

Sixty-third  
Legislative Assembly  
of North Dakota

ENGROSSED 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 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; the chairmen of  
16 the house of representatives and senate appropriations committees, or their designees; the  
17 minority leaders of the house of representatives and senate, or their designees; four nonvoting  
18 members, two of whom are a member of the governing body of a city or county in an  
19 oil-producing county, appointed by the president of the North Dakota emergency medical  
20 services association and two of whom are a member of the governing body of a city or county in  
21 an oil-producing county, appointed by the president of the North Dakota firefighters' association;  
22 and one nonvoting member who is a member of the advisory board appointed by the board of  
23 university and school lands to advise on oil and gas impact grant award applications, who shall  
24 be appointed by the board of university and school lands. The chairman of the legislative

1 management shall designate the chairman from among the voting members of the committee.  
2 The state department of health shall provide administrative services for the committee. The  
3 emergency medical services advisory council established under section 23-46-02 shall provide  
4 advisory assistance to the emergency medical service and fire protection district funding  
5 committee as requested.

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

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

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

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

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

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

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

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

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

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

12          **57-51-15. Gross production tax allocation.**

13          The gross production tax must be allocated monthly as follows:

- 14          1. First the tax revenue collected under this chapter equal to one percent of the gross  
15           value at the well of the oil and one-fifth of the tax on gas must be deposited with the  
16           state treasurer who shall:
  - 17           a. Allocate to each hub city a monthly amount that will provide a total allocation of  
18           five seven hundred fifty thousand dollars per fiscal year to each city in an  
19           oil-producing county which has a population of seven thousand five hundred or  
20           more and more than two percent of its private covered employment engaged in  
21           the mining industry, according to data compiled by job service North Dakota. The  
22           allocation under this subdivision must be doubled if the city has more than seven  
23           and one-half percent for each full or partial percentage point of its private covered  
24           employment engaged in the mining industry, according to data compiled by job  
25           service North Dakota;
  - 26           b. Allocate to each hub city school district a monthly amount that will provide a total  
27           allocation of two hundred fifty thousand dollars per fiscal year for each full or  
28           partial percentage point of the hub city's private covered employment engaged in  
29           the mining industry, according to data compiled by job service North Dakota;

1           c. From each allocation to a hub city school district under subdivision b, the state  
2           treasurer retain seventy-five percent of the allocation and deposit that amount in  
3           a special account established for that school district. Up to fifty percent of the  
4           funds deposited in the special account under this subdivision may be released by  
5           the state treasurer to the school district to provide equal matching funds for funds  
6           provided by the school district for a school construction project. Any funds in the  
7           special account that are not committed or expended for school construction  
8           projects may be released to the school district by the state treasurer upon  
9           application by the school district and approval by the hub city school impact  
10          committee for an extraordinary expenditure that would mitigate negative effects of  
11          oil development impact affecting that school district. Any unexpended and  
12          unobligated funds remaining in the hub city school district's special account at the  
13          end of the biennium may be carried over to the ensuing biennium but any funds  
14          that would be allocated to that special account under this subdivision during the  
15          ensuing biennium, up to the amount carried over, must be withheld and allocated  
16          instead under subsection 3.

17                 The hub city school impact committee consists of the chairman of the  
18                 legislative management, or the chairman's designee; two members of the  
19                 legislative assembly, appointed by the chairman of the legislative management;  
20                 the chairmen of the house of representatives and senate appropriations  
21                 committees, or their designees; the minority leaders of the house of  
22                 representatives and senate, or their designees; two nonvoting members, each of  
23                 whom is either a school superintendent or school district business manager of a  
24                 school district in an oil-producing county, appointed by the superintendent of  
25                 public instruction; and two nonvoting members who are members of the advisory  
26                 board appointed by the board of university and school lands to advise on oil and  
27                 gas impact grant award applications, who shall be appointed by the board of  
28                 university and school lands. The chairman of the legislative management shall  
29                 designate the chairman from among the voting members of the committee. The  
30                 energy infrastructure and impact office shall provide administrative services for  
31                 the hub city school impact committee;

