

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1377

That the Senate recede from its amendments as printed on pages 1807 and 1808 of the House Journal and pages 1345-1347 of the Senate Journal and that Engrossed House Bill No. 1377 be amended as follows:

Page 1, line 1, replace "next biennium K-12 fund" with "political subdivision allocation fund"

Page 1, line 2, after "15-08.1-08" insert ", 57-51.1-07.3,"

Page 1, line 4, after the first semicolon insert "to repeal sections 15.1-27-45 and 57-64-05 of the North Dakota Century Code, relating to the property tax relief sustainability fund; to provide a continuing appropriation; to provide for a legislative management study; to provide a moratorium on county road fees;"

Page 2, line 5, replace "**Next biennium K-12 fund**" with "**Political subdivision allocation fund - Oil and gas tax revenue allocations to political subdivisions - State treasurer - Continuing appropriation**"

Page 2, replace lines 6 through 8 with:

"There is created in the state treasury the political subdivision allocation fund. The fund consists of oil and gas tax revenue deposited in the fund pursuant to chapter 57-51.1. All moneys in the fund are appropriated to the state treasurer on a continuing basis for the purpose of allocations to political subdivisions in oil-producing counties.

1. If the balance of the fund exceeds ten million dollars on March first of each odd-numbered year, within thirty-one days, the state treasurer shall allocate all moneys in the fund to eligible political subdivisions in oil-producing counties based on each political subdivision's oil and gas gross production tax allocations under subsection 4 or subsection 5 of section 57-51-15 in the most recently completed formula allocation year. The allocation to each eligible political subdivision must be proportional to each political subdivision's total oil and gas gross production tax allocation under subsection 4 or subsection 5 of section 57-51-15 in the most recently completed formula allocation year relative to the combined total of all oil and gas gross production tax allocations under subsection 4 and subsection 5 of section 57-51-15 in the most recently completed formula allocation year. For purposes of this subsection, "formula allocation year" means the period beginning September first of an odd-numbered year and ending August thirty-first of the following even-numbered year.
2. If the balance of the fund exceeds ten million dollars on August first of each odd-numbered year, within thirty-one days, the state treasurer shall allocate all moneys in the fund to eligible political subdivisions in oil-producing counties based on each political subdivision's oil and gas gross production tax allocations under subsection 4 or subsection 5 of section 57-51-15 in the most recently completed formula allocation year. The allocation to each eligible political subdivision must be proportional to each political subdivision's total oil and gas gross production tax allocation under subsection 4 or subsection 5 of section 57-51-15 in the most recently completed formula allocation year relative to the combined total of

all oil and gas gross production tax allocations under subsection 4 and subsection 5 of section 57-51-15 in the most recently completed formula allocation year. For purposes of this subsection, "formula allocation year" means the period beginning September first of an odd-numbered year and ending August thirty-first of the following even-numbered year.

SECTION 3. AMENDMENT. Section 57-51.1-07.3 of the North Dakota Century Code is amended and reenacted as follows:

57-51.1-07.3. Oil and gas research fund - Deposits - Continuing appropriation.

There is established a special fund in the state treasury to be known as the oil and gas research fund. Before depositing oil and gas gross production tax and oil extraction tax revenues in the general fund, ~~property tax relief sustainability fund~~, strategic investment and improvements fund, or the state disaster relief fund, two percent of the revenues must be deposited monthly into the oil and gas research fund, up to ten million dollars per biennium. All moneys deposited in the oil and gas research fund and interest on all such moneys are appropriated as a continuing appropriation to the council to be used for purposes stated in chapter 54-17.6."

Page 2, line 23, after the overstruck ending parenthesis insert "**(Effective through June 30, 2017)**"

Page 2, line 27, remove the overstrike over "~~The next~~"

Page 2, line 27, after "~~thousand~~" insert "three hundred million"

Page 2, line 27, remove the overstrike over "~~dollars into~~"

Page 2, line 28, remove the overstrike over "~~the~~"

Page 2, line 28, remove the overstrike over "~~tax relief~~"

Page 2, line 28, remove the overstrike over "~~fund~~"

Page 2, line 28, remove "The next seven hundred twelve million dollars"

Page 2, line 29, remove "into the next biennium K-12 fund"

Page 2, remove line 31

Page 3, line 1, remove the overstrike over "~~4.~~"

Page 3, line 1, remove "5."

