

February 8, 2007

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1462

Page 1, line 2, replace "distributing" with "gathering", remove "shallow", and after "gas" insert "and materials used in the construction or expansion of a refinery"

Page 1, line 5, remove "and"

Page 1, line 6, after "revisions" insert "; to provide for a department of commerce study; and to provide for a report to the legislative council"

Page 1, line 17, replace "help slow increases in" with "address" and after "warming" insert "issues"

Page 1, line 18, after the fifth underscored comma insert "carbon recycling, carbon sequestration, use of waste heat, recycling, low-emission technologies that create or use hydrogen,"

Page 1, line 22, replace "**distributing**" with "**gathering**" and remove "**shallow**"

Page 2, line 2, replace "distributing" with "gathering" and remove "shallow"

Page 2, line 3, after "state" insert "or used to expand or build a gas-processing facility in this state"

Page 2, remove lines 11 and 12

Page 2, line 13, replace "4." with "3."

Page 2, after line 14, insert:

"SECTION 3. Sales and use tax exemption for materials used in construction or expansion of an oil refinery.

1. Gross receipts from sales of tangible personal property used in expanding or constructing an oil refinery that has a nameplate capacity of processing at least five thousand barrels of oil per day in this state are exempt from taxes under chapter 57-39.2.
2. The owner of the tangible personal property must apply to the tax commissioner for a refund of sales and use taxes paid by any contractor, subcontractor, or builder for which the sales or use is claimed as exempt under this section. Application for a refund must be made at the times and in the manner directed by the tax commissioner and must include sufficient information to permit the tax commissioner to verify the sales and use taxes paid and the exempt status of the sale or use.
3. Chapters 57-39.2 and 57-40.2 apply to the exemption under this section."

Page 3, after line 24, insert:

"SECTION 6. NORTH DAKOTA ENERGY INDEPENDENCE INITIATIVE - REPORT TO LEGISLATIVE COUNCIL. During the 2007-08 interim, the department of commerce shall convene an energy independence council for the purpose of developing a comprehensive energy policy for the state that addresses:

1. The policy of this state to stimulate the development of renewable and traditional fossil-based energy within the state with the goal of providing secure, diverse, sustainable, and competitive energy supplies that can be produced and secured within the state to assist the nation in reducing its dependence on foreign energy sources.
2. The policy of this state to promote the development of new technologies, provide innovative opportunities, create additional employment and wealth that contributes to economic development, and decrease dependence on foreign energy supplies.
3. Growth of the fossil fuel and renewable energy industries within this state to encourage the state's competitiveness for both the domestic and export markets.
4. The assistance the state provides in research, development, and marketing of North Dakota-produced energy sources, including biodiesel, biomass, coal, ethanol, geothermal, hydroelectric, hydrogen, natural gas, oil, solar, and wind.
5. The need to:
 - a. Expand the use of existing energy resources such as coal, oil, gas, wind, and hydropower by supporting continued research and development of technologies designed to enhance the use of traditional fuels.
 - b. Examine ways to diversify the state's energy resource base by encouraging the growth of renewable sources such as wind, biomass, geological, solar, and water.
 - c. Evaluate existing tax credits and incentives for all energy resources.
 - d. Modernize and expand the state's energy infrastructure to ensure that energy supplies can be safely, reliably, and affordably transported to homes and businesses.
 - e. Examine potential innovations that will be necessary to improve environmental conditions through the use of new technologies designed to encourage the continued use of fossil fuel as well as renewable resources.
 - f. Review energy industry workforce and training needs and educational opportunities to enhance the future productivity of the energy industry.
 - g. Develop a strategy to maximize the state's market opportunities in regional and global markets.

The energy independence council consists of the commissioner of commerce, a member appointed by the agriculture commissioner, a representative recommended by the lignite energy council and appointed by the governor, a representative recommended by the North Dakota petroleum council and appointed by the governor, a member from the biodiesel industry appointed by the governor, a member from the biomass industry appointed by the governor, a member from the wind industry appointed by the governor, and a member from the ethanol industry appointed by the

governor. The commissioner of commerce is chairman of the energy independence council. The energy independence council shall report to the legislative council during the 2007-08 interim on the progress of and results from the North Dakota energy independence initiative."

Renumber accordingly