

TRIBAL GOVERNMENT

March 7, 2025

Senator Grant Hauschild Assistant Majority Leader Minnesota Senate 3111 Minnesota Senate Bldg. St. Paul, MN 55155

Senator Ann Rest President Pro Tem Chair, Taxes Committee Minnesota Senate 328 Capitol St. Paul, MN 55155

Representative Greg Davids Chair, Taxes Committee Minnesota House of Representatives 2nd Floor Centennial Office Building 658 Cedar Street St. Paul, MN 55155

Re: Distribution of Tax Proceeds from Gas & Oil Extraction

Boozhoo Senator Grant Hauschild, Senator Rest, and Representative Davids,

On behalf of the Bois Forte Reservation Tribal Council ("RTC"), the governing body of the Bois Forte Band of Chippewa (the "Band"), I write to respectfully request that the Band be included in the formula to receive portion of tax dollars generated through gas and oil extraction within Minnesota through legislation adopted this Session.

As you know, in the spring of 2024, the State of Minnesota passed legislation authorizing state agencies to adopt rules governing gas and oil exploration within Minnesota. The legislation was in response to increasing public attention on an underground helium deposit near Babbitt, Minnesota, that is believed to extend across present-day northeastern Minnesota. The legislation also established the State's Gas Resources Technical Advisory Committee ("GTAC"), which in December 2024 circulated to the Band a series of draft recommendations and statutory language for permitting gas resource development under a temporary regulatory framework. The GTAC

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recommendations include a framework for taxation of gas extraction that does not address distribution of tax proceeds.

The Band, along with the Fond du Lac Band of Lake Superior Chippewa and the Grand Portage Band of Lake Superior Chippewa (collectively, the "1854 Bands"), are signatories to the Treaty of September 30, 1854, under which they ceded ownership of approximately 6.2 million acres of land (the "1854 Ceded Territory") that encompasses the helium deposit. Through the Treaty, the 1854 Bands reserved, among other things, the right of the Bands and their members to hunt, fish, and gather within the 1854 Ceded Territory for their livelihood in perpetuity. *See* 1854 Treaty of La Point, 10 Stat. 1109, Art. 11 ("1854 Treaty"); *Minnesota v. Mille Lacs Band of Chippewa Indians*, 526 U.S. 172, 184 (1999) (noting "the 1854 Treaty established new hunting and fishing rights in the territory ceded by the Treaty"). The reservation of these inherent rights reflected the vital importance of subsistence hunting, fishing, trapping, and gathering to the 1854 Bands and their people.

Although the Band continues to regulate and exercise its treaty-reserved rights within the 1854 Ceded Territory, those rights have become increasingly undermined over time. First, most of the lands the Bands originally ceded are no longer part of the federal estate or have been closed to motorized access. Indeed, a mere 19% of the original 6.2 million acres in the 1854 Ceded Territory remain accessible to Band members and in federal ownership, which makes the Bands' exercise of their treaty rights today far more constrained than when the Bands ceded their lands over 150 years ago. Second, there is evidence of continuing negative impacts on Treaty resources in the 1854 Ceded Territory due to extractive activities, climate change, and other factors. Fish consumption advisories due to air and other pollution continue to curtail Band member fish harvesting in the 1854 Ceded Territory. The moose population also continues to decline, impacting Band members who rely on moose as a healthy, subsistence food and on moose hunts as a vital cultural tradition. Additionally, monitoring by the 1854 Treaty Authority indicates a general downward trend in manoomin (wild rice) biomass for sampled waters within the 1854 Ceded Territory.

Any tax distribution framework for gas and oil extraction must include the Band. Notably, under current state law, the Band receives no portion of any severance tax or Occupation Tax for extraction activities in the 1854 Ceded Territory. Distributing a portion of proceeds generated from gas and oil extraction to the Band would not only recognize the significant impacts that extractive activities have had on the Band's exercise of treaty rights, but would also provide the Band with critically-needed funding to address impacts on treaty resources. Simply put, this funding would be a game-changer for Bois Forte.

We appreciate your consideration and look forward to continued discussions on this important matter.

Chi Miigwech,

-DocuSigned by: Shone Dri

Shane Drift Vice-Chairman Bois Forte Reservation Tribal Council

 cc. Senator Bobby Joe Champion, President of the Senate, Minnesota Senate Senator Erin Murphy, Majority Leader, Minnesota Senate Senator Mark Johnson, Minority Leader, Minnesota Senate
Rep. Lisa Demuth, Speaker of the House, Minnesota House of Representatives
Rep. Harry Niska, House Majority Leader, Minnesota House of Representatives
Rep. Melissa Hortman, DFL Leader, Minnesota House of Representatives