

**Senate Finance and Taxation Committee**

**Chairman Mark F. Weber**

**January 28, 2025**

**SB 2304**

Chairman Weber and members of the Finance and Taxation Committee:

My name is Patti Jo Hall. I am a Mandan Indian, an enrolled member of Three Affiliated Tribes and a member of the Prairie Chicken Clan (Ciicga). I am also an Allottee with surface and mineral interests on Fort Berthold Indian Reservation and I am a ND tax-paying citizen with the same. My allotted land is held in trust by the United States of America for my sole use and benefit. My deeded land is fee land and I pay property taxes. My family owns and operates a commercial cow-calf operation in Dunn County.

Thank you for this opportunity to testify in support of SB 2304. Currently, there is a lack of transparency and accountability of tax dollars distributed to the governing body of Three Affiliated Tribes. Historical tax revenues have been distributed monthly since the inception of the Oil & Gas Gross Production and Extraction Tax Agreement dating back to 2008. These tax monies are derived from Allottee lands, fee lands and Unallotted lands. The three taxes are: Oil and Gas Gross Production Tax, Oil Extraction Tax and since 2021, the Oil and Gas Straddle Well Tax.

These tax dollars have grown exponentially from September 2008 – January 2025. The revenue from all three taxes collected are broken down as follows (numbers are from the ND State Treasurer website):

Oil and Gas Gross Production Tax: **\$1,446,732,052.25.**

Oil Extraction Tax: **\$1,392,303,611.83.**

Oil & Gas Straddle Well Tax: **\$16,881,830.04.**

The total amount paid to Three Affiliated Tribes is a whopping **\$2,855,917,454.12.**

For the month of January 2025, tax revenues distributed to Three Affiliated Tribes total **\$18,919,577.24.**

This is an astounding amount of money!

For the purpose of comparison and the illustration of the vast lack of transparency and financial accountability of a governing body, namely the Tribal Treasurer, entrusted with the safeguarding of billions of tax dollars on behalf of its tribal members, a perusal of Three Affiliated Tribes website will only show the number of acres owned by American Indians (457,837), enrolled membership (17,492) and how many are employed (1,800). In stark contrast, the State of North Dakota's website allows its citizens to see the Daily Operating Balance (\$4,199,305,359.39 – January 23, 2025) and the North Dakota Legacy Fund's most recent deposit (\$60,167,006.11), and the ability to access data.

Immediate reform measures are needed with the Agreement to hold Three Affiliated Tribes Tribal Business Council accountable to Allottees, enrolled tribal members and North Dakotans. Transparency and financial accountability are needed to stop the continued gift and profligacy. Therefore, I am asking for an

immediate moratorium on historical tax revenues distributed to the governing body of Three Affiliated Tribes. Both Federal and tribal audits need to be conducted to get an accurate reporting of monies received and expended.

If the recommended projected date of August 2025 is used, approximately \$132,437,040.68 will be injected into the tribal coffers based upon the January 2025 calculation of \$18,919,577.24 tax revenue disbursed to Three Affiliated Tribes (amount x 7 months). (Good Bear vs Mark Fox shows an alleged \$1B unaccounted for). Three Affiliated Tribes will still have a continued stream of revenue into the tribal coffers from BTFA, Direct Deposits, Docket Funds, Investments, Section 17 Corporations, JTAC Interest earnings, 638 Contracts, Casino revenue, etc. Through resolutions passed in 2024, this constituted an amount of over a half-billion dollars (\$584,816.00).

**Amendments:** I ask for your consideration to insert language on the following:

Line 11 #1 to read: A tribal governing body and the governor **and a 51% majority controlling beneficial ownership interest holder(s) in a surface allotment or tract of land** enter a new agreement under this chapter;

Line 13 #2 to read: A tribal governing body that enters an agreement under this chapter has submitted to the federal Bureau of Indian Affairs, **the Governor of North Dakota, and tribal membership all required audit reports, both federal and tribal, and responses and findings to audits of all monies collected and disbursed to the tribal governing body under past agreements, to determine the amount of proceeds which were collected on allotted lands and due back to the individual Indian beneficial surface interest landowner(s) of an affected tract(s) of land.** The individual Indian landowners are entitled to a full accounting and return of their full and rightful tax benefit(s).

Thank you for your consideration of SB 2304.

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