

**HOUSE BILL NO. 1358**

Introduced by

Representatives Skarphol, Brandenburg, Froseth, Rust, Steiner, Glassheim, J. Kelsh

Senators Andrist, Wanzek, Wardner, Murphy, Triplett

1 A BILL for an Act to create and enact a new section to chapter 23-01, a new section to chapter  
2 52-04, and ~~two~~three new subsections to section 57-51-01 of the North Dakota Century Code,  
3 relating to definitions under the oil and gas gross production tax; to amend and reenact sections  
4 57-51-15 and 57-62-05 of the North Dakota Century Code, relating to oil and gas gross  
5 production tax allocation and the impact aid program; to provide a continuing appropriation; to  
6 provide appropriations; to provide a statement of legislative intent; to provide an effective date;  
7 and to declare an emergency.

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

9 **SECTION 1.** A new section to chapter 23-01 of the North Dakota Century Code is created  
10 and enacted as follows:

11 **Emergency medical service and fire protection district funding committee - Funding**  
12 **assistance requests and approval.**

13 The emergency medical service and fire protection district funding committee consists of  
14 the chairman of the legislative management, or the chairman's designee; two members of the  
15 legislative assembly, appointed by the chairman of the legislative management, ~~who shall~~  
16 ~~appoint one of them to serve as chairman; the chairmen of the house of representatives and~~  
17 ~~senate appropriations committees, or their designees; the minority leaders of the house of~~  
18 ~~representatives and senate, or their designees; four nonvoting members, ~~one~~two of whom ~~is~~are~~  
19 ~~a member of the governing body of a city or county in an oil-producing county ~~and one of whom~~~~  
20 ~~is a member of the governing body of a city or county in a non-oil-producing county,~~ appointed  
21 by the president of the North Dakota emergency medical services association and ~~one~~two of  
22 whom ~~is~~are a member of the governing body of a city or county in an oil-producing county ~~and~~  
23 ~~one of whom is a member of the governing body of a city or county in a non-oil-producing~~  
24 ~~county,~~ appointed by the president of the North Dakota firefighters' association; and one

1 nonvoting member who is a member of the advisory board appointed by the board of university  
2 and school lands to advise on oil and gas impact grant award applications, who shall be  
3 appointed by the board of university and school lands. The chairman of the legislative  
4 management shall designate the chairman from among the voting members of the committee.  
5 The state department of health shall provide administrative services for the committee. The  
6 emergency medical services advisory council established under section 23-46-02 shall provide  
7 advisory assistance to the emergency medical service and fire protection district funding  
8 committee as requested.

9 Applications for funding assistance from the oil-producing counties emergency medical  
10 service and fire protection district grant fund or funds provided by legislative appropriation may  
11 be submitted to the committee by the governing body of a city or county on behalf of emergency  
12 medical service providers or fire protection districts providing service in one or more  
13 oil-producing counties that received five million dollars or more of allocations under  
14 subsection 2 of section 57-51-15 in the most recently completed state fiscal year. Funding  
15 under this section may be provided only for that portion of the service area of emergency  
16 medical service providers or fire protection districts within one or more oil-producing counties  
17 that received five million dollars or more of allocations under subsection 2 of section 57-51-15 in  
18 the most recently completed state fiscal year. The committee shall notify the state treasurer of  
19 awarded grants from available funds and the state treasurer shall transfer the grant awards to  
20 the recipients.

21 In consideration of circumstances in which a grant award application indicates a need for a  
22 staffing increase or other funding need that appears to create an ongoing need for funding  
23 assistance, the committee may make a commitment of future grant funding as determined  
24 appropriate. The committee shall develop policies of best practices for efficient and effective  
25 use of grant award funds for full-time, part-time, and volunteer staffing of emergency medical  
26 service and fire protection district service providers.

27 **SECTION 2.** A new section to chapter 52-04 of the North Dakota Century Code is created  
28 and enacted as follows:

**Contribution and wage report - Employee occupational and geographic code.**

An employer's quarterly contribution and wage report must contain, for each individual performing covered employment during the calendar quarter, the individual's occupational code and the geographic code for the place where the individual performed work within the state.

