

Sixty-third
Legislative Assembly
of North Dakota

REENGROSSED HOUSE BILL NO. 1358

Introduced by

Representatives Skarphol, Brandenburg, Froseth, Rust, Steiner, Glasheim, 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 and~~ two new subsections
2 to section 57-51-01 of the North Dakota Century Code, relating to definitions under the oil and
3 gas gross production tax; to amend and reenact paragraph 1 of subdivision f of subsection 1 of
4 section 15.1-27-04.1 of the North Dakota Century Code, as created by House Bill No. 1319, as
5 approved by the sixty-third legislative assembly, and sections 57-51-15 and 57-62-05 of the
6 North Dakota Century Code, relating to oil and gas gross production tax allocation and the
7 impact aid program; ~~to provide a continuing appropriation;~~ to provide appropriations; ~~to provide~~
8 ~~a statement of legislative intent;~~ to provide an effective date; and to ~~declare an~~
9 ~~emergency~~provide an expiration date.

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

11 ~~— SECTION 1. A new section to chapter 23-01 of the North Dakota Century Code is created~~
12 ~~and enacted as follows:~~
13 ~~— Emergency medical service and fire protection district funding committee – Funding~~
14 ~~assistance requests and approval.~~
15 ~~— The emergency medical service and fire protection district funding committee consists of~~
16 ~~the chairman of the legislative management, or the chairman's designee; two members of the~~
17 ~~legislative assembly, appointed by the chairman of the legislative management; the chairmen of~~
18 ~~the house of representatives and senate appropriations committees, or their designees; the~~
19 ~~minority leaders of the house of representatives and senate, or their designees; four nonvoting~~
20 ~~members, two of whom are a member of the governing body of a city or county in an~~
21 ~~oil-producing county, appointed by the president of the North Dakota emergency medical~~
22 ~~services association and two of whom are a member of the governing body of a city or county in~~
23 ~~an oil-producing county, appointed by the president of the North Dakota firefighters' association;~~
24 ~~and one nonvoting member who is a member of the advisory board appointed by the board of~~

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

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

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

SECTION 1. AMENDMENT. Paragraph 1 of subdivision f of subsection 1 of section 15.1-27-04.1 of the North Dakota Century Code, as created by House Bill No. 1319, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

- (1) Seventy-five percent of all revenue received by the school district and reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of

1 public instruction in accordance with section 15.1-02-08 and mineral
2 revenue received by the school district by direct allocation from the state
3 treasurer and not reported under code 2000 of the North Dakota school
4 district financial accounting and reporting manual;

5 **SECTION 2.** Two new subsections to section 57-51-01 of the North Dakota Century Code
6 are created and enacted as follows:

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

11 "Hub city school district" means the school district with the highest student enrollment
12 within the city limits of a hub city.

13 **SECTION 3. AMENDMENT.** Section 57-51-15 of the North Dakota Century Code is
14 amended and reenacted as follows:

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

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

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

1 engaged in the mining industry, according to data compiled by job service North
2 Dakota;

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

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

1 ~~energy infrastructure and impact office shall provide administrative services for-~~
2 ~~the hub city school impact committee;~~

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

7 ~~e.c.~~ Credit revenues to the oil and gas impact grant fund, but not in an amount
8 exceeding ~~one~~two hundred ~~fifty~~fourteen million dollars per biennium; ~~and~~

9 ~~f. Allocate one million seven hundred fifty thousand dollars in each fiscal year to be~~
10 ~~added by the county treasurer to the allocations to school districts under~~
11 ~~subdivision c of subsection 4 for each county that has received five million dollars~~
12 ~~or more of allocations under subsection 2 during the preceding state fiscal year;~~
13 ~~and~~

14 ~~e.g.d.~~ Allocate the remaining revenues under subsection 3. ~~If there are no~~
15 ~~remaining revenues and revenues under this subsection are insufficient to make~~
16 ~~the allocations and transfers under subdivisions a through f, the state treasurer~~
17 ~~shall transfer from the strategic investment and improvements fund an amount~~
18 ~~necessary to fully fund the allocations and transfers under subdivisions a~~
19 ~~through f.~~

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

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

24 b. Of ~~the next one~~four all annual revenue exceeding five million dollars,
25 ~~seventy-five~~twenty-five percent is allocated to the county.