Page 3, line 3, remove the overstrike over "~~5.~~"

Page 3, line 3, remove "6."

Page 3, line 6, remove the overstrike over "~~6.~~"

Page 3, line 6, remove "7."

Page 3, line 6, overstrike "into the strategic investment and improvements fund" and insert immediately thereafter ":

- a. Seventy percent into the strategic investment and improvements fund;
and

b. Thirty percent into the political subdivision allocation fund

(Effective after June 30, 2017) State share of oil and gas taxes - Deposits.

From the revenues designated for deposit in the state general fund under chapters 57-51 and 57-51.1, the state treasurer shall deposit the revenues received each biennium as follows:

1. The first two hundred million dollars into the state general fund;
2. The next three hundred million dollars into the tax relief fund;
3. The next one hundred million dollars into the state general fund;
4. The next one hundred million dollars into the strategic investment and improvements fund;
5. The next twenty-two million dollars into the state disaster relief fund, but not in an amount that would bring the unobligated balance in the fund to more than twenty-five million dollars; and
6. Any additional revenues into the strategic investment and improvements fund.

SECTION 5. LEGISLATIVE MANAGEMENT STUDY - UNIFORM TRUCK

PERMITTING. During the 2015-16 interim, the legislative management shall study truck permitting systems in oil and gas producing counties. The study must review the North Dakota association of oil and gas producing counties' uniform county truck permit program, including the system's integration with the highway patrol's online electronic truck permitting and routing system and the communications between county representatives and industry representatives regarding road conditions. The study must evaluate the appropriateness of additional fees assessed by the board of county commissioners and other local authorities to the oil and gas industry related to additional road permitting fees and analyze other relevant data regarding uniform truck permitting fees and procedures. The study must include input from representatives of the North Dakota petroleum council, representatives of the North Dakota association of oil and gas producing counties, and other interested persons. The legislative management shall report its findings and recommendations, if any, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 6. MORATORIUM ON ADDITIONAL FEES FOR USE OF COUNTY

ROADS. For the period beginning June 1, 2015, through June 30, 2017, notwithstanding the provisions of chapter 39-12, the board of county commissioners and other local authorities having control of roads may not impose any additional fees for the use of county roads, except the fees established in the North Dakota association of oil and gas producing counties' uniform county truck permit program, unless an operator, company, or individual requests and agrees to pay the additional fees. However, the board of county commissioners and other local authorities may issue penalties to operators, companies, or individuals who violate posted road restrictions.

SECTION 7. REPEAL. Sections 15.1-27-45 and 57-64-05 of the North Dakota Century Code are repealed."

Page 3, line 7, replace "This" with "Sections 1, 2, 3, and 4 of this"

Page 3, line 7, replace "is" with "are"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment:

- Changes the state share of oil and gas tax allocations to reduce the allocation to the property tax relief sustainability fund from \$341.79 million to \$300 million. The Senate version reduced the allocation from \$341.79 million to \$250 million. The House version added an allocation of \$712 million to a next biennium K-12 fund and moved the allocation to property tax relief sustainability fund after the second general fund allocation.
- Changes the state share of oil and gas tax allocations to reduce the allocation of remaining revenue to the strategic investment and improvements fund from 100 percent to 70 percent and to provide an allocation of 30 percent to a newly created political subdivision allocation fund, which is the same as the Senate version. The House version did not change current law, which allocates 100 percent of the remaining revenue to the strategic investment and improvements fund.
- Creates a political subdivision allocation fund and provides a continuing appropriation to the State Treasurer to allocate funding to political subdivisions. The allocations from the fund to the political subdivisions are based on oil and gas tax allocations to political subdivisions in the first year of the biennium. The Senate version also created the political subdivision allocation fund, but the House version did not include this new fund.
- Renames the property tax relief sustainability fund the tax relief fund and repeals two sections of North Dakota Century Code related to the property tax relief sustainability fund, since those sections are no longer needed. Neither the House nor the Senate versions included these changes.
- Provides an expiration date for the changes to the allocations of the state's share of oil and gas tax revenue. This change was not made by either the House or the Senate.
- Provides for a legislative management study of uniform truck permitting. This study was not included in the House or the Senate versions.
- Provides for a moratorium on additional fees for use of county roads assessed by counties and other local authorities. This change was not made by either the House or the Senate.