- 1           d. For each fiscal year beginning after June 30, 2014, adjust the fiscal year dollar  
2           amounts in subdivisions a and b as determined for the previous fiscal year by  
3           one-third of the percentage change in total tax collections under this chapter  
4           during that previous fiscal year;
- 5           e. Credit revenues to the oil and gas impact grant fund, but not in an amount  
6           exceeding one hundred ~~two~~ fifty million dollars per biennium;
- 7           f. Allocate one million seven hundred fifty thousand dollars in each fiscal year to be  
8           added by the county treasurer to the allocations to school districts under  
9           subdivision c of subsection 4 for each county that has received five million dollars  
10          or more of allocations under subsection 2 during the preceding state fiscal year;  
11          and
- 12          e-g. Allocate the remaining revenues under subsection 3. If there are no remaining  
13          revenues and revenues under this subsection are insufficient to make the  
14          allocations and transfers under subdivisions a through f, the state treasurer shall  
15          transfer from the strategic investment and improvements fund an amount  
16          necessary to fully fund the allocations and transfers under subdivisions a  
17          through f.
- 18          2. After deduction of the amount provided in subsection 1, annual revenue collected  
19          under this chapter from oil and gas produced in each county must be allocated as  
20          follows:
- 21               a. The first ~~two~~ five million dollars is allocated to the county.
- 22               b. Of the next ~~one~~ four million dollars, seventy-five percent is allocated to the county.
- 23               c. Of the next ~~one~~ three million dollars, fifty percent is allocated to the county.
- 24               d. ~~Of the next fourteen million dollars~~ all remaining annual revenue, twenty-five  
25               percent is allocated to the county.
- 26               e. ~~Of all annual revenue exceeding eighteen million dollars, ten percent is allocated~~  
27               ~~to the county.~~
- 28          3. After the allocations under subsections 1 and 2, the amount remaining is allocated first  
29          to provide for deposit of thirty percent of all revenue collected under this chapter in the  
30          legacy fund as provided in section 26 of article X of the Constitution of North Dakota  
31          and the remainder must be allocated to the state general fund. If the amount available

1 for a monthly allocation under this subsection is insufficient to deposit thirty percent of  
2 all revenue collected under this chapter in the legacy fund, the state treasurer shall  
3 transfer the amount of the shortfall from the state general fund share of oil extraction  
4 tax collections and deposit that amount in the legacy fund.

5 4. ~~The amount to which each county is entitled under subsection 2 must be allocated~~  
6 ~~within the county so the first five million three hundred fifty thousand dollars is~~  
7 ~~allocated under subsection 5 for each fiscal year and any amount received by a county~~  
8 ~~exceeding five million three hundred fifty thousand dollars is credited by the county~~  
9 ~~treasurer to the county infrastructure fund and allocated under subsection 6.~~

10 5. For a county that received five million dollars or more of allocations under subsection 2  
11 in the most recently completed state fiscal year, revenues allocated to that county  
12 under subsections 1 and 2 must be credited by the county treasurer as follows:

13 a. ~~Forty-five~~Sixty percent of all revenues allocated to any county for allocation under  
14 this subsection must be credited by the county treasurer to the county general  
15 fund. However, the allocation to a county under this subdivision must be credited  
16 to the state general fund if ~~during that fiscal year~~ in a taxable year after 2012 the  
17 county ~~does not levy~~ is not levying a total of at least ten mills for combined levies  
18 for county road and bridge, farm-to-market and federal aid road, and county road  
19 purposes.