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

27 ~~d. Of the next fourteen million dollars~~all remaining annual revenue, twenty-five
28 ~~percent is allocated to the county.~~

29 e. Of all annual revenue exceeding eighteen million dollars, ten percent is allocated
30 to the county.

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

1 multiplied by seventy percent, then multiplied by the number of students in-
2 average daily attendance or the number of children of school age in the school-
3 census for the county, whichever is greater. Provided, however, that in any county
4 in which the average daily attendance or the school census, whichever is greater,
5 is fewer than four hundred, the county is entitled to one hundred twenty percent
6 of the county average per student cost multiplied by the number of students in
7 average daily attendance or the number of children of school age in the school
8 census for the county, whichever is greater. Once this level has been reached
9 through distributions under this subsection, all excess funds to which the school
10 district would be entitled as part of its thirty five percent share must be deposited
11 instead in the county general fund. The county superintendent of schools of each
12 oil-producing county shall certify to the county treasurer by July first of each year
13 the amount to which each school district is limited pursuant to this subsection. As
14 used in this subsection, "average daily attendance" means the average daily
15 attendance for the school year immediately preceding the certification by the
16 county superintendent of schools required by this subsection.

17 The countywide allocation to school districts under this subdivision is subject
18 to the following:

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

1 (5) Any remaining amount is apportioned to the county infrastructure fund-
2 except from that remaining amount the following amounts are apportioned-
3 among school districts in the county:

4 (a) Four hundred ninety thousand dollars, for counties having a
5 population of three thousand or fewer.

6 (b) Five hundred sixty thousand dollars, for counties having a population
7 of more than three thousand and fewer than six thousand.

8 (c) Seven hundred thirty-five thousand dollars, for counties having a
9 population of six thousand or more.

10 c. Twenty percent of all revenues allocated to any county for allocation under this
11 subsection must be apportioned no less than quarterly by the state treasurer to
12 the incorporated cities of the county. A hub city must be omitted from
13 apportionment under this subdivision. Apportionment among cities under this
14 subsection must be based upon the population of each incorporated city
15 according to the last official decennial federal census. In determining the
16 population of any city in which total employment increases by more than two
17 hundred percent seasonally due to tourism, the population of that city for
18 purposes of this subdivision must be increased by eight hundred percent. ~~If a city~~
19 ~~receives a direct allocation under subsection 1, the allocation to that city under~~
20 ~~this subsection is limited to sixty percent of the amount otherwise determined for~~
21 ~~that city under this subsection and the amount exceeding this limitation must be~~
22 ~~reallocated among the other cities in the county.~~

23 ~~c. Five percent plus any amount allocated to school districts of the county under~~
24 ~~subdivision f of subsection 1 must be apportioned no less than quarterly by the~~
25 ~~county treasurer to the school districts of the county on the average daily~~
26 ~~attendance distribution basis for kindergarten through grade twelve students~~
27 ~~residing within the county, as certified to the county treasurer by the county~~
28 ~~superintendent of schools. However, a hub city school district must be omitted~~
29 ~~from apportionment under this subdivision.~~

30 ~~d. Seven and one-half percent to the organized and unorganized townships of the~~
31 ~~county in the proportion that township road miles in the township bears to the~~

1 ~~total township road miles in the county, with the board of county commissioners~~
2 ~~retaining and using the funds available for the maintenance and improvement of~~
3 ~~roads in unorganized townships. An organized township is not eligible for an~~
4 ~~allocation, and must be excluded from the calculation of township road miles, if~~
5 ~~that township has one hundred thousand dollars or more in uncommitted reserve~~
6 ~~funds on hand or if that township in a taxable year after 2012 is not levying at~~
7 ~~least ten mills for township purposes.~~

8 ~~e. Two and one-half percent must be allocated by the board of county~~
9 ~~commissioners to or for the benefit of the county sheriff's department to offset oil~~
10 ~~and gas development impact causing a need for increased sheriff's department~~
11 ~~services staff, funding, equipment, coverage, and personnel training.~~

12 ~~f. Two and one-half percent must be deposited by the state treasurer in the~~
13 ~~oil-producing counties emergency medical service and fire protection district~~
14 ~~grant fund and available for grants by the emergency medical service and fire~~
15 ~~protection district funding committee for an extraordinary expenditure that would~~
16 ~~mitigate negative effects of oil development impact affecting emergency medical~~
17 ~~services providers providing service in oil-producing counties.~~

