

Introduced by

Senators Bekkedahl, Wardner

Representatives Hatlestad, Steiner

1 A concurrent resolution directing the Legislative Management to consider studying
2 postproduction deductions from royalty payments.

3 **WHEREAS**, total statewide oil production exceeded four hundred twenty million barrels in
4 fiscal year 2018; and

5 **WHEREAS**, total oil and gas tax revenue collections exceeded two billions dollars in fiscal
6 year 2018; and

7 **WHEREAS**, oil and gas production in the state is estimated to continue for fifty more years;
8 and

9 **WHEREAS**, oil and gas development activity has a significant impact on North Dakota's
10 economy; and

11 **WHEREAS**, some mineral owners and state agencies have expressed concerns regarding
12 deductions from their royalty payments;

13 **NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF NORTH DAKOTA, THE**
14 **HOUSE OF REPRESENTATIVES CONCURRING THEREIN:**

15 That the Legislative Management consider studying postproduction deductions from royalty
16 payments; and

17 **BE IT FURTHER RESOLVED**, that the study must include consideration of the methods
18 used to calculate the value of oil and gas, the point of sale used to determine the value, oil and
19 gas sales in the absence of an arm's-length contract, any deductions or incentives applied to
20 the value, and the methods used to report any deductions or incentives on mineral royalty
21 statements; and

22 **BE IT FURTHER RESOLVED**, that the study must include input from representatives from
23 the oil and gas industry, representatives from an organization representing royalty owners, the
24 department of mineral resources, the department of trust lands, the attorney general's office,
25 and other state agencies; and

- 1 **BE IT FURTHER RESOLVED**, that the Legislative Management report its findings and
- 2 recommendations, together with any legislation required to implement the recommendations, to
- 3 the Sixty-seventh Legislative Assembly.