

Sixty-eighth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2194

Introduced by

Senators Patten, Bekkedahl, Kannianen

Representatives Longmuir, J. Olson, Timmons

1 A BILL for an Act to create and enact a new section to chapter 4.1-01, and a new subsection to
2 section 54-44.4-05 of the North Dakota Century Code, relating to a post-production royalty
3 oversight program, and to procurement exemptions; and to provide an appropriation.

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

5 **SECTION 1.** A new section to chapter 4.1-01 of the North Dakota Century Code is created
6 and enacted as follows:

7 **Post-production royalty oversight program.**

- 8 1. The commissioner shall establish a program providing technical assistance and
9 support to mineral owners, lease owners, and mineral companies relating to royalty
10 payment issues.
- 11 2. The commissioner may contract for ombudsmen to be a resource for technical
12 assistance and followup on royalty payment issues.
- 13 3. The program may provide technical education, support, and outreach on royalty
14 payment related matters in coordination with other entities.
- 15 4. The commissioner may contract with local individuals, deemed trustworthy by the
16 mineral owners, lease owners, and mineral companies, to be ombudsmen. The
17 commissioner is not subject to the provisions of chapter 54-44.4 when contracting for
18 the services of ombudsmen.
- 19 5. The names of mineral owners, lease owners, and mineral companies that receive
20 assistance under the program are not subject to section 44-04-18 and section 6 of
21 article XI of the Constitution of North Dakota.
- 22 6. The commissioner shall submit expenses related to the implementation of the program
23 to the industrial commission for reimbursement.

1 **SECTION 2.** A new subsection to section 54-44.4-05 of the North Dakota Century Code is
2 created and enacted as follows:

3 Contracts for ombudsmen by the agriculture commissioner, related to post-production
4 royalty technical assistance under chapter 15-02.

5 **SECTION 3. APPROPRIATION - DEPARTMENT OF AGRICULTURE - ROYALTY**

6 **OVERSIGHT PROGRAM.** There is appropriated out of any moneys in the general fund in the
7 state treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may
8 be necessary, to the ombudsman program fund for the purpose of implementing a post-
9 production royalty oversight program, for the biennium beginning July 1, 2023, and ending
10 June 30, 2025.