18 ~~g. Two and one-half percent must be deposited by the state treasurer in the~~
19 ~~oil-producing counties emergency medical service and fire protection district~~
20 ~~grant fund and available for grants by the emergency medical service and fire~~
21 ~~protection district funding committee for an extraordinary expenditure that would~~
22 ~~mitigate negative effects of oil development impact affecting fire protection~~
23 ~~districts providing service in oil-producing counties.~~

24 ~~h. Funds deposited in the oil-producing counties emergency medical service and~~
25 ~~fire protection district grant fund shall be paid out by the state treasurer upon~~
26 ~~approval by the emergency medical service and fire protection district funding~~
27 ~~committee for an extraordinary expenditure that would mitigate negative effects of~~
28 ~~oil development impact affecting emergency medical services providers or fire~~
29 ~~protection districts providing service in counties that received five million dollars~~
30 ~~or more of allocations under subsection 2 in the most recently completed state~~
31 ~~fiscal year.~~

- 1 5. For a county that did not reach a level of revenues exceeding the first five million
2 dollars of annual allocations to a county under subsection 2 in the most recently
3 completed state fiscal year, revenues allocated to that county must be
4 credited distributed by the county state treasurer as follows:
- 5 a. Forty-fiveSixty percent must be credited by the county treasurer to the county
6 general fund. However, the allocation to a county under this subdivision must be
7 credited to the state general fund if in a taxable year after 2012 the county is not
8 levying a total of at least ten mills for combined levies for county road and bridge,
9 farm-to-market and federal aid road, and county road purposes.
- 10 b. Thirty-fiveFive percent must be apportioned by the county state treasurer no less
11 than quarterly to school districts within the county on the average daily
12 attendance distribution basis for kindergarten through grade twelve students
13 residing within the county, as certified to the county state treasurer by the county
14 superintendent of schools. However, a hub city school district must be omitted
15 from consideration and apportionment under this subdivision. The total annual
16 apportionment to school districts under this subsection is limited to one million
17 five hundred thousand dollars.
- 18 c. Twenty percent must be apportioned no less than quarterly by the state treasurer
19 to the incorporated cities of the county. A hub city must be omitted from
20 apportionment under this subdivision. Apportionment among cities under this
21 subsection must be based upon the population of each incorporated city
22 according to the last official decennial federal census. In determining the
23 population of any city in which total employment increases by more than two
24 hundred percent seasonally due to tourism, the population of that city for
25 purposes of this subdivision must be increased by eight hundred percent.
- 26 d. Ten percent must be apportioned no less than quarterly by the state treasurer to
27 the organized and unorganized townships of the county in the proportion that
28 township road miles in the township bears to the total township road miles in the
29 county, with the board of county commissioners retaining and using the funds
30 available for the maintenance and improvement of roads in unorganized
31 townships.

1 e. Five percent must be allocated by the state treasurer among hub cities. The
2 amount available for allocation under this subdivision must be apportioned by the
3 state treasurer no less than quarterly among hub cities, with each hub city
4 receiving an allocation percentage of available funds under this subdivision equal
5 to the percentage of allocations that hub city receives from allocations to hub
6 cities under subdivision a of subsection 1 for the quarterly period.

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

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

30 ~~e. Twenty percent of all revenues allocated to any county infrastructure fund under~~
31 ~~subsections 4 and 5 must be allocated by the county treasurer no less than~~

1 quarterly to the incorporated cities of the county. Apportionment among cities
2 under this subsection must be based upon the population of each incorporated
3 city according to the last official decennial federal census. If a city receives a
4 direct allocation under subsection 1, the allocation to that city under this
5 subsection is limited to sixty percent of the amount otherwise determined for that
6 city under this subsection and the amount exceeding this limitation must be
7 reallocated among the other cities in the county.

