

Sixty-first
Legislative Assembly
of North Dakota

HOUSE BILL NO.

Introduced by

Representative Onstad

1 A BILL for an Act to create and enact a new section to chapter 57-51 of the North Dakota
2 Century Code, relating to payments from the surface owner protection fund; to amend and
3 reenact section 57-51-15(1) of the North Dakota Century Code, relating to allocation of oil and
4 gas gross production tax revenues; and to provide an effective date.

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

6 **SECTION 1. AMENDMENT.** Section 57-51-15(1) is amended:

7 1. First the tax revenue collected under this chapter equal to one percent of the gross
8 value at the well of the oil and one-fifth of the tax on gas must be deposited with
9 the state treasurer who shall credit ~~thirty-three~~:

10 a. Thirty-three and one-third percent of the revenues to the oil and gas impact
11 grant fund, but not in an amount exceeding six million dollars per biennium,
12 including any amounts otherwise appropriated for oil and gas impact grants
13 for the biennium by the legislative assembly, ~~and who shall credit the~~:

14 b. Thirty-three and one-third percent of the revenues to the surface owner
15 protection fund, but not in an amount exceeding twelve million dollars per
16 biennium; and

17 c. The remaining revenues to the state general fund.

18 **SECTION 2.** A new section to chapter 57-51 is created:

19 **Surface owner protection fund allocations - Continuing appropriation.** A surface
20 owner who has no ownership interest in the minerals underlying the property is entitled to
21 compensation as provided in this section.

22 1. For each producing oil or gas well on the property of the surface owner, the surface
23 owner is entitled to a payment of one thousand two hundred dollars on each

1 twelve-month anniversary of continuing production from the well which occurs after
2 June 30, 2010.

3 2. To obtain payments under this section, the surface owner shall apply to the tax
4 commissioner on a form provided by the tax commissioner. The surface owner
5 shall provide the information required by the tax commissioner to establish
6 eligibility for the payment from the surface owner protection fund under this section.

7 3. The tax commissioner shall make payments from the surface owner protection
8 fund to eligible surface owners under this section.

9 4. The funds deposited in the surface owner protection fund are provided as a
10 continuing appropriation to the tax commissioner for purposes of making payments
11 as provided in this section.

12 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable events occurring after
13 June 30, 2009.