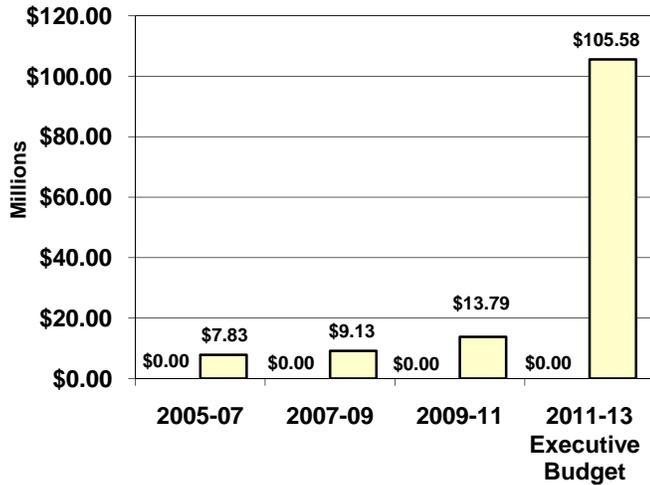


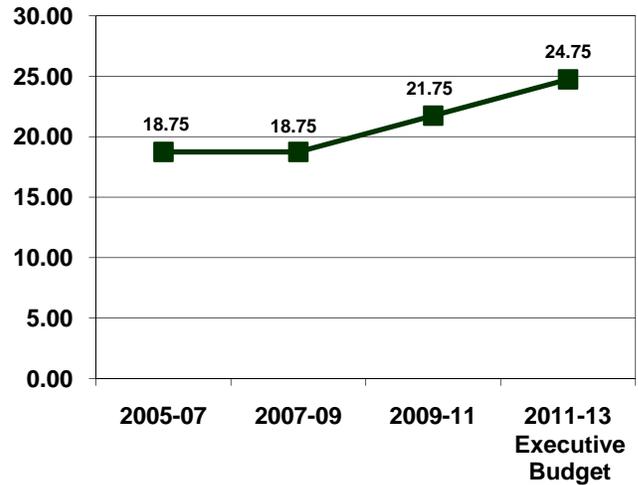
**Department 226 - Land Department
 House Bill No. 1013**

	FTE Positions	General Fund	Other Funds	Total
2011-13 Executive Budget	24.75	\$0	\$105,575,020	\$105,575,020
2009-11 Legislative Appropriations	21.75	0	13,792,561	13,792,561
Increase (Decrease)	3.00	\$0	\$91,782,459	\$91,782,459

Agency Funding



FTE Positions



■ General Fund □ Other Funds

Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2011-13 Executive Budget	\$0	\$0	\$0
2009-11 Legislative Appropriations	0	0	0
Increase (Decrease)	\$0	\$0	\$0

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Adds funding for 3 FTE positions--auditor III (minerals royalty auditor) (\$157,684), accounting budget specialist (\$115,395), and office assistant III (\$90,189)--and associated operating expenses (\$134,889)		\$498,157	\$498,157
2. Reduces the \$10 million appropriated in 2009 Senate Bill No. 2013 for energy development impact grants by \$2 million to reflect the actual amount available for these grants in the 2009-11 biennium of \$8 million pursuant to provisions of 2009 House Bill No. 1304, which provided an \$8 million statutory maximum for oil and gas gross production tax revenues deposited in the oil and gas tax impact grant fund		(\$2,000,000)	(\$2,000,000)
3. Adds funding to increase the statutory cap on oil and gas gross production tax allocations to the oil and gas impact grant fund from the current level of \$8 million per biennium to \$100 million per biennium to expand the energy development impact grant program		\$92,000,000	\$92,000,000
4. Adds funding for increased operating costs relating to expansion of the Land Department operations as a result of oil activity		\$453,080	\$453,080
5. Adds funding for additional temporary staff to perform initial site inspections and reclamation inspections on state lands		\$132,108	\$132,108
6. Adds funding for salary reclassifications of several staffing positions due to increased technical skills and responsibilities required		\$52,800	\$52,800

7. Adds funding to increase the contingency fund line item to provide flexibility to the board to adjust spending and allocate resources as demands change due to the expansion of Land Department operations as a result of oil activity	\$50,000	\$50,000
8. Adds funding for office equipment and information technology-related costs relating to increased costs due to Administrative Hearings vacating the Land Department's building as of July 1, 2011	\$37,360	\$37,360
9. Adds funding for building repairs and maintenance	\$20,000	\$20,000

Other Sections in Bill

Section 3 provides, upon approval of the Board of University and School Lands, the commissioner of University and School Lands may transfer from the contingencies line items to all other line items. The commissioner shall notify the Office of Management and Budget of each transfer made pursuant to this section.

