

SENATE BILL NO. 2373

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.**

6 **Property tax payments by owners of severed mineral interests receiving oil or gas**
7 **royalty payments.**

8 An owner of severed mineral interests who is receiving royalty payments for production of
9 oil or gas, or both, from that mineral interest during a taxable year shall pay to the county
10 auditor an amount equal to fifty percent of the property taxes paid or payable on the land, not
11 including any improvements overlying the mineral interests for that taxable year. The owners of
12 severed minerals are jointly and severably liable for the payment required by this section. All
13 provisions of law governing property taxes apply to the payments required by this section
14 including the discount for early payment of property taxes, deadlines for payment, penalties,
15 interest, liens, and tax foreclosure. If the mineral interest is subject to tax foreclosure for failure
16 to make the payments required by this section, the owner of the surface estate overlying the
17 mineral interests must be given the right of first refusal to acquire the mineral interest through
18 tax foreclosure. Any amounts collected by the county auditor under this section shall be paid to
19 the surface owner of the lands overlying the mineral interests as a refund of property taxes paid.

20 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
21 December 31, 2014.