Sixty-first
Legislative Assembly
of North Dakota

SENATE BILL NO. 2013

Introduced by

Appropriations Committee

(At the request of the Governor)

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

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

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

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

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

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

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

Common schools	$77,000,000
North Dakota state university	1,230,000
University of North Dakota	1,114,000
Youth correctional center	438,000
School for the deaf	356,000
State college of science	410,000
State hospital	480,000
Veterans' home	276,000
Valley City state university	260,000
North Dakota vision services - school for the blind	234,000
Mayville state university	178,000
Minot state university - Bottineau	28,000
Dickinson state university	28,000
Minot state university	28,000
Total	$82,060,000

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

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

SECTION 7. AMENDMENT. Subsections 1 and 2 of section 57-51-15 of the North Dakota Century Code are amended and reenacted as follows:

1. First the tax revenue collected under this chapter equal to one percent of the gross value at the well of the oil and one-fifth of the tax on gas must be deposited with the state treasurer who shall credit thirty-three and one-third percent of the revenues to the oil and gas impact grant fund, but not in an amount exceeding ~~six~~ twenty million dollars per biennium, including any amounts otherwise appropriated for oil and gas impact grants for the biennium by the legislative assembly, and who shall credit the remaining revenues to the state general fund.
2. The first one million dollars of annual revenue after the deduction of the amount provided for in subsection 1 from oil or gas produced in any county must be allocated to that county. The second one million dollars of annual revenue after the deduction for the amount provided for in subsection 1 from oil and gas produced in any county must be allocated seventy-five percent to that county and twenty-five percent to the state general fund. The third one million dollars of annual revenue after the deduction of the amount provided for in subsection 1 from oil or gas produced in any county must be allocated fifty percent to that county and fifty percent to the state general fund. All annual revenue after the deduction of the amount provided for in subsection 1 above three million dollars from oil or 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. Counties having a population of three thousand or less shall receive no more than ~~three~~ four million nine hundred thousand dollars for each fiscal year; however, a county may receive up to ~~four~~ five million nine hundred thousand dollars under this subdivision for each fiscal year if during that fiscal year the county levies a total of at least ten mills for combined levies for county road

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

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

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

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