**SECTION 3.** ~~Two~~Three new subsections to section 57-51-01 of the North Dakota Century Code are created and enacted as follows:

"Hub city" means a city with a population of twelve thousand five hundred or more, according to the last official decennial federal census, which has more than one percent of its private covered employment engaged in the mining industry, according to data compiled by job service North Dakota.

"Hub city school district" means the school district containing the majority of the area within a hub city.

"Private covered employment engaged in the mining industry", for purposes of data compiled by job service North Dakota, must include employment by an oil refinery or a facility processing oil or gas, or both, in this state.

**SECTION 4. AMENDMENT.** Section 57-51-15 of the North Dakota Century Code is amended and reenacted as follows:

**57-51-15. Gross production tax allocation.**

The gross production tax must be allocated monthly 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:
  - a. ~~Allocate to each hub city a monthly amount that will provide a total allocation of fiveseven hundred fifty thousand dollars per fiscal year to each city in an oil-producing county which has a population of seven thousand five hundred or more and more than two percent of its private covered employment engaged in the mining industry, according to data compiled by job service North Dakota. The allocation under this subdivision must be doubled if the city has more than seven and one-half percent~~for each full or partial percentage point of its private covered

- 1 employment engaged in the mining industry, according to data compiled by job  
2 service North Dakota;
- 3 b. Allocate to each hub city school district a monthly amount that will provide a total  
4 allocation of two hundred fifty thousand dollars per fiscal year for each full or  
5 partial percentage point of the hub city's private covered employment engaged in  
6 the mining industry, according to data compiled by job service North Dakota;
- 7 c. From each allocation to a hub city school district under subdivision b, the state  
8 treasurer retain seventy-five percent of the allocation and deposit that amount in  
9 a special account established for that school district. Up to fifty percent of the  
10 funds deposited in the special account under this subdivision may be released by  
11 the state treasurer to the school district to provide equal matching funds for funds  
12 provided by the school district for a school construction project. Any funds in the  
13 special account that are not committed or expended for school construction  
14 projects may be released to the school district by the state treasurer upon  
15 application by the school district and approval by the hub city school impact  
16 committee for an extraordinary expenditure that would mitigate negative effects of  
17 oil development impact affecting that school district. Any unexpended and  
18 unobligated funds remaining in the hub city school district's special account at the  
19 end of the biennium may be carried over to the ensuing biennium but any funds  
20 that would be allocated to that special account under this subdivision during the  
21 ensuing biennium, up to the amount carried over, must be withheld and allocated  
22 instead under subsection 3.

23           The hub city school impact committee consists of the chairman of the  
24 legislative management, or the chairman's designee; two members of the  
25 legislative assembly, appointed by the chairman of the legislative management;  
26 ~~who shall appoint one of them to serve as chairman;~~ the chairmen of the house  
27 of representatives and senate appropriations committees, or their designees;  
28 the minority leaders of the house of representatives and senate, or their designees;  
29 two nonvoting members, each of whom is either a school superintendent or  
30 school district business manager of a school district in an oil-producing county,  
31 appointed by the superintendent of public instruction; and two nonvoting

1 members who are members of the advisory board appointed by the board of  
2 university and school lands to advise on oil and gas impact grant award  
3 applications, who shall be appointed by the board of university and school lands.  
4 The chairman of the legislative management shall designate the chairman from  
5 among the voting members of the committee. The energy infrastructure and  
6 impact office shall provide administrative services for the hub city school impact  
7 committee;

8 d. For each fiscal year beginning after June 30, 2014, adjust the fiscal year dollar  
9 amounts in subdivisions a and b as determined for the previous fiscal year by  
10 one-third of the percentage change in total tax collections under this chapter  
11 during that previous fiscal year;

12 e. Credit revenues to the oil and gas impact grant fund, but not in an amount  
13 exceeding one hundred fifty million dollars per biennium;

14 f. Allocate one million seven hundred fifty thousand dollars in each fiscal year to be  
15 added by the county treasurer to the allocations to school districts under  
16 subdivision ~~b~~c of subsection 4 for each county that has ~~exceeded a level~~  
17 ~~e~~received five million dollars or more of allocations under subsection 2 during  
18 the preceding state fiscal year; and

19 e.g. Allocate the remaining revenues under subsection 3. If there are no remaining  
20 revenues and revenues under this subsection are insufficient to make the  
21 allocations and transfers under subdivisions a through f, the state treasurer shall  
22 transfer from the strategic investment and improvements fund an amount  
23 necessary to fully fund the allocations and transfers under subdivisions a through  
24 f.

