

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 amend and reenact subsection 5 of section 57-51.2-02, relating to wells located outside reservation boundaries; and to provide for application.

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

**SECTION 1. AMENDMENT.** Subsection 5 of section 57-51.2-02 of the North Dakota Century Code is amended and reenacted as follows:

5. The allocation of revenue from oil and gas gross production and oil extraction taxes on the reservation must be as follows:
  - a. Production attributable to trust lands. The tribe must receive eighty percent of the total revenues, and be subject to all applicable exemptions from all oil and gas gross production and oil extraction taxes attributable to production from trust lands on the reservation and on trust properties outside reservation boundaries. The state must receive the remainder.
  - b. All other production. The tribe must receive twenty percent of the total oil and gas gross production and oil extraction taxes collected, and be subject to all applicable exemptions, from all production attributable to nontrust lands on the reservation in lieu of the application of tribal fees and taxes related to production on such lands. The state must receive the remainder.
  - c. Wells located outside the exterior boundaries of the reservation. If a well located outside the boundaries of the reservation has one or more horizontal laterals that penetrate the reservation boundaries and fifty percent or more of the spacing unit's surface acreage is within the boundaries of the reservation, the well is subject to all applicable exemptions and the tribe must receive twenty percent of the total oil and gas gross production and oil extraction taxes attributable to production on nontrust lands.
  - d. The state's share of the oil and gas gross production tax revenue as divided in subdivisions ~~a~~, b, and c is subject to distribution among political subdivisions as provided in chapter 57-51.

**SECTION 2. APPLICATION.** This Act applies to new wells drilled and completed after June 30, 2021."

Renumber accordingly