8 7.6. Within thirty days after the end of each calendar year, the board of county
9 commissioners of each county that has received an allocation under this section shall
10 file a report for the calendar year with the commissioner, in a format prescribed by the
11 commissioner, including:

- 12 a. The county's statement of revenues and expenditures; and
13 b. The amount available in the county infrastructure fund for allocation allocated to
14 or for the benefit of townships or school districts, the amount allocated to each
15 organized township or school district and the amount expended from each such
16 allocation by that township or school district, the amount expended by the board
17 of county commissioners on behalf of each unorganized township for which an
18 expenditure was made, and the amount available for allocation to or for the
19 benefit of townships or school districts which remained unexpended at the end of
20 the fiscal year.

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

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

26 **57-62-05. Powers and duties of energy infrastructure and impact office director.**

27 The energy infrastructure and impact office director shall:

- 28 1. Develop a plan for the assistance, through financial grants for services and facilities, of
29 counties, cities, school districts, and other political subdivisions in coal development
30 and oil and gas development impact areas.

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

26 **SECTION 5. APPROPRIATION - JOB SERVICE NORTH DAKOTA.** There is appropriated
27 out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum
28 of ~~\$150,000~~\$120,000, or so much of the sum as may be necessary, to job service North Dakota
29 for the purpose of upgrading collection and use of employment data to correctly identify all
30 employees who should be included for statistical purposes in oil and gas-related employment,

1 including employees of refineries and gas plants and oil and gas transportation services, for the
2 biennium beginning July 1, 2013, and ending June 30, 2015.

3 **SECTION 6. APPROPRIATION - ~~STATE TREASURER -- STRATEGIC INVESTMENT AND~~**
4 **~~IMPROVEMENTS FUND~~DEPARTMENT OF TRANSPORTATION.** There is appropriated out of
5 any moneys in the ~~strategic investment and improvements~~general fund in the state treasury, not
6 otherwise appropriated, the sum of ~~\$190,000,000~~\$160,000,000, or so much of the sum as may
7 be necessary, to the ~~state treasurer~~department of transportation for the purpose of allocation as
8 provided in this section among oil-producing counties that received \$5,000,000 or more of
9 allocations under subsection 2 of section 57-51-15 in the state fiscal year ending June 30, 2012,
10 for the ~~period~~biennium beginning ~~May~~July 1, 2013, and ending June 30, 2015. ~~The amounts~~
11 ~~available for allocation under this section must be allocated on May 1, 2013, and May 1, 2014,~~
12 ~~in the amount of \$95,000,000 each year, among the counties that received five million dollars or~~
13 ~~more of allocations under subsection 2 of section 57-51-15 in the most recently completed state~~
14 ~~fiscal year. Projects to be funded under this section must comply with American association of~~
15 ~~state highway and transportation officials pavement design procedures and department of~~
16 ~~transportation local government requirements. The allocation shares of the counties that qualify~~
17 ~~for a share of funds available under this section must be determined by prorating available~~
18 ~~funds among those counties on the basis of barrels of oil production within the county compared~~
19 ~~to barrels of oil production among all counties that qualify for a share of funds available under~~
20 ~~this section in the most recently completed state fiscal year.~~

21 1. The sum appropriated in this section must be used to rehabilitate or reconstruct county
22 paved and unpaved roads needed to support oil and gas production and distribution in
23 North Dakota.

24 a. Funding allocations to counties are to be made by the department of
25 transportation based on data supplied by the upper great plains transportation
26 institute.

27 b. Counties identified in the data supplied by the upper great plains transportation
28 institute which received \$5,000,000 or more of allocations under subsection 2 of
29 section 57-51-15 for the state fiscal year ending June 30, 2012, are eligible for
30 this funding.

1 2. Each county requesting funding under this section for county roads shall submit the
2 request in accordance with criteria developed by the department of transportation.

3 a. The request must include a proposed plan for funding projects that rehabilitate or
4 reconstruct paved and unpaved roads within the county.

5 b. The plan must be based on data supplied by the upper great plains transportation
6 institute, actual road conditions, and integration with state highway and other
7 county road projects.

8 c. Projects funded under this section must comply with the American association of
9 state highway transportation officials (AASHTO) pavement design procedures
10 and the department of transportation local government requirements. Upon
11 completion of major reconstruction projects, the roadway segment must be
12 posted at a legal load limit of 105,500 pounds [47853.993 kilograms].

13 d. Funds may not be used for routine maintenance.

14 3. The department of transportation, in consultation with the county, may approve the
15 plan or approve the plan with amendments.

