

February 24, 2015

PROPOSED AMENDMENTS TO SENATE BILL NO. 2377

Page 1, line 1, after "to" insert "create and enact section 57-61-01.9 of the North Dakota Century Code, relating to severance tax for leonardite; and to"

Page 1, line 1, after "reenact" insert "section 1-01-40, subsection 7 of section 38-12-01,"

Page 1, line 7, remove the first "and"

Page 1, line 8, after "38-14.1-37" insert ", and section 47-10-24"

Page 1, after line 10, insert:

"SECTION 1. AMENDMENT. Section 1-01-40 of the North Dakota Century Code is amended and reenacted as follows:

1-01-40. Coal - Definition.

Wherever the word "coal" appears in the laws of this state, or in the resolutions of the legislative assembly, it means all kinds of coal, and includes what is known as lignite coal and leonardite, unless a contrary intention plainly appears or is otherwise defined."

SECTION 2. AMENDMENT. Subsection 7 of section 38-12-01 of the North Dakota Century Code is amended and reenacted as follows:

7. "Subsurface minerals" means all naturally occurring elements and their compounds, leonardite, volcanic ash, precious metals, carbonates, and natural mineral salts of boron, bromine, calcium, fluorine, iodine, lithium, magnesium, phosphorus, potassium, sodium, thorium, uranium, and sulfur, and their compounds, but does not include sand and gravel and rocks crushed for sand and gravel."

Page 2, line 6, remove "or leonardite"

Page 2, line 8, remove "or leonardite"

Page 2, line 23, remove "or leonardite"

Page 2, line 29, remove "or leonardite"

Page 3, line 12, remove "or leonardite"

Page 4, line 5, remove "or leonardite"

Page 4, line 8, remove "or"

Page 4, line 9, remove "leonardite"

Page 4, line 18, remove "or leonardite"

Page 4, line 26, remove "leonardite"

Page 5, line 7, remove the second "or"

Page 5, line 8, remove "leonardite"

Page 5, line 12, remove "or leonardite"

Page 6, line 3, remove "or leonardite"

Page 7, line 5, after "coal" insert "or leonardite"

Page 13, after line 21, insert:

"SECTION 17. AMENDMENT. Section 47-10-24 of the North Dakota Century Code is amended and reenacted as follows:

47-10-24. Description and definition of minerals in leases and conveyances.

1. All conveyances of mineral rights or royalties in real property in this state, excluding leases, shall be construed to grant or convey to the grantee thereof all minerals of any nature whatsoever except those minerals specifically excluded by name in the deed, grant, or conveyance, and their compounds and byproducts, but shall not be construed to grant or convey to the grantee any interest in any gravel, clay, or scoria unless specifically included by name in the deed, grant, or conveyance.

No

2. ~~Except as provided in subsection 3, a lease of mineral rights in this state shall may not~~ be construed as passing any interest to any minerals except those minerals specifically included and set forth by name in the lease. For the purposes of this ~~paragraph~~ subsection, the naming of either a specific metalliferous element, or nonmetalliferous element, and if so stated in lease, shall be deemed to include all of its compounds and byproducts, and in the case of oil and gas, all associated hydrocarbons produced in a liquid or gaseous form so named shall be deemed to be included in the mineral named. The use of the words "all other minerals" or similar words of an all-inclusive nature in any lease shall not be construed as leasing any minerals except those minerals specifically named in the lease and their compounds and byproducts.

3. Any conveyance or lease of coal in this state grants, conveys, or leases to the grantee any leonardite in the same real property, unless leonardite is excluded by name. This subsection applies to every conveyance or lease of coal in this state, regardless of when the conveyance or lease was or is made.

SECTION 18. Section 57-61-01.9 of the North Dakota Century Code is created and enacted as follows:

57-61-01.9. Severance tax on leonardite in lieu of sales and use taxes.

A tax of twenty-five cents per ton of two thousand pounds [907.18 kilograms] is imposed on all leonardite severed for sale or for industrial purposes within this state. A mine operator shall remit the tax for each month within twenty-five days after the end of each month to the state tax commissioner. The mine operator shall submit the tax with any report or any form required by the state tax commissioner."

Renumber accordingly