

SENATE BILL NO. 2326

Introduced by

Senators Yockim, Krauter, St. Aubyn

Representatives Byerly, Kempenich, Nichols

1 A BILL for an Act to amend and reenact section 57-51.1-07 of the North Dakota Century Code,
2 relating to allocation of moneys in the oil extraction tax development fund to the highways 2 and
3 85 project account; to provide a continuing appropriation; to provide an effective date; and to
4 provide an expiration date.

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

6 **SECTION 1. AMENDMENT.** Section 57-51.1-07 of the 1995 Supplement to the North
7 Dakota Century Code is amended and reenacted as follows:

8 **57-51.1-07. (Effective through June 30, 1997) Allocation of moneys in oil**
9 **extraction tax development fund.** Moneys deposited in the oil extraction tax development
10 fund must be apportioned quarterly by 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
13 pipeline series, and any moneys in excess of the sum necessary to maintain the
14 accounts within the sinking fund and for the payment of principal and interest on
15 the bonds, must be credited to a special trust fund, to be known as the resources
16 trust fund. The resources trust fund must be established in the state treasury and
17 the funds therein must be deposited and invested as are other state funds to earn
18 the maximum amount permitted by law which income must be deposited in the
19 resources trust fund. The principal and income of the resources trust fund may be
20 expended only pursuant to legislative appropriation and are available to:
- 21 a. The state water commission for planning for and construction of water-related
22 projects, including rural water systems. These water-related projects must be
23 those which the state water commission has the authority to undertake and
24 construct pursuant to chapter 61-02; and

1 b. The industrial commission for the funding of programs for development of
2 energy conservation and renewable energy sources; for studies for
3 development of cogeneration systems that increase the capacity of a system
4 to produce more than one kind of energy from the same fuel; for studies for
5 development of waste products utilization; and for the making of grants and
6 loans in connection therewith.

7 2. Twenty percent must be allocated as provided in section 24 of article X of the
8 Constitution of North Dakota.

9 3. Sixty percent must be allocated and credited to the state's general fund for general
10 state purposes.

11 **(Effective July 1, 1997) Allocation of moneys in oil extraction tax development**

12 **fund.** Moneys deposited in the oil extraction tax development fund must be apportioned
13 quarterly by the state treasurer as follows:

14 1. Ten percent must be allocated and credited to the sinking fund established for
15 payment of the state of North Dakota water development bonds, southwest
16 pipeline series, and any moneys in excess of the sum necessary to maintain the
17 accounts within the sinking fund and for the payment of principal and interest on
18 the bonds, must be credited to a special trust fund, to be known as the resources
19 trust fund. The resources trust fund must be established in the state treasury and
20 the funds therein must be deposited and invested as are other state funds to earn
21 the maximum amount permitted by law which income must be deposited in the
22 resources trust fund. The principal and income of the resources trust fund may be
23 expended only pursuant to legislative appropriation and are available to:

24 a. The state water commission for planning for and construction of water-related
25 projects, including rural water systems. These water-related projects must be
26 those which the state water commission has the authority to undertake and
27 construct pursuant to chapter 61-02; and

28 b. The industrial commission for the funding of programs for development of
29 energy conservation and renewable energy sources; for studies for
30 development of cogeneration systems that increase the capacity of a system
31 to produce more than one kind of energy from the same fuel; for studies for

1 development of waste products utilization; and for the making of grants and
2 loans in connection therewith.

3 2. Twenty percent must be allocated as provided in article X, section 24, of the
4 Constitution of North Dakota.

5 3. Twenty-five percent must be allocated to the highways 2 and 85 project account in
6 the state treasury until ten million dollars has been deposited in that account during
7 a biennium and any amount exceeding this limitation must be deposited in the
8 state's general fund.

9 4. ~~Seventy~~ Forty-five percent must be allocated and credited to the state's general
10 fund for general state purposes.

11 **SECTION 2. CONTINUING APPROPRIATION.** There is hereby appropriated as a
12 standing and continuing appropriation out of any moneys in the highways 2 and 85 project
13 account in the state treasury, not otherwise appropriated, the sum of \$10,000,000 per biennium,
14 and an equal amount from special funds derived from federal funds, or so much of the sums as
15 may be necessary, to the department of transportation for the purpose of construction of four
16 traffic lanes for United States highways 2 and 85 within this state, for each biennium beginning
17 July 1, 1999, or thereafter.

18 **SECTION 3. EFFECTIVE DATE - EXPIRATION DATE.** Section 1 of this Act is
19 effective for tax revenue from oil produced after June 30, 1999. This Act becomes ineffective
20 upon certification to the governor and the state treasurer by the director of the department of
21 transportation that four-laning of United States highways 2 and 85 in this state has been
22 completed. Upon such certification, the state treasurer shall transfer any unobligated balance
23 in the highways 2 and 85 project account to the state general fund.