16 4. The funding appropriated in this section may be used for:

17 a. Ninety percent of the cost of the approved roadway projects not to exceed the
18 funding available for that county.

19 b. Funding may be used for construction, engineering, and plan development costs.

20 5. Upon approval of the plan, the department of transportation shall transfer to the county
21 the approved funding for engineering and plan development costs.

22 6. Upon execution of a construction contract by the county, the department of
23 transportation shall transfer to the county the approved funding to be distributed for
24 county and township road rehabilitation and reconstruction projects.

25 7. The recipient counties shall report to the department of transportation upon awarding
26 of each contract and upon completion of each project in a manner prescribed by the
27 department.

28 8. The funding under this section may be applied to engineering, design, and
29 construction costs incurred on related projects as of January 1, 2013.

30 9. Section 54-44.1-11 does not apply to funding under this section. Any funds not spent
31 by June 30, 2015, must be continued into the biennium beginning July 1, 2015, and

1 ending June 30, 2017, and may be expended only for purposes authorized by this
2 section.

3 **SECTION 7. APPROPRIATION - DEPARTMENT OF TRANSPORTATION.** There is
4 appropriated out of any moneys in the general fund in the state treasury, not otherwise
5 appropriated, the sum of ~~\$150,000,000~~\$100,000,000, or so much of the sum as may be
6 necessary, to the department of transportation for the purpose of allocation ~~in equal amounts in~~
7 ~~each fiscal year of the biennium~~ among counties that did not receive \$5,000,000 or more of
8 allocations under subsection 2 of section 57-51-15 in the ~~most recently completed~~ state fiscal
9 year ending June 30, 2012, for the ~~period~~biennium beginning ~~May~~July 1, 2013, and ending
10 June 30, 2015. The amounts available for allocation under this section must be allocated in the
11 amount of ~~\$45,000,000 on or before May 1, 2013,~~\$30,000,000 in the first year of the biennium
12 and in the amount of ~~\$105,000,000 on or before May 1, 2014~~\$70,000,000 in the second year of
13 the biennium. ~~Allocations among counties under this section must be prorated among eligible~~
14 ~~counties on the basis of miles of road in the county road system. Projects to be funded under~~
15 ~~this section must comply with American association of state highway and transportation officials~~
16 ~~pavement design procedures and department of transportation local government requirements.~~

17 1. The sum appropriated in this section must be used to rehabilitate or reconstruct county
18 paved and unpaved roads needed to support economic activity in North Dakota.

19 a. Funding allocations to counties are to be made by the department of
20 transportation based on data supplied by the upper great plains transportation
21 institute.

22 b. Counties identified in the data supplied by the upper great plains transportation
23 institute which did not receive \$5,000,000 or more of allocations under
24 subsection 2 of section 57-51-15 for the state fiscal year ending June 30, 2012,
25 are eligible for this funding.

26 2. Each county requesting funding under this section for county roads shall submit the
27 request in accordance with criteria developed by the department of transportation.

28 a. The request must include a proposed plan for funding projects that rehabilitate or
29 reconstruct paved and unpaved roads within the county.

- 1 b. The plan must be based on data supplied by the upper great plains transportation
2 institute, actual road conditions, and integration with state highway and other
3 county road projects.
- 4 c. Projects funded under this section must comply with the American association of
5 state highway transportation officials (AASHTO) pavement design procedures
6 and the department of transportation local government requirements. Upon
7 completion of major reconstruction projects, the roadway segment must be
8 posted at a legal load limit of 105,500 pounds [47853.993 kilograms].
- 9 d. Funds may not be used for routine maintenance.
- 10 3. The department of transportation, in consultation with the county, may approve the
11 plan or approve the plan with amendments.
- 12 4. The funding appropriated in this section may be used for:
- 13 a. Ninety percent of the cost of the approved roadway projects not to exceed the
14 funding available for that county.
- 15 b. Funding may be used for construction, engineering, and plan development costs.
- 16 5. Upon approval of the plan, the department of transportation shall transfer to the county
17 the approved funding for engineering and plan development costs.
- 18 6. Upon execution of a construction contract by the county, the department of
19 transportation shall transfer to the county the approved funding to be distributed for
20 county and township road rehabilitation and reconstruction projects.
- 21 7. The recipient counties shall report to the department of transportation upon awarding
22 of each contract and upon completion of each project in a manner prescribed by the
23 department.
- 24 8. The funding under this section may be applied to engineering, design, and
25 construction costs incurred on related projects as of January 1, 2013.
- 26 9. Section 54-44.1-11 does not apply to funding under this section. Any funds not spent
27 by June 30, 2015, must be continued into the biennium beginning July 1, 2015, and
28 ending June 30, 2017, and may be expended only for purposes authorized by this
29 section.