25 2. After deduction of the amount provided in subsection 1, annual revenue collected  
26 under this chapter from oil and gas produced in each county must be allocated as  
27 follows:

28 a. The first ~~two~~five million dollars is allocated to the county.

29 b. Of the next ~~one~~four million dollars, seventy-five percent is allocated to the county.

30 c. Of the next ~~one~~three million dollars, fifty percent is allocated to the county.

- 1           d. ~~Of the next fourteen million dollars~~ all remaining annual revenue, twenty-five  
2           percent is allocated to the county.
- 3           e. ~~Of all annual revenue exceeding eighteen million dollars, ten percent is allocated~~  
4           ~~to the county.~~
- 5           3. After the allocations under subsections 1 and 2, the amount remaining is allocated first  
6           to provide for deposit of thirty percent of all revenue collected under this chapter in the  
7           legacy fund as provided in section 26 of article X of the Constitution of North Dakota  
8           and the remainder must be allocated to the state general fund. If the amount available  
9           for a monthly allocation under this subsection is insufficient to deposit thirty percent of  
10          all revenue collected under this chapter in the legacy fund, the state treasurer shall  
11          transfer the amount of the shortfall from the state general fund share of oil extraction  
12          tax collections and deposit that amount in the legacy fund.
- 13          4. ~~The amount to which each county is entitled under subsection 2 must be allocated~~  
14          ~~within the county so the first five million three hundred fifty thousand dollars is~~  
15          ~~allocated under subsection 5 for each fiscal year and any amount received by a county~~  
16          ~~exceeding five million three hundred fifty thousand dollars is credited by the county~~  
17          ~~treasurer to the county infrastructure fund and allocated under subsection 6.~~
- 18          5. For a county that ~~exceeded a level of~~ received five million dollars or more of allocations  
19          under subsection 2 in the most recently completed state fiscal year, revenues  
20          allocated to that county under subsections 1 and 2 must be credited by the county  
21          treasurer as follows:
- 22           a. ~~Forty-five~~ Sixty percent of all revenues allocated to any county for allocation under  
23           this subsection must be credited by the county treasurer to the county general  
24           fund. However, the allocation to a county under this subdivision must be credited  
25           to the state general fund if ~~during that fiscal year~~ in a taxable year after 2012 the  
26           county ~~does not levy~~ is not levying a total of at least ten mills for combined levies  
27           for county road and bridge, farm-to-market and federal aid road, and county road  
28           purposes.
- 29           b. ~~Thirty-five percent of all revenues allocated to any county for allocation under this~~  
30           ~~subsection must be apportioned by the county treasurer no less than quarterly to~~  
31           ~~school districts within the county on the average daily attendance distribution~~

1 basis, as certified to the county treasurer by the county superintendent of  
2 schools. However, no school district may receive in any single academic year an  
3 amount under this subsection greater than the county average per student cost  
4 multiplied by seventy percent, then multiplied by the number of students in  
5 average daily attendance or the number of children of school age in the school  
6 census for the county, whichever is greater. Provided, however, that in any county  
7 in which the average daily attendance or the school census, whichever is greater,  
8 is fewer than four hundred, the county is entitled to one hundred twenty percent  
9 of the county average per student cost multiplied by the number of students in  
10 average daily attendance or the number of children of school age in the school  
11 census for the county, whichever is greater. Once this level has been reached  
12 through distributions under this subsection, all excess funds to which the school  
13 district would be entitled as part of its thirty-five percent share must be deposited  
14 instead in the county general fund. The county superintendent of schools of each  
15 oil-producing county shall certify to the county treasurer by July first of each year  
16 the amount to which each school district is limited pursuant to this subsection. As  
17 used in this subsection, "average daily attendance" means the average daily  
18 attendance for the school year immediately preceding the certification by the  
19 county superintendent of schools required by this subsection.

