

**TAX COLLECTION AGREEMENT BETWEEN THE STANDING ROCK  
SIOUX TRIBE AND THE OFFICE OF THE STATE TAX COMMISSIONER  
OF THE STATE OF NORTH DAKOTA**

This Agreement, dated December 1, 1998, by and between the Standing Rock Sioux Tribe and the Office of the State Tax Commissioner of the State of North Dakota;

WHEREAS, the Standing Rock Sioux Tribe (hereinafter referred to as the Tribe) has jurisdiction to tax transactions involving Indians on the North Dakota portion of the Standing Rock Sioux Reservation; and

WHEREAS, the State of North Dakota has jurisdiction to tax certain transactions involving non-Indians on the North Dakota portion of the Standing Rock Sioux Reservation; and

WHEREAS, the Tribe may, under Title 16, Chapter 9, of the Standing Rock Sioux Tribe Code of Justice, enter into tax collection agreements with the State; and

WHEREAS, the Office of the State Tax Commissioner is authorized pursuant to N.D.C.C. Chapter 54-40.2 to enter into agreements with Indian Tribes;

NOW, THEREFORE, in order to implement effectively their respective tax jurisdiction, enforce their respective tax laws, and derive therefrom revenues to be expended for public purposes, the parties agree as follows:

1. **Collection of Tribal Taxes.**

The Office of the State Tax Commissioner hereby agrees that it will collect and administer as a contractor the following tribal taxes providing they remain substantially similar to the corresponding state taxes:

Code of Justice, Title 16  
Motor Fuel Tax and Special Fuels Tax  
North Dakota Portion

The Office of the State Tax Commissioner is responsible for administration and collection only. The Tribe retains the exclusive jurisdiction and tax authority to file and prosecute civil and criminal enforcement actions as needed with respect to the tribal taxes, pursuant to Tribal and Federal laws.

2. **Effective Date of Tribal Taxes.**

The Office of the State Tax Commissioner and the Standing Rock Sioux Tribe agree that the effective date shall be *January 1, 1998* for the collection of taxes on motor fuels.

3. **Remittance of Tax Proceeds.**

- a. The Office of the State Tax Commissioner agrees to remit to the Tribe, as a tribal share of revenues collected, an amount equal to seventy-five percent of the total proceeds collected on the North Dakota portion of the Reservation from the tribal taxes subject to this Agreement and the corresponding State taxes. The amount to be distributed to the Tribe is based upon the population demographics of the last United States census. This amount may be changed at the request of either party

based upon any subsequent census that is approved by the United States Census Bureau, or other data agreed upon by the parties.

- b. The Office of the State Tax Commissioner may retain, as an administrative fee for its services in collecting the tribal taxes, one percent of the payment specified in subsection a.
- c. The payment specified in subsection a, less the administrative fee specified in subsection b, shall be remitted to the Tribe on a monthly basis within thirty days from the end of the calendar month during which the collection occurs. Unless otherwise requested in writing by the Tribe, the remittance shall be by state warrant issued by the State Treasurer, payable to the order of the Standing Rock Sioux Tribe.
- d. The State Tax Commissioner shall furnish the Tribe with a breakdown of the source of the revenue payment specified in subsection c on a monthly basis within thirty days from the end of the calendar month during which the collection occurred.

4. **Notification of Changes in Tax Statutes.**

- a. The Office of the State Tax Commissioner will keep the Tribe advised of pending proposed changes to the state taxes corresponding to the tribal taxes covered by this Agreement. In addition, the Office of the State Tax Commissioner will give the Tribe written notice of any enacted changes to these taxes and in the notice will specify which changes would, in the view of the Office of the State Tax Commissioner, result in the affected tribal tax ceasing to be substantially similar to the corresponding state tax if the tribal tax is not amended.

- b. The Tribe will notify the Office of the State Tax Commissioner in writing of any changes enacted to the tribal taxes covered by this Agreement. If requested to do so by the Tribe, the Office of the State Tax Commissioner will review any proposed change to a tribal tax covered by this Agreement in advance and advise the Tribe whether the change, if enacted, would, in the view of the Office of the State Tax Commissioner, result in the tribal tax ceasing to be substantially similar to the corresponding state tax.

