

Sixty-sixth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2362

Introduced by

Senators Cook, Holmberg, Wardner

Representatives Delzer, Headland, Pollert

(Approved by the Delayed Bills Committee)

1 A BILL for an Act to amend and reenact section 57-51.1-07 of the North Dakota Century Code,
2 relating to the allocation of oil extraction tax; to provide a contingent appropriation; to provide for
3 a transfer; to provide an effective date; and to declare an emergency.

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

5 **SECTION 1. AMENDMENT.** Section 57-51.1-07 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **~~57-51.1-07. Allocation of moneys in oil extraction tax development fund. (Effective~~**
8 **~~through July 31, 2019)~~**

9 ~~Moneys deposited in the oil extraction tax development fund must be transferred monthly by~~
10 ~~the state treasurer as follows:~~

- 11 ~~1. Twenty percent must be allocated and credited to the sinking fund established for~~
- 12 ~~payment of the state of North Dakota water development bonds, southwest pipeline~~
- 13 ~~series, and any moneys in excess of the sum necessary to maintain the accounts~~
- 14 ~~within the sinking fund and for the payment of principal and interest on the bonds must~~
- 15 ~~be credited to a special trust fund, to be known as the resources trust fund. The~~
- 16 ~~resources trust fund must be established in the state treasury and the funds therein~~
- 17 ~~must be deposited and invested as are other state funds to earn the maximum amount~~
- 18 ~~permitted by law which income must be deposited in the resources trust fund. Three~~
- 19 ~~percent of the amount credited to the resources trust fund must be transferred no less~~
- 20 ~~than quarterly into the renewable energy development fund, not to exceed three~~
- 21 ~~million dollars per biennium. One-half of one percent of the amount credited to the~~
- 22 ~~resources trust fund must be transferred no less than quarterly into the energy~~
- 23 ~~conservation grant fund not to exceed two hundred thousand dollars per biennium.~~

1 The principal and income of the resources trust fund may be expended only pursuant
2 to legislative appropriation and are available to:

3 a. The state water commission for planning for and construction of water-related
4 projects, including rural water systems. These water-related projects must be
5 those which the state water commission has the authority to undertake and
6 construct pursuant to chapter 61-02.

7 b. The industrial commission for the funding of programs for development of
8 renewable energy sources; for studies for development of cogeneration systems
9 that increase the capacity of a system to produce more than one kind of energy
10 from the same fuel; for studies for development of waste products utilization; and
11 for the making of grants and loans in connection therewith.

12 e. The department of commerce for the funding of programs for development of
13 energy conservation and for the making of grants and loans relating to energy
14 conservation.

15 2. Twenty percent must be allocated to the common schools trust fund and foundation
16 aid stabilization fund as provided in section 24 of article X of the Constitution of North
17 Dakota.

18 3. Thirty percent must be allocated to the legacy fund as provided in section 26 of
19 article X of the Constitution of North Dakota.

20 4. Thirty percent must be allocated and credited to the state's general fund.

21 **Allocation of moneys in oil extraction tax development fund. (~~Effective after July 31,~~**
22 **~~2019~~)**

23 Moneys deposited in the oil extraction tax development fund from revenue collected under
24 section 57-51.1-02 and oil extraction tax revenue allocated to the state under the terms of an
25 agreement entered pursuant to chapter 57-51.2 must be transferred monthly by the state
26 treasurer as follows:

27 1. Twenty percent must be allocated and credited to the sinking fund established for
28 payment of the state of North Dakota water development bonds, southwest pipeline
29 series, and any moneys in excess of the sum necessary to maintain the accounts
30 within the sinking fund and for the payment of principal and interest on the bonds must
31 be credited to a special trust fund, to be known as the resources trust fund. The

1 resources trust fund must be established in the state treasury and the funds therein
2 must be deposited and invested as are other state funds to earn the maximum amount
3 permitted by law which income must be deposited in the resources trust fund. Three
4 percent of the amount credited to the resources trust fund must be transferred no less
5 than quarterly into the renewable energy development fund, not to exceed three
6 million dollars per biennium. One-half of one percent of the amount credited to the
7 resources trust fund must be transferred no less than quarterly into the energy
8 conservation grant fund not to exceed one million two hundred thousand dollars per
9 biennium. The principal and income of the resources trust fund may be expended only
10 pursuant to legislative appropriation and are available to:

- 11 a. The state water commission for planning for and construction of water-related
12 projects, including rural water systems. These water-related projects must be
13 those which the state water commission has the authority to undertake and
14 construct pursuant to chapter 61-02; and
- 15 b. The industrial commission for the funding of programs for development of
16 renewable energy sources; for studies for development of cogeneration systems
17 that increase the capacity of a system to produce more than one kind of energy
18 from the same fuel; for studies for development of waste products utilization; and
19 for the making of grants and loans in connection therewith.
- 20 c. The department of commerce for the funding of programs for development of
21 energy conservation and for the making of grants and loans relating to energy
22 conservation.

23 2. One-half of one percent must be allocated to the resources trust fund beginning with
24 allocations made by the state treasurer in August 2019 and continuing until the
25 combined allocations under this subsection total one hundred twenty-eight million
26 seven hundred forty thousand dollars, after which the state treasurer shall discontinue
27 making allocations under this subsection.

28 3. Twenty percent must be allocated to the common schools trust fund and foundation
29 aid stabilization fund as provided in section 24 of article X of the Constitution of North
30 Dakota.

1 ~~3.4.~~ Thirty percent must be allocated to the legacy fund as provided in section 26 of
2 article X of the Constitution of North Dakota.

3 ~~4.~~ Thirty percent

4 ~~5.~~ The remainder must be allocated ~~and credited~~ to the state's general fund.

5 **SECTION 2. CONTINGENT APPROPRIATION - TRANSFER - GENERAL FUND TO**

6 **COMMON SCHOOLS TRUST FUND.** If the actual legacy fund earnings transferred to the

7 general fund at the end of the 2019-21 biennium in accordance with section 26 of article X of

8 the Constitution of North Dakota exceed the estimate made by the sixty-sixth legislative

9 assembly by at least \$64,370,000, there is appropriated out of any moneys in the general fund

10 in the state treasury, not otherwise appropriated, the sum of \$64,370,000, which the state

11 treasurer shall immediately transfer to the common schools trust fund, for the biennium

12 beginning July 1, 2019, and ending June 30, 2021.

13 **SECTION 3. EFFECTIVE DATE.** This Act is effective for allocations made by the state

14 treasurer beginning on the first day of the month following the month in which this Act is filed

15 with the secretary of state.

16 **SECTION 4. EMERGENCY.** This Act is declared to be an emergency measure.