

Sixty-first  
Legislative Assembly  
of North Dakota

**SENATE BILL NO.**

Introduced by

Senator O'Connell

1 A BILL for an Act to provide for payment of a share of property taxes on land by the owners of  
2 severed mineral interests if a producing oil or gas well is generating royalty payments to those  
3 owners; and to provide an effective date.

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

5 **SECTION 1. Property tax payments by owners of severed mineral interests**  
6 **receiving oil or gas royalty payments.** The owners of severed mineral interests who are  
7 receiving royalty payments for production of oil or gas, or both, from that mineral interest during  
8 a taxable year shall pay to the county auditor an amount equal to fifty percent of the property  
9 taxes paid or payable on the land overlying the mineral interests for that taxable year. The  
10 owners of severed minerals are jointly and severally liable for the payment required by this  
11 section. All provision of law governing property taxes apply to the payments required by this  
12 section including the discount for early payment of property taxes, deadlines for payment,  
13 penalties, interests, liens, and tax foreclosure. If the mineral interest is subject to tax  
14 foreclosure for failure to make the payments required by this section, the owner of the surface  
15 estate overlying the mineral interests must be given the right of first refusal to acquire the  
16 mineral interests through tax foreclosure. Any amounts collected by the county auditor under  
17 this section shall be paid to the surface owner of the lands overlying the mineral interests as a  
18 refund of property taxes paid.

19 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
20 December 31, 2008.