

Sixty-first
Legislative Assembly
of North Dakota

SENATE BILL NO.

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the commissioner of
2 university and school lands; to amend and reenact subsections 1 and 2 of section 57-51-15 of
3 the North Dakota Century Code, relating to the apportionment of oil and gas gross production
4 taxes; to provide for distributions amounts from permanent funds; and to provide to the general
5 fund.

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

7 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much the
8 funds as may be necessary, are appropriated from special funds derived from the state lands
9 maintenance fund and the oil and gas impact grant fund in the state treasury, to the
10 commissioner of university and school lands for the purpose of defraying the expenses of the
11 commissioner of university and school lands, for the biennium beginning July 1, 2009, and
12 ending June 30, 2011, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>	
13				
14				
15	Salaries and wages	\$2,500,324	\$728,113	\$3,228,437
16	Operating expenses	675,700	64,252	739,952
17	Capital assets	10,000	0	10,000
18	Grants	5,888,100	13,889,659	19,777,759
19	Contingencies	<u>50,000</u>	<u>0</u>	<u>50,000</u>
20	Total special funds	\$9,124,124	\$14,682,024	\$23,806,148
21	Full-time equivalent positions	18.75	3.00	21.75

22 **SECTION 2. OIL AND GAS IMPACT GRANT FUND.** Section 1 of this Act includes
23 \$20,000,000 from the oil and gas impact grant fund for the purposes of providing oil and gas

1 development impact grants and the administration of the oil and gas development impact grant
2 program, for the biennium beginning July 1, 2009, and ending June 30, 2011.

3 **SECTION 3. GRANTS.** Section 54-44.1-11 does not apply to appropriations made for
4 oil impact grants in section 1 of the Act.

5 **SECTION 4. APPROPRIATION LINE ITEM TRANSFER.** upon approval of the board
6 of university and school lands, the commissioner of university and school lands may transfer
7 from the contingencies line item in section 1 of this Act to all other line items. The
8 commissioner shall notify the office of management and budget of each transfer made pursuant
9 to this section.

10 **SECTION 5. DISTRIBUTIONS TO STATE INSTITUTIONS.** Notwithstanding section
11 15-03-05.2, the board of university and school lands shall distribute during the biennium
12 beginning July 1, 2009, and ending June 30, 2011, the following amounts, or so much income
13 as may be available, from the permanent funds managed for the benefit of the following entities:

14 Common schools	\$77,000,000
15 North Dakota state university	1,230,000
16 University of North Dakota	1,114,000
17 Youth correctional center	438,000
18 School for the deaf	356,000
19 State college of science	410,000
20 State hospital	480,000
21 Veterans' home	276,000
22 Valley City state university	260,000
23 North Dakota vision services - school for the blind	234,000
24 Mayville state university	178,000
25 Minot state university - Bottineau	28,000
26 Dickinson state university	28,000
27 Minot state university	<u>28,000</u>
28 Total	\$82,060,000

29 **SECTION 6. TRANSFER TO GENERAL FUND FROM LANDS AND MINERALS**
30 **TRUST FUND.** During the biennium beginning July 1, 2009, and ending June 30, 2011, the

1 director of the office of management and budget may transfer special funds from the lands and
2 mineral trust fund to the general fund in the amount of \$43,500,000.

3 **SECTION 7. AMENDMENT.** Subsection 1 of section 57-51-15 of the North Dakota
4 Century Code is amended and reenacted as follows:

- 5 1. First the tax revenue collected under this chapter equal to one percent of the gross
6 value at the well of the oil and one-fifth of the tax on gas must be deposited with
7 the state treasurer who shall credit thirty-three and one-third percent of the
8 revenues to the oil and gas impact grant fund, but not in an amount exceeding ~~six~~
9 twenty million dollars per biennium, including any amounts otherwise appropriated
10 for oil and gas impact grants for the biennium by the legislative assembly, and who
11 shall credit the remaining revenues to the state general fund.
- 12 2. The first one million dollars of annual revenue after the deduction of the amount
13 provided for in subsection 1 from oil or gas produced in any county must be
14 allocated to that county. The second one million dollars of annual revenue after
15 the deduction for the amount provided for in subsection 1 from oil and gas
16 produced in any county must be allocated seventy-five percent to that county and
17 twenty-five percent to the state general fund. The third one million dollars of
18 annual revenue after the deduction of the amount provided for in subsection 1 from
19 oil or gas produced in any county must be allocated fifty percent to that county and
20 fifty percent to the state general fund. All annual revenue after the deduction of the
21 amount provided for in subsection 1 above three million dollars from oil or gas
22 produced in any county must be allocated twenty-five percent to that county and
23 seventy-five percent to the state general fund. However, the amount to which each
24 county is entitled pursuant to this subsection must be limited based upon the
25 population of the county according to the last official decennial federal census as
26 follows:
 - 27 a. Counties having a population of three thousand or less shall receive no more
28 than ~~three~~ four million nine hundred thousand dollars for each fiscal year;
29 however, a county may receive up to ~~four~~ five million nine hundred thousand
30 dollars under this subdivision for each fiscal year if during that fiscal year the
31 county levies a total of at least ten mills for combined levies for county road

1 and bridge, farm-to-market and federal-aid road, and county road purposes.
2 Any amount received by a county exceeding ~~three~~ four million nine hundred
3 thousand dollars under this subdivision is not subject to allocation under
4 subsection 3 but must be credited by the county treasurer to the county
5 general fund.

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

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

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