30 **SECTION 8. APPROPRIATION - STATE TREASURER.** There is appropriated out of any
31 moneys in the general fund in the state treasury, not otherwise appropriated, the sum of

1 \$8,760,000, or so much of the sum as may be necessary, to the state treasurer for allocation to
2 counties for allocation to or for the benefit of townships in oil-producing counties, for the
3 ~~period~~ biennium beginning ~~May~~ July 1, 2013, and ending June 30, 2015. The funding provided in
4 this section must be distributed in equal amounts ~~on or before May 1, in July~~ 2013; and May 1,
5 2014. The state treasurer shall distribute the funds provided under this section as soon as
6 possible to counties and the county treasurer shall allocate the funds to or for the benefit of
7 townships in oil-producing counties through a distribution of \$15,000 each year to each
8 organized township and a distribution of \$15,000 each year for each unorganized township to
9 the county in which the unorganized township is located. If any funds remain after the
10 distributions provided under this section, the state treasurer shall distribute eighty percent of the
11 remaining funds to counties and cities in oil-producing counties pursuant to the method
12 provided in subsection 4 of section 54-27-19 and shall distribute twenty percent of the
13 remaining funds to counties and townships in oil-producing counties pursuant to the method
14 provided in section 54-27-19.1. An organized township is not eligible for an allocation of funds
15 under this subdivision ~~if that township has uncommitted reserve funds on hand exceeding~~
16 ~~\$100,000 or~~ if in a taxable year after 2012 that township is not levying at least ten mills for
17 township purposes. For unorganized townships within the county, the board of county
18 commissioners may expend an appropriate portion of revenues under this subdivision for
19 township roads or other infrastructure needs in those townships. A township is not eligible for an
20 allocation of funds under this section if the township does not maintain any township roads. For
21 the purposes of this section, an "oil-producing county" means a county that received an
22 allocation of funding under section 57-51-15 of more than \$500,000 but less than \$5,000,000
23 ~~for~~ in the ~~preceding~~ state fiscal year ending June 30, 2012.

24 ~~— SECTION 9. APPROPRIATION – STATE DEPARTMENT OF HEALTH. There is~~
25 ~~appropriated out of any moneys in the general fund in the state treasury, not otherwise~~
26 ~~appropriated, the sum of \$6,250,000, or so much of the sum as may be necessary, to the state~~
27 ~~department of health for allocations by the emergency medical services advisory council for the~~
28 ~~purpose of state financial assistance under chapter 23-46 to emergency medical service~~
29 ~~providers for that portion of the emergency medical service provider's service area in counties~~
30 ~~that did not receive \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 in~~
31 ~~the most recently completed state fiscal year, for the biennium beginning July 1, 2013, and~~

1 ~~ending June 30, 2015. Allocations of the amount appropriated in this section may not exceed~~
2 ~~\$3,125,000 for each year of the biennium.~~

3 **SECTION 9. APPROPRIATION - COMMISSIONER OF UNIVERSITY AND SCHOOL**

4 **LANDS - OIL AND GAS IMPACT GRANT FUND.** There is appropriated out of any moneys in
5 the oil and gas impact grant fund in the state treasury, not otherwise appropriated, the sum of
6 \$5,000,000, or so much of the sum as may be necessary, to the commissioner of university and
7 school lands for the purpose of providing distributions to eligible counties experiencing new oil
8 and gas development activities, for the biennium beginning July 1, 2013, and ending June 30,
9 2015. As determined by the director of the department of mineral resources, a county is eligible
10 for a distribution under this section if the county produced fewer than one hundred thousand
11 barrels of oil for the month of November 2012 and after November 2012 the number of active oil
12 rigs operating in the county in any one month exceeds four rigs. Upon the determination by the
13 director of the department of mineral resources that a county is eligible for a distribution under
14 this section, the commissioner of university and school lands shall provide \$1,250,000 to the
15 county for defraying expenses associated with oil and gas development impacts in the county.
16 The county, in determining the use of the funds received, shall consider and, to the extent
17 possible, address the needs of other political subdivisions in the county resulting from the
18 impact of oil and gas development.

