



MANDAN, HIDATSA & ARIKARA NATION

Three Affiliated Tribes * Fort Berthold Indian Reservation
404 Frontage Road New Town, ND 58763
Tribal Business Council

Office of the Chairman
Mark N. Fox

September 17, 2020

The Honorable Senator Terry Wanzek
Chairman, Legislative Management's Budget Section
State Capitol
600 East Boulevard
Bismarck, North Dakota 58505-0360

RE: FY2019 and FY2020 Oil and Gas Tax Revenue – Infrastructure Investment

Dear Chairman Wanzek:

On behalf of the Three Affiliated Tribes, the Mandan, Hidatsa and Arikara Nation (MHA Nation), please accept the attached written testimony for the MHA Nation's fiscal years (October 1 – September 30): 2019, and 2020 (11 months).

In accordance with the 2019 Oil and Gas Tax Agreements Between the Three Affiliated Tribes and State of North Dakota, Section (G)(5), Administration and Management of Records, it states:

The Tribes agree to report annually to the Governor and the budget section of the legislative management regarding tribal investments in essential infrastructure and fees, expenses, and charges the tribe imposes on the oil industry. The report must identify projects totaling investment of at least ten percent of tribal oil and gas gross production and oil extraction tax receipts of the tribe for the preceding fiscal year in essential infrastructure. The presentation of the report to the Governor may form the basis for regular, collaborative discussion between the Governor and the Tribes regarding the Tribes' progress in economic development and remediating impacts from development as well as an opportunity for the Tribes to discuss continued impacts on the Fort Berthold reservation due to the oil and gas development and related unmet needs of the tribal community.

In FY2019, the MHA Nation received \$254.8 million in revenue generated from oil and gas gross production and oil extraction taxes. As stated above, our report identifies infrastructure projects totaling a minimum of ten percent of the total revenue or \$25.48 million.

Project	Amount
Interpretive Center	10.5 million
Twin Buttes Community Building	8.9 million
Sage Coulee Wellness Outreach – North Bismarck	3.6 million
White Shield School	2.5 million
Total	\$25.5 million

In FY2020 (11 months), the MHA Nation received \$188 million in revenue generated from oil and gas gross production and oil extraction taxes. As stated above, our report identifies a couple major infrastructure projects totaling a minimum of ten percent of the total revenue or \$18.8 million.

Project	Amount
Parshall School	6.6 million
Roads Construction and Maintenance	6.3 million
Twin Buttes Community Building	5.0 million
White Shield Community Building	1.3 million
Total	\$19.2 million

The COVID-19 pandemic severely impacted the amount of revenue generated under the Oil and Gas Agreement and the federal government has failed to provide adequate funding to offset our losses. Therefore, while we report 11 months of revenue in FY2020, we do not anticipate a major increase for the last month of this fiscal year.

Sincerely,



Mark N. Fox
Chairman
Tribal Business Council