20 b. ~~Thirty-five~~ percent of all revenues allocated to any county for allocation under this  
21 subsection must be apportioned by the county treasurer no less than quarterly to  
22 school districts within the county on the average daily attendance distribution  
23 basis, as certified to the county treasurer by the county superintendent of  
24 schools. However, no school district may receive in any single academic year an  
25 amount under this subsection greater than the county average per student cost  
26 multiplied by seventy percent, then multiplied by the number of students in  
27 average daily attendance or the number of children of school age in the school  
28 census for the county, whichever is greater. Provided, however, that in any county  
29 in which the average daily attendance or the school census, whichever is greater,  
30 is fewer than four hundred, the county is entitled to one hundred twenty percent  
31 of the county average per student cost multiplied by the number of students in

1 average daily attendance or the number of children of school age in the school  
2 census for the county, whichever is greater. Once this level has been reached  
3 through distributions under this subsection, all excess funds to which the school  
4 district would be entitled as part of its thirty five percent share must be deposited  
5 instead in the county general fund. The county superintendent of schools of each  
6 oil producing county shall certify to the county treasurer by July first of each year  
7 the amount to which each school district is limited pursuant to this subsection. As  
8 used in this subsection, "average daily attendance" means the average daily  
9 attendance for the school year immediately preceding the certification by the  
10 county superintendent of schools required by this subsection.

11 The countywide allocation to school districts under this subdivision is subject  
12 to the following:

- 13 (1) The first three hundred fifty thousand dollars is apportioned entirely among  
14 school districts in the county.
- 15 (2) The next three hundred fifty thousand dollars is apportioned seventy five  
16 percent among school districts in the county and twenty five percent to the  
17 county infrastructure fund.
- 18 (3) The next two hundred sixty two thousand five hundred dollars is  
19 apportioned two thirds among school districts in the county and one third to  
20 the county infrastructure fund.
- 21 (4) The next one hundred seventy five thousand dollars is apportioned fifty  
22 percent among school districts in the county and fifty percent to the county  
23 infrastructure fund.
- 24 (5) Any remaining amount is apportioned to the county infrastructure fund  
25 except from that remaining amount the following amounts are apportioned  
26 among school districts in the county:
  - 27 (a) Four hundred ninety thousand dollars, for counties having a  
28 population of three thousand or fewer.
  - 29 (b) Five hundred sixty thousand dollars, for counties having a population  
30 of more than three thousand and fewer than six thousand.



- 1           e. Two and one-half percent must be allocated by the board of county  
2           commissioners to or for the benefit of the county sheriff's department to offset oil  
3           and gas development impact causing a need for increased sheriff's department  
4           services staff, funding, equipment, coverage, and personnel training.
- 5           f. Two and one-half percent must be deposited by the state treasurer in the  
6           oil-producing counties emergency medical service and fire protection district  
7           grant fund and available for grants by the emergency medical service and fire  
8           protection district funding committee for an extraordinary expenditure that would  
9           mitigate negative effects of oil development impact affecting emergency medical  
10          services providers providing service in oil-producing counties.
- 11          g. Two and one-half percent must be deposited by the state treasurer in the  
12          oil-producing counties emergency medical service and fire protection district  
13          grant fund and available for grants by the emergency medical service and fire  
14          protection district funding committee for an extraordinary expenditure that would  
15          mitigate negative effects of oil development impact affecting fire protection  
16          districts providing service in oil-producing counties.
- 17          h. Funds deposited in the oil-producing counties emergency medical service and  
18          fire protection district grant fund shall be paid out by the state treasurer upon  
19          approval by the emergency medical service and fire protection district funding  
20          committee for an extraordinary expenditure that would mitigate negative effects of  
21          oil development impact affecting emergency medical services providers or fire  
22          protection districts providing service in counties that received five million dollars  
23          or more of allocations under subsection 2 in the most recently completed state  
24          fiscal year.
- 25          5. For a county that did not reach a level of five million dollars of allocations under  
26          subsection 2 in the most recently completed state fiscal year, revenues allocated to  
27          that county must be credited by the county treasurer as follows:
- 28          a. Forty-five percent must be credited by the county treasurer to the county general  
29          fund. However, the allocation to a county under this subdivision must be credited  
30          to the state general fund if in a taxable year after 2012 the county is not levying a

1 total of at least ten mills for combined levies for county road and bridge,  
2 farm-to-market and federal aid road, and county road purposes.