19 ~~—SECTION 11. APPROPRIATION – DEPARTMENT OF COMMERCE – STRATEGIC~~

20 ~~INVESTMENT AND IMPROVEMENTS FUND.~~ There is appropriated out of any moneys in the
21 ~~strategic investment and improvements fund in the state treasury, not otherwise appropriated,~~
22 ~~the sum of \$6,000,000, or so much of the sum as may be necessary, to the department of~~
23 ~~commerce for the purpose of administering a grant program for nursing homes, basic care~~
24 ~~facilities, and providers that serve individuals with developmental disabilities located in~~
25 ~~oil-producing counties to address the effects of oil and gas and related economic development~~
26 ~~activities, for the biennium beginning July 1, 2013, and ending June 30, 2015. The department~~
27 ~~of commerce shall allocate funding in January of each year of the biennium, based on the~~
28 ~~number of full-time equivalent positions of each nursing home, facility, or provider as determined~~
29 ~~by the department of human services. The annual allocation for each full-time equivalent~~
30 ~~position may not exceed \$90 per month. When setting rates for the entities receiving grants~~
31 ~~under this section, the department of human services shall exclude grant income received~~

1 under this section as an offset to costs. This funding is considered one-time funding for the
2 2013-15 biennium. The department of commerce shall report to the legislative management
3 during the 2013-14 interim and to the appropriations committees of the sixty-fourth legislative
4 assembly on the use of this one-time funding. For purposes of this section, an "oil-producing
5 county" means a county that received an allocation of funding under section 57-51-15 for the
6 preceding state fiscal year.

7 ~~SECTION 12. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES - STRATEGIC~~
8 ~~INVESTMENT AND IMPROVEMENTS FUND.~~ There is appropriated out of any moneys in the
9 strategic investment and improvements fund in the state treasury, not otherwise appropriated,
10 the sum of \$10,000,000, or so much of the sum as may be necessary, to the department of
11 human services for the purpose of administering a grant program for critical access hospitals in
12 oil-producing counties and in counties contiguous to an oil-producing county to address the
13 effects of oil and gas and related economic development activities, for the biennium beginning
14 July 1, 2013, and ending June 30, 2015. The department of human services shall develop
15 policies and procedures for the disbursement of the grant funding and may not award more than
16 \$5,000,000 during each year of the biennium. The department of human services shall allocate
17 funding in January of each year of the biennium. This funding is considered one-time funding for
18 the 2013-15 biennium. The department of human services shall report to the legislative
19 management during the 2013-14 interim and to the appropriations committees of the
20 sixty-fourth legislative assembly on the use of this one-time funding. For the purposes of this
21 section, an "oil-producing county" means a county that received an allocation of funding under
22 section 57-51-15 of more than \$500,000 for the preceding state fiscal year.

23 ~~SECTION 13. LEGISLATIVE INTENT.~~ It is the intent of the sixty-third legislative assembly
24 that this Act is the initiation of a ten-year plan.

25 **SECTION 10. APPROPRIATION - LAW ENFORCEMENT - ATTORNEY GENERAL'S**
26 **OFFICE - OIL AND GAS IMPACT GRANT FUND - REPORT TO BUDGET SECTION.** There is
27 appropriated out of any moneys in the oil and gas impact grant fund in the state treasury, not
28 otherwise appropriated, the sum of \$10,000,000, or so much of the sum as may be necessary,
29 to the attorney general's office for the purpose of awarding grants to law enforcement agencies,
30 for crime-related needs of the attorney general's office, and for the development of a uniformed
31 law enforcement and custody manual, for the biennium beginning July 1, 2013, and ending

1 June 30, 2015. The drug and violent crime policy board of the attorney general shall, with
2 approval of the board of university and school lands, grant funds to law enforcement agencies
3 in oil-impacted counties where crime-related activities have increased or in other counties if the
4 crime-related activities in oil-impacted counties originated in any of those counties. The attorney
5 general may spend up to ten percent of the funding provided under this section for defraying the
6 expenses of additional staffing needs or other needs necessary to accomplish the role of the
7 attorney general's office as an assisting agency in ensuring public safety in the affected areas.
8 The attorney general may use up to \$750,000 of the funding provided under this section for the
9 development of a uniformed law enforcement and custody manual. The funding provided in this
10 section is considered a one-time funding item. The attorney general shall report to the budget
11 section after June 30, 2014, on the impact the grant funding has had on crime-related activities.