20 The countywide allocation to school districts under this subdivision is subject  
21 to the following:

- 22 (1) The first three hundred fifty thousand dollars is apportioned entirely among  
23 school districts in the county.
- 24 (2) The next three hundred fifty thousand dollars is apportioned seventy-five  
25 percent among school districts in the county and twenty-five percent to the  
26 county infrastructure fund.
- 27 (3) The next two hundred sixty-two thousand five hundred dollars is  
28 apportioned two-thirds among school districts in the county and one-third to  
29 the county infrastructure fund.

- 1           (4) ~~The next one hundred seventy-five thousand dollars is apportioned fifty-~~  
2           ~~percent among school districts in the county and fifty percent to the county-~~  
3           ~~infrastructure fund.~~
- 4           (5) ~~Any remaining amount is apportioned to the county infrastructure fund-~~  
5           ~~except from that remaining amount the following amounts are apportioned-~~  
6           ~~among school districts in the county:~~
- 7           (a) ~~Four hundred ninety thousand dollars, for counties having a-~~  
8           ~~population of three thousand or fewer.~~
- 9           (b) ~~Five hundred sixty thousand dollars, for counties having a population-~~  
10          ~~of more than three thousand and fewer than six thousand.~~
- 11          (c) ~~Seven hundred thirty-five thousand dollars, for counties having a-~~  
12          ~~population of six thousand or more.~~
- 13          e. ~~Twenty percent of all revenues allocated to any county for allocation under this-~~  
14          ~~subsection must be apportioned no less than quarterly by the state treasurer to~~  
15          ~~the incorporated cities of the county. A hub city must be omitted from~~  
16          ~~apportionment under this subdivision. Apportionment among cities under this~~  
17          ~~subsection must be based upon the population of each incorporated city~~  
18          ~~according to the last official decennial federal census. In determining the~~  
19          ~~population of any city in which total employment increases by more than two~~  
20          ~~hundred percent seasonally due to tourism, the population of that city for~~  
21          ~~purposes of this subdivision must be increased by eight hundred percent. ~~If a city-~~~~  
22          ~~~~receives a direct allocation under subsection 1, the allocation to that city under-~~~~  
23          ~~~~this subsection is limited to sixty percent of the amount otherwise determined for-~~~~  
24          ~~~~that city under this subsection and the amount exceeding this limitation must be-~~~~  
25          ~~~~reallocated among the other cities in the county.~~~~
- 26          c. Five percent plus any amount allocated to school districts of the county under  
27          subdivision f of subsection 1 must be apportioned no less than quarterly by the  
28          county treasurer to the school districts of the county on the average daily  
29          attendancemembership distribution basis for kindergarten through grade twelve,  
30          as certified to the county treasurer by the county superintendent of schools.

- 1           However, a hub city school district must be omitted from apportionment under  
2           this subdivision.
- 3           d. Seven and one-half percent to the organized and unorganized townships of the  
4           county in the proportion that township road miles in the township bears to the  
5           total township road miles in the county, with the board of county commissioners  
6           retaining and using the funds available for the maintenance and improvement of  
7           roads in unorganized townships. An organized township is not eligible for an  
8           allocation, and must be excluded from the calculation of township road miles, if  
9           that township has one hundred thousand dollars or more in uncommitted reserve  
10           funds on hand or if that township during that fiscal year in a taxable year after  
11           2012 is not levying at least ten mills for township purposes.
- 12           e. Two and one-half percent must be allocated by the board of county  
13           commissioners to or for the benefit of the county sheriff's department to offset oil  
14           and gas development impact causing a need for increased sheriff's department  
15           services staff, funding, equipment, coverage, and personnel training.
- 16           f. Two and one-half percent must be deposited by the state treasurer in the  
17           oil-producing counties emergency medical service and fire protection district  
18           grant fund and available for grants by the emergency medical service and fire  
19           protection district funding committee for an extraordinary expenditure that would  
20           mitigate negative effects of oil development impact affecting emergency medical  
21           services providers providing service in oil-producing counties.
- 22           g. Two and one-half percent must be deposited by the state treasurer in the  
23           oil-producing counties emergency medical service and fire protection district  
24           grant fund and available for grants by the emergency medical service and fire  
25           protection district funding committee for an extraordinary expenditure that would  
26           mitigate negative effects of oil development impact affecting fire protection  
27           districts providing service in oil-producing counties.
- 28           h. Funds deposited in the oil-producing counties emergency medical service and  
29           fire protection district grant fund may shall be paid out by the state treasurer upon  
30           approval by the emergency medical service and fire protection district funding  
31           committee for an extraordinary expenditure that would mitigate negative effects of