3 b. Thirty-five percent must be apportioned by the county treasurer no less than  
4 quarterly to school districts within the county on the average daily attendance  
5 distribution basis, as certified to the county treasurer by the county  
6 superintendent of schools. However, a hub city school district must be omitted  
7 from apportionment under this subdivision. The total annual apportionment to  
8 school districts under this subsection is limited to one million five hundred  
9 thousand dollars.

10 c. Twenty percent must be apportioned no less than quarterly by the state treasurer  
11 to the incorporated cities of the county. A hub city must be omitted from  
12 apportionment under this subdivision. Apportionment among cities under this  
13 subsection must be based upon the population of each incorporated city  
14 according to the last official decennial federal census. In determining the  
15 population of any city in which total employment increases by more than two  
16 hundred percent seasonally due to tourism, the population of that city for  
17 purposes of this subdivision must be increased by eight hundred percent.

18 ~~6. a. Forty-five percent of all revenues allocated to a county infrastructure fund under~~  
19 ~~subsections 4 and 5 must be credited by the county treasurer to the county~~  
20 ~~general fund. However, the allocation to a county under this subdivision must be~~  
21 ~~credited to the state general fund if during that fiscal year the county does not~~  
22 ~~levy a total of at least ten mills for combined levies for county road and bridge,~~  
23 ~~farm-to-market and federal aid road, and county road purposes.~~

24 ~~b. Thirty-five percent of all revenues allocated to the county infrastructure fund~~  
25 ~~under subsections 4 and 5 must be allocated by the board of county~~  
26 ~~commissioners to or for the benefit of townships in the county on the basis of~~  
27 ~~applications by townships for funding to offset oil and gas development impact to~~  
28 ~~township roads or other infrastructure needs or applications by school districts for~~  
29 ~~repair or replacement of school district vehicles necessitated by damage or~~  
30 ~~deterioration attributable to travel on oil and gas development impacted roads. An~~  
31 ~~organized township is not eligible for an allocation of funds under this subdivision.~~

1 unless during that fiscal year that township levies at least ten mills for township  
2 purposes. For unorganized townships within the county, the board of county  
3 commissioners may expend an appropriate portion of revenues under this  
4 subdivision to offset oil and gas development impact to township roads or other  
5 infrastructure needs in those townships. The amount deposited during each  
6 calendar year in the county infrastructure fund which is designated for allocation  
7 under this subdivision and which is unexpended and unobligated at the end of  
8 the calendar year must be transferred by the county treasurer to the county road  
9 and bridge fund for use on county road and bridge projects.

- 10 e. Twenty percent of all revenues allocated to any county infrastructure fund under  
11 subsections 4 and 5 must be allocated by the county treasurer no less than  
12 quarterly to the incorporated cities of the county. Apportionment among cities  
13 under this subsection must be based upon the population of each incorporated  
14 city according to the last official decennial federal census. If a city receives a  
15 direct allocation under subsection 1, the allocation to that city under this  
16 subsection is limited to sixty percent of the amount otherwise determined for that  
17 city under this subsection and the amount exceeding this limitation must be  
18 reallocated among the other cities in the county.

19 7.6. Within thirty days after the end of each calendar year, the board of county  
20 commissioners of each county that has received an allocation under this section shall  
21 file a report for the calendar year with the commissioner, in a format prescribed by the  
22 commissioner, including:

- 23 a. The county's statement of revenues and expenditures; and  
24 b. The amount available in the county infrastructure fund for allocation allocated to  
25 or for the benefit of townships or school districts, the amount allocated to each  
26 organized township or school district and the amount expended from each such  
27 allocation by that township or school district, the amount expended by the board  
28 of county commissioners on behalf of each unorganized township for which an  
29 expenditure was made, and the amount available for allocation to or for the  
30 benefit of townships or school districts which remained unexpended at the end of  
31 the fiscal year.

