

HOUSE CONCURRENT RESOLUTION NO. 3003

Introduced by

Representatives Froelich, Boe, DeKrey, Kerzman, Mueller

Senator Krauter

1 A concurrent resolution directing the Legislative Council to study taxation of severed mineral
2 interests, including the laws in other states and problems associated with severed mineral
3 interests.

4 **WHEREAS**, orderly development of mineral resources in North Dakota is important to
5 the economy of the state; and

6 **WHEREAS**, landowners must absorb increased costs of updating abstracts if underlying
7 mineral interests have been severed from the surface estate; and

8 **WHEREAS**, for more that 20 years North Dakota has had statutory provisions for
9 termination of unused severed mineral interests and it is uncertain whether the laws are
10 accomplishing their intended purpose; and

11 **WHEREAS**, examination should be undertaken of the effectiveness of laws in other
12 states providing for transfer taxes on severed mineral interests and other methods to
13 discourage fractionalization of severed mineral interests; and

14 **WHEREAS**, fractionalized mineral interests impede and increase costs of mineral
15 leasing and development to the detriment of surface owners, mineral exploration and
16 development companies, mineral and royalty owners, and the public;

17 **NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES**
18 **OF NORTH DAKOTA, THE SENATE CONCURRING THEREIN:**

19 That the Legislative Council study taxation of severed mineral interests, including the
20 laws in other states and problems associated with severed mineral interests; and

21 **BE IT FURTHER RESOLVED**, that the Legislative Council report its findings and
22 recommendations, together with any legislation required to implement the recommendations, to
23 the Sixtieth Legislative Assembly.