1           oil development impact affecting emergency medical services providers or fire  
2           protection districts providing service in counties that received five million dollars  
3           or more of allocations under subsection 2 in the most recently completed state  
4           fiscal year. ~~A standing and continuing appropriation is provided to the state~~  
5           treasurer for payment of grant awards under this section.

6           5. For a county that did not reach a level of five million dollars of allocations under  
7           subsection 2 in the most recently completed state fiscal year, revenues allocated to  
8           that county must be credited by the county treasurer as follows:

9           a. Forty-five percent must be credited by the county treasurer to the county general  
10           fund. However, the allocation to a county under this subdivision must be credited  
11           to the state general fund if ~~during that fiscal year~~ in a taxable year after 2012 the  
12           county ~~does not levy~~ is not levying a total of at least ten mills for combined levies  
13           for county road and bridge, farm-to-market and federal aid road, and county road  
14           purposes.

15           b. Thirty-five percent must be apportioned by the county treasurer no less than  
16           quarterly to school districts within the county on the average daily attendance  
17           distribution basis, as certified to the county treasurer by the county  
18           superintendent of schools. However, a hub city school district must be omitted  
19           from apportionment under this subdivision. The total annual apportionment to  
20           school districts under this subsection is limited to one million five hundred  
21           thousand dollars.

22           c. Twenty percent must be apportioned no less than quarterly by the state treasurer  
23           to the incorporated cities of the county. A hub city must be omitted from  
24           apportionment under this subdivision. Apportionment among cities under this  
25           subsection must be based upon the population of each incorporated city  
26           according to the last official decennial federal census. In determining the  
27           population of any city in which total employment increases by more than two  
28           hundred percent seasonally due to tourism, the population of that city for  
29           purposes of this subdivision must be increased by eight hundred percent.

30           6. a. Forty-five percent of all revenues allocated to a county infrastructure fund under  
31           subsections 4 and 5 must be credited by the county treasurer to the county

1           general fund. However, the allocation to a county under this subdivision must be  
2           credited to the state general fund if during that fiscal year the county does not  
3           levy a 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.

5           b. ~~Thirty-five percent of all revenues allocated to the county infrastructure fund~~  
6           ~~under subsections 4 and 5 must be allocated by the board of county~~  
7           ~~commissioners to or for the benefit of townships in the county on the basis of~~  
8           ~~applications by townships for funding to offset oil and gas development impact to~~  
9           ~~township roads or other infrastructure needs or applications by school districts for~~  
10           ~~repair or replacement of school district vehicles necessitated by damage or~~  
11           ~~deterioration attributable to travel on oil and gas development impacted roads. An~~  
12           ~~organized township is not eligible for an allocation of funds under this subdivision~~  
13           ~~unless during that fiscal year that township levies at least ten mills for township~~  
14           ~~purposes. For unorganized townships within the county, the board of county~~  
15           ~~commissioners may expend an appropriate portion of revenues under this~~  
16           ~~subdivision to offset oil and gas development impact to township roads or other~~  
17           ~~infrastructure needs in those townships. The amount deposited during each~~  
18           ~~calendar year in the county infrastructure fund which is designated for allocation~~  
19           ~~under this subdivision and which is unexpended and unobligated at the end of~~  
20           ~~the calendar year must be transferred by the county treasurer to the county road~~  
21           ~~and bridge fund for use on county road and bridge projects.~~