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

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

6           **57-62-05. Powers and duties of energy infrastructure and impact office director.**

7           The energy infrastructure and impact office director shall:

- 8           1.   Develop a plan for the assistance, through financial grants for services and facilities, of  
9           counties, cities, school districts, and other political subdivisions in coal development  
10           and oil and gas development impact areas.
- 11          2.   Establish procedures and provide proper forms to political subdivisions for use in  
12           making application for funds for impact assistance as provided in this chapter.
- 13          3.   Make grants disbursements to counties, cities, school districts, and other taxing  
14           districts for grants awarded by the board of university and school lands pursuant to  
15           chapter 15-01, as provided in this chapter and within the appropriations made for such  
16           purposes. In determining the amount of impact grants for which political subdivisions  
17           are eligible, ~~the~~consideration must be given to the amount of revenue to which such  
18           political subdivisions will be entitled from taxes upon the real property of coal and oil  
19           and gas development plants and from other tax or fund distribution formulas provided  
20           by law must be considered.
- 21          4.   Receive and review applications for impact assistance pursuant to this chapter.
- 22          5.   Make recommendations, not less than once each calendar quarter, to the board of  
23           university and school lands on grants to counties, cities, school districts, and other  
24           political subdivisions in oil and gas development impact areas based on identified  
25           needs, and other sources of revenue available to the political subdivision.
- 26          6.   ~~Make recommendations to the board of university and school lands providing for the~~  
27           ~~distribution of thirty five percent of moneys available in the oil and gas impact fund to~~  
28           ~~incorporated cities with a population of ten thousand or more, based on the most~~  
29           ~~recent official decennial federal census, that are impacted by oil and gas development.~~  
30           ~~The director may not recommend that an incorporated city receive more than sixty~~  
31           ~~percent of the funds available under this subsection.~~

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

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

12       **SECTION 7. APPROPRIATION.** There is appropriated out of any moneys in the strategic  
13 investment and improvements fund in the state treasury, not otherwise appropriated, the sum of  
14 \$206,000,000, or so much of the sum as may be necessary, to the state treasurer for the  
15 purpose of allocation among oil-producing counties, for the period beginning May 1, 2013, and  
16 ending June 30, 2015. The amounts available for allocation under this section must be allocated  
17 on May 1, 2013, and May 1, 2014, in the amount of \$103,000,000 each year, among the  
18 counties that received five million dollars or more of allocations under subsection 2 of section  
19 57-51-15 in the most recently completed state fiscal year. Projects to be funded under this  
20 section must comply with American association of state highway and transportation officials  
21 pavement design procedures and department of transportation local government requirements.  
22 The allocation shares of the counties that qualify for a share of funds available under this  
23 section must be determined by prorating available funds among those counties on the basis of  
24 barrels of oil production within the county compared to barrels of oil production among all  
25 counties that qualify for a share of funds available under this section in the most recently  
26 completed state fiscal year.

27       **SECTION 8. APPROPRIATION.** There is appropriated out of any moneys in the general  
28 fund in the state treasury, not otherwise appropriated, the sum of \$170,000,000, or so much of  
29 the sum as may be necessary, to the department of transportation for the purpose of allocation  
30 in equal amounts in each fiscal year of the biennium among counties that did not receive  
31 \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 in the most recently

1 completed state fiscal year, for the period beginning May 1, 2013, and ending June 30, 2015.  
2 The amounts available for allocation under this section must be allocated in the amount of  
3 \$45,000,000 on or before May 1, 2013, and in the amount of \$125,000,000 on or before May 1,  
4 2014. Allocations among counties under this section must be prorated among eligible counties  
5 on the basis of miles of road in the county road system. A county is not eligible for an allocation  
6 of funds under this section if during that fiscal year the county does not levy a total of at least  
7 ten mills for combined levies for county road and bridge, farm-to-market and federal aid road,  
8 and county road purposes. Projects to be funded under this section must comply with American  
9 association of state highway and transportation officials pavement design procedures and  
10 department of transportation local government requirements.

