

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1080

Page 1, line 20, remove "or the board's assignee"

Page 1, line 21, remove "or the board's assignee"

Page 2, line 1, replace "operator" with "lessee or the lessee's representative or assignee"

Page 2, line 1, remove "or the"

Page 2, line 2, remove "board's assignee"

Page 2, line 2, remove "one hundred fifty days after oil or gas produced under the"

Page 2, line 3, replace "lease is marketed" with "the time prescribed by administrative rule"

Page 2, line 3, replace "operator" with "lessee or the lessee's representative or assignee"

Page 2, line 4, remove "and penalties"

Page 2, line 4, remove "to be no greater than"

Page 2, remove lines 5 through 11

Page 2, line 12, replace "attorney's fees" with "of three quarters of one percent per month, not to exceed nine percent per annum. The commissioner may waive all or a portion of the interest under this subsection for good cause"

Page 2, line 13, after "3." insert "If a lessee or the lessee's representative or assignee fails to respond or refuses to file an amended royalty statement and pay the royalty owed within ninety days of receiving written notice by mail of an underpayment, as provided by rule 4 of the North Dakota Rules of Civil Procedure, the board may impose a penalty of one-half percent per month, not to exceed six percent per annum. A party is deemed to have failed to respond if the party has not responded within ninety days of receipt of the written notice, or the party in response to the notice affirmatively indicates the intent to not pay the royalty or amounts due. The commissioner may waive all or a portion of the interest under this subsection for good cause.

4. If a lessee or the lessee's representative or assignee disputes a royalty assessment or demand by the board, the lessee or the lessee's representative or assignee may tender full payment of the disputed amount under protest any time after an assessment or demand is made by the board. Upon payment of the disputed amount under protest, all interest and penalties must cease to accrue. If it is determined that the payment of the disputed amount resulted in an overpayment, the party that made the payment is entitled to a refund of the overpayment amount plus interest at the rate established under section 28-20-34.
5. If a lessee or the lessee's representative or assignee fails or refuses to comply with demands by the board to pay royalties, interest, or penalties under this chapter, the board may file suit to cancel the lease, recover unpaid royalties, and recover interest and penalties on the unpaid royalties. A lawsuit under this subsection must be commenced within six years of the last day of the calendar month after the month in which the oil

or gas was produced under the lease for which the subject royalties are owed. This subsection applies to royalties due on or after August 1, 2015.

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Renumber accordingly