

Sixty-first
Legislative Assembly
of North Dakota

Introduced by

(At the request of the Department of Commerce)

1 A BILL for an Act to amend and reenact subsection 11 of section 57-60-01 and subsection
2 2 of section 57-60-02 of the North Dakota Century Code, relating to the definition of
3 repowering and the imposition of taxes on coal conversion facilities.

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

5 **SECTION 1. AMENDMENT.** Subsection 2 of section 57-60-02 of the North Dakota
6 Century Code is amended and reenacted as follows.

7 11. "Repowering" means an investment of more than two hundred million dollars
8 or one million dollars per megawatt of installed nameplate capacity,
9 whichever is less, in an existing power plant that modifies or replaces the
10 process used for converting coal ~~from~~ in its natural form or beneficiated coal
11 into electric power.

12 **SECTION 2. AMENDMENT.** Subsection 2 of section 57-60-02 of the North Dakota
13 Century Code is amended and reenacted as follows.

14 2. For electrical generating plants, the tax is at a rate of sixty-five one-
15 hundredths of one mill times sixty percent of the installed capacity of each
16 unit times the number of hours in the taxable period. All electrical energy
17 generating plants ~~plants~~ units that begin construction or complete repowering are
18 exempt from eighty-five percent of the tax imposed by this subsection for five
19 years from the date of the first taxable production or from the date of the first
20 taxable production after repowering from the ~~plant~~ unit. The board of county
21 commissioners may, by resolution, grant to the operator of an electrical

1 generating plant located within the county partial or complete exemption
2 from the remaining fifteen percent of the tax imposed by this subsection for a
3 period not exceeding five years from the date of the first taxable production
4 or from the date of the first taxable production after repowering from the
5 ~~plant~~ unit. If a board of county commissioners grants a partial or complete
6 exemption for a specific coal conversion facility under this subsection, the
7 provisions of subsection 2 of section 57-60-14 do not apply as that
8 subsection relates to revenue from the specific unit of the coal conversion
9 facility for which the partial or complete exemption has been granted.
10 Notwithstanding section 57-60-14, any tax collected from a ~~plant~~ unit subject
11 to the exemption provided by this subsection must be allocated entirely to
12 the county for allocation as provided in section 57-60-15. If a unit is
13 incapable of generating electricity for eighteen consecutive months, the tax
14 on that unit for taxable periods beginning after the eighteenth month must be
15 reduced by the ratio that the cost of repair of the unit bears to the original
16 cost of the unit. This reduced rate remains in effect until the unit is capable
17 of generating electricity.