

## **SB 2311**

Members of the committee. My name is Todd Beard, Senator from Williston District 23. I am here to speak on SB 2311.

The purpose of the bill is to protect landowners that lease property for the purpose of oil and gas activity from an unjust lien filing. When an oil company wants to build a pad for oil and gas development or for the purpose of pipeline construction the company will lease the property from the landowner. The landowner does not have control or authority over the project. Sometimes in the construction of these projects a contractor is hired which may then hire a subcontractor which performs the work. Payment would then come from the oil and gas company and transferred down. At the present time, if a contractor or subcontractor feels unjustly compensated, they can file a lien on the landowner's property. This becomes very problematic for the landowner. There are protections from frivolous liens, however, the landowner would have to retain an attorney to fight the lien. One such lien has been filed on a property owner in Williams County to the amount of \$77,000. The landowner was not involved in the project other than to lease the property. I have heard of liens such as these being filed, but not to the level of this. The intent of this bill is to keep such a lien from being filed in the first place.

Since I filed SB 2311, I have worked with the legislative council and an outside entity to ensure we get this right. Along with my testimony you will find an amendment which strikes out and replaces language in the bill to simplify and clarify the protections desired.

I ask for a Do Pass vote on the amendments and the bill. I will try to answer any questions you may have.

Thank You

Senator Todd Beard