand dollars under this subdivision is not subject to allocation~~
17 ~~under subsection 3 but must be credited by the county treasurer to the county~~
18 ~~general fund.~~

19 c. Counties having a population of six thousand or more shall receive no more
20 than four million six hundred thousand dollars for each fiscal year; however, a
21 county may receive ~~up to five million six hundred thousand dollars under this~~
22 ~~subdivision~~ the full amount of its allocation under this subsection for each
23 fiscal year if during that fiscal year the county levies a total of ten mills or
24 more for combined levies for county road and bridge, farm-to-market and
25 federal-aid road, and county road purposes. ~~Any amount received by a~~
26 ~~county exceeding four million six hundred thousand dollars under this~~
27 ~~subdivision is not subject to allocation under subsection 3 but must be~~
28 ~~credited by the county treasurer to the county general fund.~~

29 Any allocations for any county pursuant to this subsection which exceed the
30 applicable limitation for that county as provided in subdivisions a through c must be
31 deposited instead in the state's general fund.

1 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable events occurring after
2 June 30, 2009.