

**Sixty-sixth Legislative Assembly of North Dakota
In Regular Session Commencing Thursday, January 3, 2019**

SENATE CONCURRENT RESOLUTION NO. 4010
(Senators Bekkedahl, Wardner)
(Representatives Hatlestad, Steiner)

A concurrent resolution directing the Legislative Management to consider studying postproduction deductions from royalty payments.

WHEREAS, total statewide oil production exceeded four hundred twenty million barrels in fiscal year 2018; and

WHEREAS, total oil and gas tax revenue collections exceeded two billions dollars in fiscal year 2018; and

WHEREAS, oil and gas production in the state is estimated to continue for fifty more years; and

WHEREAS, oil and gas development activity has a significant impact on North Dakota's economy; and

WHEREAS, some mineral owners and state agencies have expressed concerns regarding deductions from their royalty payments;

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

That the Legislative Management consider studying postproduction deductions from royalty payments; and

BE IT FURTHER RESOLVED, that the study must include consideration of the methods used to calculate the value of oil and gas, the point of sale used to determine the value, oil and gas sales in the absence of an arm's-length contract, any deductions or incentives applied to the value, and the methods used to report any deductions or incentives on mineral royalty statements; and

BE IT FURTHER RESOLVED, that the study must include input from representatives from the oil and gas industry, representatives from an organization representing royalty owners, the department of mineral resources, the department of trust lands, the attorney general's office, and other state agencies; and

BE IT FURTHER RESOLVED, that the Legislative Management report its findings and recommendations, together with any legislation required to implement the recommendations, to the Sixty-seventh Legislative Assembly.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

Filed in this office this _____ day of _____, 2019,
at _____ o'clock _____ M.

Secretary of State