

**Sixty-third Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 8, 2013**

HOUSE BILL NO. 1278
(Representatives Porter, Carlson)
(Senators Lyson, Wardner)

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

54-17.8-01. Definitions.

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

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

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

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

1. The commission shall use the fund to provide grants to state agencies, tribal governments, political subdivisions, and nonprofit organizations to:
 - a. Provide access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;
 - b. Improve, maintain, and restore water quality, soil conditions, plant diversity, animal systems, and to support other practices of stewardship to enhance farming and ranching;
 - c. Develop, enhance, conserve, and restore wildlife and fish habitat on private and public lands; and
 - d. Conserve natural areas for recreation through the establishment and development of parks and other recreation areas.
2. The commission may not use the fund, in any manner, to finance:
 - a. Litigation;
 - b. Lobbying activities;
 - c. Any activity that would interfere, disrupt, or prevent activities associated with surface coal mining operations; sand, gravel, or scoria extraction activities; oil and gas operations; or other energy facility or infrastructure development;

- d. The acquisition of land or to encumber any land for a term longer than twenty years; or
- e. Projects outside this state or projects that are beyond the scope of defined activities that fulfill the purposes of this chapter.

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

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

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

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

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

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

1. There is created a North Dakota outdoor heritage advisory board consisting of twelve members. The governor shall appoint representatives from each of the groups listed in this section based upon recommendations made by the appropriate group. The advisory board consists of:
 - a. Four members from the agriculture community. The governor shall appoint one member from the North Dakota farm bureau, North Dakota farmers union, the North Dakota stockmen's association, and the North Dakota grain growers association.
 - b. Two members from the energy industry. The governor shall appoint one member from the North Dakota petroleum council and one member from the lignite energy council.
 - c. Four members from the conservation community. The governor shall appoint one member from ducks unlimited of North Dakota, the North Dakota natural resources trust fund, the North Dakota chapter of pheasants forever, and the conservation community at large.
 - d. One member from the business community from the greater North Dakota chamber.
 - e. One member from the North Dakota recreation and park association.
2. The governor also shall appoint to the advisory board one representative from each of the following agencies to serve as ex officio, nonvoting technical members: the department of parks and recreation, the game and fish department, the office of the state forester, and the North Dakota association of soil conservation districts.
3. The term of office of each member of the board is four years and members may not serve more than two consecutive terms. The terms of office commence on the first day of July. The initial terms for the advisory board members must be staggered following a method determined by the board.
4. The advisory board shall select a chairman from among the members. Seven voting members is a quorum at any meeting.

5. The advisory board shall have at least two regular meetings each year and additional meetings as the chairman determines necessary at a time and place to be fixed by the chairman. Special meetings must be called by the chairman on written request of any five members.
6. The advisory board shall recommend to the commission the approval of grants for funding activities that fulfill the purposes of this chapter.
7. Members of the advisory board appointed by the governor serve at the pleasure of the governor.

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

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

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

1. First the tax revenue collected under this chapter equal to one percent of the gross value at the well of the oil and one-fifth of the tax on gas must be deposited with the state treasurer who shall:
 - a. Allocate five hundred thousand dollars per fiscal year to each city in an oil-producing county which has a population of seven thousand five hundred or more and more than two percent of its private covered employment engaged in the mining industry, according to data compiled by job service North Dakota. The allocation under this subdivision must be doubled if the city has more than seven and one-half percent of its private covered employment engaged in the mining industry, according to data compiled by job service North Dakota;
 - b. Credit revenues to the oil and gas impact grant fund, but not in an amount exceeding one hundred million dollars per biennium; ~~and~~
 - c. Credit four percent of the amount available under this subsection to the North Dakota outdoor heritage fund, but not in an amount exceeding fifteen million dollars in a state fiscal year and not in an amount exceeding thirty million dollars per biennium; and
 - d. Allocate the remaining revenues under subsection 3.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-third Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1278.

House Vote: Yeas 48 Nays 44 Absent 2

Senate Vote: Yeas 33 Nays 12 Absent 2

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 2013.

Approved at _____ M. on _____, 2013.

Governor

Filed in this office this _____ day of _____, 2013,

at _____ o'clock _____ M.

Secretary of State