

Introduced by

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

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

5 **SECTION 1. AMENDMENT.** Subsection 11 of section 57-60-01 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 or
8 one million dollars per megawatt of installed nameplate capacity, whichever is less,
9 in an existing power plant that modifies or replaces the process used for converting
10 coal ~~from~~ in its natural form or beneficiated coal into electric power.

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

13 2. For electrical generating plants, the tax is at a rate of sixty-five one-hundredths of
14 one mill times sixty percent of the installed capacity of each unit times the number
15 of hours in the taxable period. All electrical energy generating ~~plants~~ units that
16 begin construction or complete repowering are exempt from eighty-five percent of
17 the tax imposed by this subsection for five years from the date of the first taxable
18 production or from the date of the first taxable production after repowering from the
19 ~~plant~~ unit. The board of county commissioners may, by resolution, grant to the
20 operator of an electrical generating plant located within the county partial or
21 complete exemption from the remaining fifteen percent of the tax imposed by this
22 subsection for a period not exceeding five years from the date of the first taxable
23 production or from the date of the first taxable production after repowering from the
24 ~~plant~~ unit. If a board of county commissioners grants a partial or complete

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

12 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable events occurring after
13 June 30, 2009.