

SENATE BILL NO. 2312

Introduced by

Senators Kannianen, Wardner

Representative Pollert

1 A BILL for an Act to amend and reenact section 57-51.2-01 and subsection 5 of section
2 57-51.2-02 of the North Dakota Century Code, relating to the allocation of revenue from oil and
3 gas production and oil extraction taxes imposed on production and extraction activity on a
4 reservation in this state; and to provide an effective date.

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

6 **SECTION 1. AMENDMENT.** Section 57-51.2-01 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **57-51.2-01. Authority to enter agreements.**

9 The governor, in consultation with the tax commissioner, may enter separate agreements
10 with the Three Affiliated Tribes, Standing Rock Sioux Tribe, and Turtle Mountain Band of
11 Chippewa Indians, relating to taxation and regulation of oil and gas exploration and production
12 within the exterior boundaries of the Fort Berthold Reservation, that portion of the Standing
13 Rock Sioux Tribe Reservation located in this state, or Turtle Mountain Band of Chippewa
14 Indians Reservation and on trust properties outside reservation boundaries. Each tribal
15 governing body is entitled to enter a separate agreement that conforms with the requirements of
16 this chapter.

17 ~~Each agreement under this chapter is subject to confirmation by a majority of members~~
18 ~~elected to the house of representatives and the senate and does not become effective until its~~
19 ~~confirmation date or the effective date in the agreement, whichever is later. Each agreement~~
20 ~~presented for confirmation must contain an expiration date not more than sixteen years after its~~
21 ~~effective date and the expiration date must be March thirty first of an odd-numbered year.~~

22 **SECTION 2. AMENDMENT.** Subsection 5 of section 57-51.2-02 of the North Dakota
23 Century Code is amended and reenacted as follows:

- 1 5. The allocation of revenue from oil and gas gross production and oil extraction taxes on
2 the reservation must be as follows:
- 3 a. Production attributable to trust lands. ~~All~~The tribe must receive eighty percent of
4 the total revenues, and be subject to all applicable exemptions from all oil and
5 gas gross production and oil extraction taxes attributable to production from trust
6 lands on the reservation and on trust properties outside reservation boundaries
7 ~~must be evenly divided between the tribe and the state.~~ The state must receive
8 the remainder.
- 9 b. All other production. The tribe must receive ~~fifty~~twenty percent of the total oil and
10 gas gross production and oil extraction taxes collected, and be subject to all
11 applicable exemptions, from all production attributable to nontrust lands on the
12 reservation in lieu of the application of tribal fees and taxes related to production
13 on such lands. The state must receive the remainder.
- 14 c. The state's share of the oil and gas gross production tax revenue as divided in
15 subdivisions a and b is subject to distribution among political subdivisions as
16 provided in chapter 57-51.

17 **SECTION 3. EFFECTIVE DATE.** This Act is effective for all new oil and gas wells on which
18 drilling first commences after June 30, 2019, and which are the subject of an agreement
19 authorized under this chapter, or the first day of the next succeeding month after the date an
20 agreement authorized under this chapter is executed, whichever occurs later.