22           c. ~~Twenty percent of all revenues allocated to any county infrastructure fund under~~  
23           ~~subsections 4 and 5 must be allocated by the county treasurer no less than~~  
24           ~~quarterly to the incorporated cities of the county. Apportionment among cities~~  
25           ~~under this subsection must be based upon the population of each incorporated~~  
26           ~~city according to the last official decennial federal census. If a city receives a~~  
27           ~~direct allocation under subsection 1, the allocation to that city under this~~  
28           ~~subsection is limited to sixty percent of the amount otherwise determined for that~~  
29           ~~city under this subsection and the amount exceeding this limitation must be~~  
30           ~~reallocated among the other cities in the county.~~

1     ~~7.6.~~ Within thirty days after the end of each calendar year, the board of county  
2           commissioners of each county that has received an allocation under this section shall  
3           file a report for the calendar year with the commissioner, in a format prescribed by the  
4           commissioner, including:

- 5           a. The county's statement of revenues and expenditures; and  
6           b. The amount ~~available in the county infrastructure fund for allocation~~allocated to  
7           or for the benefit of townships ~~or school districts~~, the amount allocated to each  
8           organized township ~~or school district~~ and the amount expended from each such  
9           allocation by that township ~~or school district~~, the amount expended by the board  
10          of county commissioners on behalf of each unorganized township for which an  
11          expenditure was made, and the amount available for allocation to or for the  
12          benefit of townships ~~or school districts~~ which remained unexpended at the end of  
13          the fiscal year.

14           Within fifteen days after the time when reports under this subsection were due, the  
15           commissioner shall provide the reports to the legislative council compiling the  
16           information from reports received under this subsection.

17           **SECTION 5. AMENDMENT.** Section 57-62-05 of the North Dakota Century Code is  
18           amended and reenacted as follows:

19           **57-62-05. Powers and duties of energy infrastructure and impact office director.**

20           The energy infrastructure and impact office director shall:

- 21           1. Develop a plan for the assistance, through financial grants for services and facilities, of  
22           counties, cities, school districts, and other political subdivisions in coal development  
23           and oil and gas development impact areas.  
24           2. Establish procedures and provide proper forms to political subdivisions for use in  
25           making application for funds for impact assistance as provided in this chapter.  
26           3. Make grants disbursements to counties, cities, school districts, and other taxing  
27           districts for grants awarded by the board of university and school lands pursuant to  
28           chapter 15-01, as provided in this chapter and within the appropriations made for such  
29           purposes. In determining the amount of impact grants for which political subdivisions  
30           are eligible, ~~the~~consideration must be given to the amount of revenue to which such  
31           political subdivisions will be entitled from taxes upon the real property of coal and oil

1           and gas development plants and from other tax or fund distribution formulas provided  
2           by law must be considered.

3           4. Receive and review applications for impact assistance pursuant to this chapter.

4           5. Make recommendations, not less than once each calendar quarter, to the board of  
5           university and school lands on grants to counties, cities, school districts, and other  
6           political subdivisions in oil and gas development impact areas based on identified  
7           needs, and other sources of revenue available to the political subdivision.

8           ~~6. Make recommendations to the board of university and school lands providing for the  
9           distribution of thirty five percent of moneys available in the oil and gas impact fund to  
10          incorporated cities with a population of ten thousand or more, based on the most  
11          recent official decennial federal census, that are impacted by oil and gas development.  
12          The director may not recommend that an incorporated city receive more than sixty  
13          percent of the funds available under this subsection.~~

14          ~~7. Make recommendations to the board of university and school lands providing for the  
15          distribution of sixty five percent of moneys available in the oil and gas impact fund to  
16          cities not otherwise eligible for funding under this section, counties, school districts,  
17          and other political subdivisions impacted by oil and gas development.~~

18          **SECTION 6. APPROPRIATION.** There is appropriated out of any moneys in the general  
19          fund in the state treasury, not otherwise appropriated, the sum of \$150,000, or so much of the  
20          sum as may be necessary, to job service North Dakota for the purpose of upgrading collection  
21          and use of employment data to correctly identify all employees who should be included for  
22          statistical purposes in oil and gas-related employment, including employees of refineries and  
23          gas plants and oil and gas transportation services, for the biennium beginning July 1, 2013, and  
24          ending June 30, 2015.

