

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2319

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 57-51.1 of the North Dakota Century Code, relating to wells located outside reservation boundaries; to provide an appropriation; to provide a continuing appropriation; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 57-51.1 of the North Dakota Century Code is created and enacted as follows:

Straddle well distribution - Continuing appropriation.

1. On or before June 1, 2021, and on or before April thirtieth of each subsequent fiscal year, the industrial commission shall certify to the tax commissioner the on-reservation acreage ratio for each reservation with on-reservation spacing unit acreage. The on-reservation acreage ratio is calculated by dividing the on-reservation spacing unit acreage by the total spacing unit acreage. The on-reservation acreage ratio is effective for each fiscal year beginning July first. The tax commissioner shall publish the on-reservation acreage ratio for the fiscal year on or before June first of each fiscal year.
2. The tax commissioner shall certify to the state treasurer the total oil and gas gross production and oil extraction taxes attributable to production from straddle wells. The state treasurer, after distribution to the state general fund under subsection 1 of section 57-51.1-07.5, shall no less than monthly distribute to a tribe with on-reservation spacing unit acreage an amount equal to fifty percent of the taxes certified under this section, multiplied by the on-reservation acreage ratio for that tribe. All such moneys are appropriated to the tribe with on-reservation spacing unit acreage as a continuing appropriation.
3. For purposes of this section:

- a. “Straddle well” means an oil and gas well located outside the exterior boundaries of a reservation which has one or more laterals penetrating a reservation boundary.
- b. “On-reservation spacing unit acreage” means the on-reservation surface acreage from all spacing units with one or more straddle wells.
- c. “Total spacing unit acreage” means the total surface acreage from all spacing units with one or more straddle wells.

SECTION 2. EFFECTIVE DATE. This Act is effective for taxable production beginning after June 30, 2021.

Renumber accordingly