11 **SECTION 9. APPROPRIATION.** There is appropriated out of any moneys in the general  
12 fund in the state treasury, not otherwise appropriated, the sum of \$8,760,000, or so much of the  
13 sum as may be necessary, to the state treasurer for allocation to counties for allocation to or for  
14 the benefit of townships in oil-producing counties, for the period beginning May 1, 2013, and  
15 ending June 30, 2015. The funding provided in this section must be distributed in equal  
16 amounts on or before May 1, 2013, and May 1, 2014. The state treasurer shall distribute the  
17 funds provided under this section as soon as possible to counties and the county treasurer shall  
18 allocate the funds to or for the benefit of townships in oil-producing counties through a  
19 distribution of \$15,000 each year to each organized township and a distribution of \$15,000 each  
20 year for each unorganized township to the county in which the unorganized township is located.  
21 If any funds remain after the distributions provided under this section, the state treasurer shall  
22 distribute eighty percent of the remaining funds to counties and cities in oil-producing counties  
23 pursuant to the method provided in subsection 4 of section 54-27-19 and shall distribute twenty  
24 percent of the remaining funds to counties and townships in oil-producing counties pursuant to  
25 the method provided in section 54-27-19.1. An organized township is not eligible for an  
26 allocation of funds under this subdivision if that township has uncommitted reserve funds on  
27 hand exceeding \$100,000 or if in a taxable year after 2012 that township is not levying at least  
28 ten mills for township purposes. For unorganized townships within the county, the board of  
29 county commissioners may expend an appropriate portion of revenues under this subdivision  
30 for township roads or other infrastructure needs in those townships. A township is not eligible for  
31 an allocation of funds under this section if the township does not maintain any township roads.

1 For the purposes of this section, an "oil-producing county" means a county that received an  
2 allocation of funding under section 57-51-15 of more than \$500,000 but less than \$5,000,000  
3 for the preceding state fiscal year.

4 **SECTION 10. APPROPRIATION.** There is appropriated out of any moneys in the general  
5 fund in the state treasury, not otherwise appropriated, the sum of \$585,000, or so much of the  
6 sum as may be necessary, to the department of transportation for the purpose of enhanced  
7 testing of road substructure and analysis of road quality and lifespan, for the biennium  
8 beginning July 1, 2013, and ending June 30, 2015.

9 **SECTION 11. APPROPRIATION.** There is appropriated out of any moneys in the general  
10 fund in the state treasury, not otherwise appropriated, the sum of \$6,250,000, or so much of the  
11 sum as may be necessary, to the state department of health for allocations by the emergency  
12 medical services advisory council for the purpose of state financial assistance under chapter  
13 23-46 to emergency medical service providers for that portion of the emergency medical service  
14 provider's service area in counties that did not receive \$5,000,000 or more of allocations under  
15 subsection 2 of section 57-51-15 in the most recently completed state fiscal year, for the  
16 biennium beginning July 1, 2013, and ending June 30, 2015. Allocations of the amount  
17 appropriated in this section may not exceed \$3,125,000 for each year of the biennium.

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

1 the needs of other political subdivisions in the county resulting from the impact of oil and gas  
2 development.

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

5 **SECTION 14. EFFECTIVE DATE.** Section 2 of this Act becomes effective July 1, 2015.  
6 Sections 3 and 4 of this Act are effective for taxable events occurring after June 30, 2013.

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