Section 4 provides permanent fund income distributions to state institutions as follows:

	2009-11 Legislative Appropriation	2011-13 Executive Budget Recommendation	Increase (Decrease)
Common schools	\$77,000,000	\$92,514,000	\$15,514,000
North Dakota State University	1,230,000	1,424,000	194,000
University of North Dakota	1,114,000	1,310,000	196,000
Youth Correctional Center	438,000	528,000	90,000
School for the Deaf	356,000	454,000	98,000
State College of Science	410,000	523,429	113,429
State Hospital	480,000	603,429	123,429
Veterans' Home	276,000	279,429	3,429
Valley City State University	260,000	286,000	26,000
North Dakota Vision Services - School for the Blind	234,000	247,429	13,429
Mayville State University	178,000	184,000	6,000
Dakota College at Bottineau	28,000	31,429	3,429
Dickinson State University	28,000	31,429	3,429
Minot State University	28,000	31,429	3,429
Total	\$82,060,000	\$98,448,003	\$16,388,003

Section 7 increases the maximum amount of oil and gas tax revenues that may be deposited in the oil and gas impact grant fund by \$92 million per biennium, from \$8 million to \$100 million. The fund is used for providing oil and gas development impact grants and the administration of the oil and gas development impact grant program.

Sections 5, 6, 8, 9, and 10 relate to the distribution of oil and gas impact grants. Section 5 provides authority to the board to award and distribute oil and gas impact grants from moneys deposited in the oil and gas impact grant fund. Section 6 provides that the commissioner serve as chairman of the Oil and Gas Impact Grant Advisory Committee. Section 8 provides that the energy development impact director serve as a member of the Oil and Gas Impact Grant Advisory Committee and that the authority to award grants to counties, cities, school districts, and other taxing districts changes from the energy development impact director to the Board of University and School Lands pursuant to Chapter 15-01. Section 9 creates an Oil and Gas Impact Grant Advisory Committee, defines membership, duties, and expense reimbursement. Section 10 provides that Sections 5, 6, 8, and 9 are declared an emergency measure.

Continuing Appropriations

Unclaimed property - North Dakota Century Code Section 47-30.1-23 - Payments made to owners of unclaimed property.

Investments and farm loans - Sections 15-03-13 and 15-03-04.1 - Money manager and custodial fees and loan administration fees to maintain and enhance income earning potential of trusts' financial assets.

County services - Section 15-04-23 - Payments made to counties for various services provided that benefit school trust lands.

Land expenses - Sections 15-04-24 and 15-07-22 - Payments for appraisal fees, survey costs, surface lease refunds, weed and insect control, cleanup costs, capital improvement rent credits, fire protection, land rent, value survey costs, and other expenses.

In lieu of taxes - Section 57-02.3-07 - Payments made in lieu of property taxes.

Developmentally disabled loan fund program - Section 15-08.1-09 - Repayment of developmentally disabled loan fund program Nos. 2 and 3 from the lands and minerals trust fund to the common schools trust fund.

Significant Audit Findings

None.

Major Related Legislation

Senate Bill No. 2033 - Energy Development Impact Office. This bill allows oil and gas impact fund grants to be given for long-term planning and engineering studies associated with road infrastructure, water, sewer, housing, local services, and other essential needs that are impacted by oil and gas development. This bill changes the administration of the fund by having the commissioner of University and School Lands appoint the director of the Energy Impact Development Office, instead of the Board of University and School Lands, and requires this appointed director to make recommendations to the board regarding impact grants to political subdivisions so the board may make impact grants, instead of the director.

Senate Bill No. 2045 - Appropriation - Transfer - Oil and gas impact grant fund - Legislative intent. This bill provides for a transfer from the permanent oil tax trust fund to the oil and gas impact grant fund of \$100 million from the permanent oil tax trust fund for infrastructure development grants.