

Introduced by

Senator Kannianen

1 A BILL for an Act to amend and reenact subsection 1 of section 57-51.2-02 of the North Dakota
2 Century Code, relating to oil and gas agreements; to provide for application; and to provide a
3 contingent expiration date.

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

5 **SECTION 1. AMENDMENT.** Subsection 1 of section 57-51.2-02 of the North Dakota
6 Century Code is amended and reenacted as follows:

7 1. The only taxes subject to agreement are the state's oil and gas gross production and
8 oil extraction taxes attributable to production from wells located within the exterior
9 boundaries of the reservation and wells located on trust properties outside reservation
10 boundaries. For purposes of this chapter, ~~"trust:~~

11 a. "Trust properties outside reservation boundaries" means land in this state located
12 outside the exterior boundaries of a reservation which are held in trust by the
13 United States for any Indian tribe or owned by an Indian tribe or tribal member
14 subject to a restriction against alienation imposed by the United States.

15 b. "Wells located within the exterior boundaries of the reservation" includes wells
16 with one or more horizontal laterals that penetrate the reservation.

17 **SECTION 2. APPLICATION.** This Act applies to agreements entered after July 31, 2021.

18 **SECTION 3. CONTINGENT EXPIRATION DATE.** This Act is effective through June 30,
19 2023, and after that date is ineffective, unless by that date the governor's office notifies the tax
20 commissioner and legislative council that an agreement under chapter 57-51.2 has been
21 entered with the governing body of a tribe in this state and, pursuant to that agreement, at least
22 one new oil and gas well on which drilling commences after July 31, 2021, situated within the
23 exterior boundaries of the reservation to which the agreement applies, has a horizontal lateral
24 that extends to federal land located outside the exterior boundaries of the reservation.