

SENATE BILL NO. 2144

Introduced by

Senators Grindberg, Wardner, O'Connell

Representatives Onstad, Rust, Wieland

1 A BILL for an Act to create and enact a new section to chapter 54-17 of the North Dakota
2 Century Code, relating to authority of the industrial commission to provide matching grants for
3 applied research at North Dakota higher education institutions to increase the recovery rate or
4 percentage share of oil recovered from geologic formations in North Dakota; and to provide an
5 appropriation.

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

7 **SECTION 1.** A new section to chapter 54-17 of the North Dakota Century Code is created
8 and enacted as follows:

9 **Oil recovery research grants.**

- 10 1. The industrial commission may make matching grants, from legislative appropriations
11 made available for that purpose, to North Dakota institutions of higher education for
12 applied research to increase the rate or percentage of oil recoverable from North
13 Dakota geologic formations.
- 14 2. Any research project grant award under this section must be matched on a
15 dollar-for-dollar basis by oil industry funding. For purposes of this subsection, "oil
16 industry" means any business entity engaged in oil and gas exploration and
17 production within this state or any association representing the interests of such
18 entities.
- 19 3. Before making a grant award, the industrial commission shall obtain the opinion of the
20 oil and gas research council, director of the oil and gas division, and the state
21 geologist regarding the feasibility and relative merit of the research project. The
22 opinion of the oil and gas research council must include a recommendation regarding
23 the application's technical accuracy and consistency with the oil and gas research
24 program.

- 1 4. In addition to applied research, grant funds under this section may be used by the
2 recipient for costs of testing intelligent extraction technologies.
- 3 5. Information provided by the oil industry to the industrial commission or an institution of
4 higher education in connection with a grant application or project is subject to
5 confidentiality if the information is trade secret, proprietary, commercial, or financial
6 information under section 44-04-18.4.
- 7 6. The industrial commission may require periodic reporting by a grant recipient of project
8 progress. The industrial commission shall require as a condition of a grant award that,
9 upon completion of the grant project, the recipient shall provide a report of the
10 outcome of the project to the industrial commission.

11 **SECTION 2. APPROPRIATION.** There is appropriated out of any moneys in the permanent
12 oil tax trust fund in the state treasury, not otherwise appropriated, the sum of \$10,000,000, or so
13 much of the sum as may be necessary, to the industrial commission for the purpose of oil
14 recovery research grants under section 1 of this Act, for the biennium beginning July 1, 2011,
15 and ending June 30, 2013.