

Sixty-first  
Legislative Assembly  
of North Dakota

## REENGROSSED HOUSE BILL NO. 1235

Introduced by

Representatives Skarphol, Froseth, Wald

Senators Bowman, O'Connell, Wardner

1 A BILL for an Act to amend and reenact subsection 9 of section 57-51.1-03 of the North Dakota  
2 Century Code, relating to an oil extraction tax rate reduction for horizontal wells; to provide an  
3 effective date; and to declare an emergency.

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

5 **SECTION 1. AMENDMENT.** Subsection 9 of section 57-51.1-03 of the North Dakota  
6 Century Code is amended and reenacted as follows:

7 9. The first seventy-five thousand barrels or the first four million five hundred  
8 thousand dollars of gross value at the well, whichever is less, of oil produced  
9 during the first eighteen months after completion, from a horizontal well drilled and  
10 completed ~~in the Bakken formation after June 30, 2007, and before July 1, 2008~~  
11 April 30, 2009, is subject to a reduced tax rate of two percent of the gross value at  
12 the well of the oil extracted under this chapter. A well eligible for a reduced tax  
13 rate under this subsection is eligible for the exemption for horizontal wells under  
14 subsection 3, if the exemption under subsection 3 is effective during all or part of  
15 the first twenty-four months after completion.

16 **SECTION 2. EFFECTIVE DATE.** This Act is effective for wells drilled and completed  
17 after April 30, 2009.

18 **SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.