

Sixty-third
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1278

Introduced by

Representatives Porter, Carlson

Senators Lyson, Wardner

1 A BILL for an Act to create and enact chapter 54-17.8 of the North Dakota Century Code,
2 relating to the North Dakota outdoor heritage fund; to amend and reenact subsection 1 of
3 section 57-51-15 of the North Dakota Century Code, relating to the oil and gas gross production
4 tax; to provide an appropriation; and to provide a continuing appropriation.

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

6 **SECTION 1.** Chapter 54-17.8 of the North Dakota Century Code is created and enacted as
7 follows:

8 **54-17.8-01. Definitions.**

- 9 1. "Advisory board" means the North Dakota outdoor heritage advisory board.
- 10 2. "Commission" means the industrial commission.
- 11 3. "Fund" means the North Dakota outdoor heritage fund.

12 **54-17.8-02. North Dakota outdoor heritage fund - Continuing appropriation.**

13 There is created a North Dakota outdoor heritage fund that is governed by the commission.
14 Any money deposited in the fund is appropriated on a continuing basis to the commission for
15 the purposes of this chapter. Interest earned by the fund must be credited to the fund. The
16 commission shall keep accurate records of all financial transactions performed under this
17 chapter.

18 **54-17.8-03. North Dakota outdoor heritage fund purposes.**

- 19 1. The commission shall use the fund to provide grants to state agencies, tribal
20 governments, political subdivisions, and nonprofit organizations to:
 - 21 a. Provide access to private and public lands for sportsmen, including projects that
22 create fish and wildlife habitat and provide access for sportsmen;

- 1 b. Improve, maintain, and restore water quality, soil conditions, plant diversity,
- 2 animal systems, and to support other practices of stewardship to enhance
- 3 farming and ranching;
- 4 c. Develop, enhance, conserve, and restore wildlife and fish habitat on private and
- 5 public lands; and
- 6 d. Conserve natural areas for recreation through the establishment and
- 7 development of parks and other recreation areas.
- 8 2. The commission may not use the fund, in any manner, to finance:
- 9 a. Litigation;
- 10 b. Lobbying activities;
- 11 c. Any activity that would interfere, disrupt, or prevent activities associated with
- 12 surface coal mining operations; sand, gravel, or scoria extraction activities; oil
- 13 and gas operations; or other energy facility or infrastructure development;
- 14 d. The acquisition of land or to encumber any land for a term longer than twenty
- 15 years; or
- 16 e. Projects outside this state or projects that are beyond the scope of defined
- 17 activities that fulfill the purposes of this chapter.

18 **54-17.8-04. Commission to staff advisory board.**

19 The commission shall operate, manage, and control the outdoor heritage fund and provide
20 staffing for the meetings.

21 **54-17.8-05. Powers and duties of commission.**

22 The commission is granted all the powers necessary or appropriate to carry out and
23 effectuate the purposes of this chapter, including the power to:

- 24 1. Make grants to a state agency, a tribal government, a political subdivision, and a
- 25 nonprofit organization;
- 26 2. Enter contracts or agreements to carry out the purposes of this chapter, including
- 27 authority to contract for the administration of the fund and staffing for the advisory
- 28 board;
- 29 3. Accept donations, grants, contributions, and gifts from any public or private source;
- 30 and
- 31 4. Adopt policies and rules necessary to effectuate the purposes of this chapter.

1 **54-17.8-06. North Dakota outdoor heritage advisory board - Members.**

2 1. There is created a North Dakota outdoor heritage advisory board consisting of twelve
3 members. The governor shall appoint representatives from each of the groups listed in
4 this section based upon recommendations made by the appropriate group. The
5 advisory board consists of:

6 a. Four members from the agriculture community. The governor shall appoint one
7 member from the North Dakota farm bureau, North Dakota farmers union, the
8 North Dakota stockmen's association, and the North Dakota grain growers
9 association.

10 b. Two members from the energy industry. The governor shall appoint one member
11 from the North Dakota petroleum council and one member from the lignite energy
12 council.

13 c. Four members from the conservation community. The governor shall appoint one
14 member from ducks unlimited of North Dakota, the North Dakota natural
15 resources trust fund, the North Dakota chapter of pheasants forever, and the
16 conservation community at large.

17 d. One member from the business community from the greater North Dakota
18 chamber.

19 e. One member from the North Dakota recreation and park association.

20 2. The governor also shall appoint to the advisory board one representative from each of
21 the following agencies to serve as ex officio, nonvoting technical members: the
22 department of parks and recreation, the game and fish department, the office of the
23 state forester, and the North Dakota association of soil conservation districts.

24 3. The term of office of each member of the board is four years and members may not
25 serve more than two consecutive terms. The terms of office commence on the first day
26 of July. The initial terms for the advisory board members must be staggered following
27 a method determined by the board.

28 4. The advisory board shall select a chairman from among the members. Seven voting
29 members is a quorum at any meeting.

30 5. The advisory board shall have at least two regular meetings each year and additional
31 meetings as the chairman determines necessary at a time and place to be fixed by the

1 chairman. Special meetings must be called by the chairman on written request of any
2 five members.

3 6. The advisory board shall recommend to the commission the approval of grants for
4 funding activities that fulfill the purposes of this chapter.

5 7. Members of the advisory board appointed by the governor serve at the pleasure of the
6 governor.

7 **54-17.8-07. Report to the budget section of the legislative management.**

8 The advisory board shall provide a biennial report to the budget section of the legislative
9 management.

10 **SECTION 2. AMENDMENT.** Subsection 1 of section 57-51-15 of the North Dakota Century
11 Code is amended and reenacted as follows:

12 1. First the tax revenue collected under this chapter equal to one percent of the gross
13 value at the well of the oil and one-fifth of the tax on gas must be deposited with the
14 state treasurer who shall:

15 a. Allocate five hundred thousand dollars per fiscal year to each city in an
16 oil-producing county which has a population of seven thousand five hundred or
17 more and more than two percent of its private covered employment engaged in
18 the mining industry, according to data compiled by job service North Dakota. The
19 allocation under this subdivision must be doubled if the city has more than seven
20 and one-half percent of its private covered employment engaged in the mining
21 industry, according to data compiled by job service North Dakota;

22 b. Credit revenues to the oil and gas impact grant fund, but not in an amount
23 exceeding one hundred million dollars per biennium; ~~and~~

24 c. Credit four percent of the amount available under this subsection to the North
25 Dakota outdoor heritage fund, but not in an amount exceeding fifteen million
26 dollars in a state fiscal year and not in an amount exceeding thirty million dollars
27 per biennium; and

28 d. Allocate the remaining revenues under subsection 3.