

DEPARTMENT OF TRUST LANDS



Energy infrastructure and impact grant awards - In Section 2 of House Bill No. 1358, the Legislative Assembly increased the maximum amount of oil and gas tax revenues that may be deposited in the oil and gas impact grant fund by \$140 million per biennium, from \$100 million to \$240 million. The increase is effective for the 2013-15 biennium only.

In Section 3 of House Bill No. 1358, the Legislative Assembly removed the requirement that 35 percent of money in the oil and gas impact grant fund be awarded to incorporated cities with a population of 10,000 or more and 65 percent of funds available be awarded to counties, school districts, and other political subdivisions impacted by oil and gas development.

Section 9 of House Bill No. 1358 provides \$239,299,174 (\$240,000,000 less \$700,829 appropriated for administrative costs in Senate Bill No. 2013) from the oil and gas impact grant fund to the Board of University and School Lands for oil and gas impact grants for the 2013-15 biennium and includes provisions relating to the designation of \$103.5 million of the funds appropriated as follows:

- \$5 million for grants to eligible counties experiencing new oil and gas development activities.
- \$60 million for grants to airports impacted by oil and gas development.
- \$4 million in grants to public institutions of higher education impacted by oil and gas development.
- \$3 million for grants of \$1 million each to three counties in oil-impacted areas for a dust control pilot project.
- \$7 million for grants to counties for the benefit of county sheriff's departments to offset oil and gas development impact causing a need for increased sheriff's department services, staff, equipment, coverage, and personnel training.
- \$7 million for grants to emergency medical services providers for an extraordinary expenditure that would mitigate negative effects of oil development impact.
- \$3.5 million for grants to fire protection districts for extraordinary expenditures that would mitigate negative effects of oil development impact.
- \$14 million for grants to hub cities. Of the \$14 million, \$2 million is designated to the hub city (Williston) receiving the greatest percentage of allocations to hub cities from oil and gas gross

The Department of Trust Lands utilizes the oil and gas impact grant fund for providing energy infrastructure and impact grants and for the administration of the energy infrastructure and impact grant program.

In previous bienniums, the Board of University and School Lands used one advisory committee to make recommendations regarding grant awards. In the 2013-15 biennium, the board appointed five advisory committees to assist with application reviews and grant recommendations for the various grant rounds.

As of April 2014, the Board of University and School Lands has awarded grant funding for the 2013-15 biennium as follows:

Date	Description	Amount
July 2013	City infrastructure	\$39,666,162
July 2013	Hub city infrastructure	14,000,000
July 2013	Dust control	3,000,000
July 2013	Airports	27,008,442
August 2013	Sheriff's departments	390,910
August 2013	K-12 schools	6,852,779
September 2013	Sheriff's departments	4,802,610
November 2013	Emergency medical services providers	5,220,343
November 2013	Fire protection districts	6,993,242
December 2013	K-12 schools	5,647,221
December 2013	Higher education	4,000,000
January 2014	Sheriff's departments	1,806,536
March 2014	City infrastructure	8,000,000
April 2014	General grant round	6,104,494
Total awards		\$133,492,739
Pledges for future awards		35,238,848
Total commitments		\$168,731,587

North Dakota Century Code Section 15-01-02 provides that annual distributions may not exceed 60 percent of the biennial appropriation for energy infrastructure and impact grants (\$143,579,504 for fiscal year 2014). Of the \$239,299,174, \$70,567,587 is uncommitted and available for grant awards for the remainder of the biennium.

production tax revenue, \$7 million to the hub city (Dickinson) receiving the second greatest percentage of allocations, and \$5 million to the hub city (Minot) receiving the third greatest percentage of allocations.

The department's tentative schedule for remaining grant distributions is:

- Airports (January to May 2014).
- City infrastructure (April to July 2014).
- K-12 schools (June to July 2014).
- Emergency medical services providers and fire protection districts (September to November 2014).
- General grants (January to April 2015).

The dust control pilot project was completed in December 2013, and the results were reported to the Department of Trust Lands in January 2014. The results included some cases of reductions in dust levels, grading, and gravel replenishment.