25          **SECTION 7. APPROPRIATION.** There is appropriated out of any moneys in the strategic  
26          investment and improvements fund in the state treasury, not otherwise appropriated, the sum of  
27          \$206,000,000, or so much of the sum as may be necessary, to the state treasurer for the  
28          purpose of allocation among oil-producing counties, for the period beginning May 1, 2013, and  
29          ending June 30, 2015. The amounts available for allocation under this section must be allocated  
30          on May 1, 2013, and May 1, 2014, in the amount of \$103,000,000 each year, among the  
31          counties that ~~exceeded a level of~~received \$5,000,000 or more of allocations under subsection 2

1 of section 57-51-15 in the most recently completed state fiscal year. Projects to be funded under  
2 this section must comply with American association of state highway and transportation officials  
3 pavement design procedures and department of transportation local government requirements.  
4 The allocation shares of the counties that qualify for a share of funds available under this  
5 section must be determined by prorating available funds among those counties on the basis of  
6 barrels of oil production within the county compared to barrels of oil production among all  
7 counties that qualify for a share of funds available under this section in the most recently  
8 completed state fiscal year.

9 **SECTION 8. APPROPRIATION.** There is appropriated out of any moneys in the general  
10 fund in the state treasury, not otherwise appropriated, the sum of ~~\$250,000,000~~\$170,000,000,  
11 or so much of the sum as may be necessary, to the department of transportation for the purpose  
12 of allocation in equal amounts in each fiscal year of the biennium among ~~non-oil-producing-~~  
13 counties that did not receive \$5,000,000 or more of allocations under subsection 2 of section  
14 57-51-15 in the most recently completed state fiscal year, for the period beginning May 1, 2013,  
15 and ending June 30, 2015. The amounts available for allocation under this section must be  
16 allocated in the amount of \$45,000,000 on or before May 1, 2013, and in the amount of  
17 \$125,000,000 on or before May 1, 2014. Allocations among counties under this section must be  
18 prorated among eligible counties on the basis of miles of road in the county road system. A  
19 county is not eligible for an allocation of funds under this section if during that fiscal year the  
20 county does not levy a total of at least ten mills for combined levies for county road and bridge,  
21 farm-to-market and federal aid road, and county road purposes. Projects to be funded under  
22 this section must comply with American association of state highway and transportation officials  
23 pavement design procedures and department of transportation local government requirements.

24 **SECTION 9. APPROPRIATION.** There is appropriated out of any moneys in the general  
25 fund in the state treasury, not otherwise appropriated, the sum of ~~\$17,550,000~~\$8,760,000, or so  
26 much of the sum as may be necessary, to the ~~department of transportation for the purpose of~~  
27 ~~allocation in equal amounts in each fiscal year of the biennium among townships in non-~~  
28 ~~oil-producing counties~~state treasurer for allocation to counties for allocation to or for the benefit  
29 of townships in oil-producing counties, for the period beginning May 1, 2013, and ending  
30 June 30, 2015. ~~Allocations among counties under this section must be prorated among eligible~~  
31 ~~counties on the basis of miles of township roads in the county. The county treasurer shall~~