**5. Duration and Termination.**

- a. Upon the effective date, this Agreement shall remain in effect indefinitely, unless terminated pursuant to this section.
- b. This Agreement shall terminate immediately as to any tribal tax upon the repeal of that tax by the Tribe.
- c. If at any time a tribal tax is amended so that it ceases to be substantially similar to the corresponding state tax, the Office of the State Tax Commissioner may terminate the Agreement as it pertains to that tax, by written notice to the Tribe.
- d. If the state tax is amended so that it ceases to be substantially similar to the tribal tax, the Tribe shall, within 30 days of receiving notification of the amended state tax, either 1) amend the tribal tax to restore substantial similarity, or 2) notify the State Tax Commissioner that this Agreement is terminated as to that tax.
- e. Either party may terminate this Agreement without cause and without liability, except as to any amounts collected and due to either party, upon thirty days written notice to the other party.

- f. In the event of termination of this Agreement, the Office of the State Tax Commissioner shall notify each known taxpayer affected by the termination, by first class mail, sent on or before the date the next payment is due, that it is no longer collecting under this Agreement and the taxpayer should no longer remit to it, the affected tribal tax or taxes.

**6. Amendments and Waiver.**

This Agreement may not be modified or amended, nor any compliance with any provision hereof be waived except by an instrument or instruments in writing signed by the party against whom enforcement of any the modification, amendment or waiver is sought.

**7. Address for Notice.**

- a. Notice and payment required to be sent to the Tribe under this Agreement shall be sent to:

Chairperson  
Standing Rock Sioux Tribe  
Fort Yates, North Dakota 58538

- b. Notice required to be sent to the Office of the State Tax Commissioner under this Agreement shall be sent to:

Office of State of Tax Commissioner  
State of North Dakota  
State Capitol  
Bismarck, North Dakota 58505-0599

- c. Either party may change its notice address by giving written notice of the change to the other party.

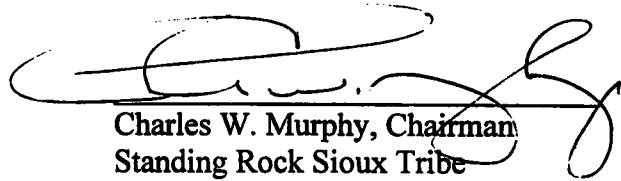
**8. Exemption for Tribal Vehicles.**

Motor vehicle fuel and special fuel used in a vehicle owned or leased by the Tribe and used for governmental purposes shall be exempt from motor vehicle fuel and special fuel taxes, and any tax paid on motor vehicle fuel or special fuel for such vehicles shall be refunded to the Tribe by the Office of the State Tax Commissioner.

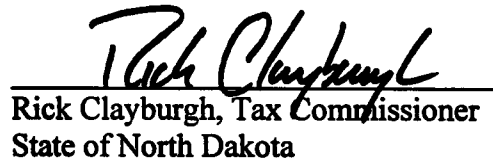
IN WITNESS WHEREOF, the Tribe and the Office of the State Tax Commissioner for the State of North Dakota have caused this Agreement to be executed and delivered by its respective officers, duly authorized.

Dated this 1st day of December, 1998.

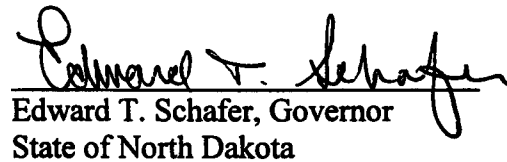
10-29-98  
Date

  
Charles W. Murphy, Chairman  
Standing Rock Sioux Tribe

11-30-98  
Date

  
Rick Clayburgh, Tax Commissioner  
State of North Dakota

Approved pursuant to N.D.C.C. Section 54-40.2-40 this 1 day of Dec, 1998.

  
Edward T. Schafer, Governor  
State of North Dakota