12 **SECTION 11. APPROPRIATION - AIRPORT GRANTS - COMMISSIONER OF**
13 **UNIVERSITY AND SCHOOL LANDS - OIL AND GAS IMPACT GRANT FUND.** There is
14 appropriated out of any moneys in the oil and gas impact grant fund in the state treasury, not
15 otherwise appropriated, the sum of \$60,000,000, or so much of the sum as may be necessary,
16 to the commissioner of university and school lands for the purpose of awarding grants to
17 airports impacted by oil and gas development, for the biennium beginning July 1, 2013, and
18 ending June 30, 2015. The director of the energy infrastructure and impact office shall adopt
19 grant procedures and requirements necessary for distribution of grants under this section, which
20 must include cost-share requirements. Cost-share requirements must consider the availability of
21 local funds to support the project. Grant funds must be distributed giving priority to projects that
22 have been awarded or are eligible to receive federal funding. Grants distributed pursuant to this
23 section are not to be considered in making grant recommendations under section 57-62-05.
24 Grants awarded under this section are not subject to section 54-44.1-11. The funding provided
25 in this section is considered a one-time funding item.

26 **SECTION 12. APPROPRIATION - HIGHER EDUCATION GRANTS - COMMISSIONER OF**
27 **UNIVERSITY AND SCHOOL LANDS - OIL AND GAS IMPACT GRANT FUND.** There is
28 appropriated out of any moneys in the oil and gas impact grant fund in the state treasury, not
29 otherwise appropriated, the sum of \$4,000,000, or so much of the sum as may be necessary, to
30 the commissioner of university and school lands for the purpose of awarding grants to public
31 institutions of higher education impacted by oil and gas development, for the biennium

1 beginning July 1, 2013, and ending June 30, 2015. Notwithstanding the provisions of chapter
2 57-62, public institutions of higher education are eligible to receive oil and gas impact grants
3 under this section. The director of the energy infrastructure and impact office may develop grant
4 procedures and requirements necessary for distribution of grants under this section. Grants
5 awarded under this section are not subject to section 54-44.1-11. The funding provided in this
6 section is considered a one-time funding item.

7 **SECTION 13. APPROPRIATION - PILOT PROJECT - DUST CONTROL -**
8 **COMMISSIONER OF UNIVERSITY AND SCHOOL LANDS - OIL AND GAS IMPACT GRANT**
9 **FUND.** There is appropriated out of any moneys in the oil and gas impact grant fund in the state
10 treasury, not otherwise appropriated, the sum of \$3,000,000, or so much of the sum as may be
11 necessary, to the commissioner of university and school lands for the purpose of awarding
12 grants of \$1,000,000 each to three counties in oil-impacted areas for a pilot project for dust
13 control, for the biennium beginning July 1, 2013, and ending June 30, 2015. The county
14 commission from each county shall file a report with the department of trust lands by August 1,
15 2013, regarding any product used to control dust and the success or failure of the product in
16 controlling dust. The director of the energy infrastructure and impact office may develop grant
17 procedures and requirements necessary for distribution of grants under this section. The
18 department of trust lands shall consult with the state department of health and the industrial
19 commission relating to the use of oilfield-produced saltwater and products previously tested for
20 dust control. Grants distributed pursuant to this section are not to be considered in making grant
21 recommendations under section 57-62-05. Grants awarded under this section are not subject to
22 section 54-44.1-11. The funding provided in this section is considered a one-time funding item.

23 **SECTION 14. EFFECTIVE DATE - EXPIRATION DATE.** Sections 1, 2, and 3 of this Act are
24 effective for taxable events occurring after June 30, 2013, and before July 1, 2015, and are
25 thereafter ineffective.

26 ~~SECTION 15. EMERGENCY. Sections 6, 7, and 8 of this Act are declared to be an~~
27 ~~emergency measure.~~