1 ~~allocate funds among eligible townships on the basis of miles of township roads in each~~  
2 ~~township as a percentage of the miles of township roads in the county.~~The funding provided in  
3 this section must be distributed in equal amounts on or before May 1, 2013, and May 1, 2014.  
4 The state treasurer shall distribute the funds provided under this section as soon as possible to  
5 counties and the county treasurer shall allocate the funds to or for the benefit of townships in  
6 oil-producing counties through a distribution of \$15,000 each year to each organized township  
7 and a distribution of \$15,000 each year for each unorganized township to the county in which  
8 the unorganized township is located. If any funds remain after the distributions provided under  
9 this section, the state treasurer shall distribute eighty percent of the remaining funds to counties  
10 and cities in oil-producing counties pursuant to the method provided in subsection 4 of section  
11 54-27-19 and shall distribute twenty percent of the remaining funds to counties and townships in  
12 oil-producing counties pursuant to the method provided in section 54-27-19.1. An organized  
13 township is not eligible for an allocation of funds under this subdivision if that township has  
14 uncommitted reserve funds on hand exceeding \$100,000 or if ~~during that fiscal year~~in a taxable  
15 year after 2012 that township ~~does not levy~~is not levying at least ten mills for township  
16 purposes. For unorganized townships within the county, the board of county commissioners  
17 may expend an appropriate portion of revenues under this subdivision for township roads or  
18 other infrastructure needs in those townships. A township is not eligible for an allocation of  
19 funds under this section if the township does not maintain any township roads. For the purposes  
20 of this section, an "oil-producing county" means a county that received an allocation of funding  
21 under section 57-51-15 of more than \$500,000 but less than \$5,000,000 for the preceding state  
22 fiscal year.

23 **SECTION 10. APPROPRIATION.** There is appropriated out of any moneys in the general  
24 fund in the state treasury, not otherwise appropriated, the sum of \$585,000, or so much of the  
25 sum as may be necessary, to the ~~upper great plains transportation institute~~department of  
26 transportation for the purpose of enhanced testing of road substructure and analysis of road  
27 quality and lifespan, for the biennium beginning July 1, 2013, and ending June 30, 2015.

28 **SECTION 11. APPROPRIATION.** There is appropriated out of any moneys in the general  
29 fund in the state treasury, not otherwise appropriated, the sum of ~~\$6,000,000~~\$6,250,000, or so  
30 much of the sum as may be necessary, to the state ~~treasurer as directed~~department of health  
31 for allocations by the emergency medical ~~service and fire protection district funding~~

1 ~~committee services advisory council~~ for the purpose of ~~grants under section 1 of this Act~~ state  
2 financial assistance under chapter 23-46 to emergency medical service providers ~~and fire-~~  
3 ~~protection districts providing service in non-oil-producing counties~~ for that portion of the  
4 emergency medical service provider's service area in counties that did not receive \$5,000,000  
5 or more of allocations under subsection 2 of section 57-51-15 in the most recently completed  
6 state fiscal year, for the biennium beginning July 1, 2013, and ending June 30, 2015. Allocations  
7 of the amount appropriated in this section may not exceed ~~\$3,000,000~~ \$3,125,000 for each year  
8 of the biennium.

9 **SECTION 12. APPROPRIATION - DEPARTMENT OF TRUST LANDS - OIL AND GAS**  
10 **IMPACT GRANT FUND.** There is appropriated out of any moneys in the oil and gas impact  
11 grant fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much  
12 of the sum as may be necessary, to the commissioner of university and school lands for the  
13 purpose of providing distributions to eligible counties experiencing new oil and gas development  
14 activities, for the biennium beginning July 1, 2013, and ending June 30, 2015. As determined by  
15 the director of the department of mineral resources, a county is eligible for a distribution under  
16 this section if the county produced fewer than one hundred thousand barrels of oil for the month  
17 of November 2012 and after November 2012 the number of active oil rigs operating in the  
18 county in any one month exceeds four rigs. Upon the determination by the director of the  
19 department of mineral resources that a county is eligible for a distribution under this section, the  
20 commissioner of university and school lands shall provide \$1,250,000 to the county for  
21 defraying expenses associated with oil and gas development impacts in the county. The county,  
22 in determining the use of the funds received, shall consider and, to the extent possible, address  
23 the needs of other political subdivisions in the county resulting from the impact of oil and gas  
24 development.

25 **SECTION 13. LEGISLATIVE INTENT.** It is the intent of the sixty-third legislative assembly  
26 that this Act is the initiation of a ten-year plan.

27 **SECTION 14. EFFECTIVE DATE.** Section 2 of this Act becomes effective July 1, 2015.  
28 Sections ~~23~~ and ~~34~~ of this Act are effective for taxable events occurring after June 30, 2013.

29 **SECTION 15. EMERGENCY.** Sections ~~6, 7, and 8~~ 7, 8, and 9 of this Act are declared to be  
30 an emergency measure.