

HOUSE BILL NO. 1458

Introduced by

Representative Nehring

1 A BILL for an Act to create and enact a new section to chapter 57-33.2 of the North Dakota
2 Century Code, relating to grants for grid reliability and resiliency resources; to amend and
3 reenact section 57-06-14.1, subsection 1 of section 57-33.2-04, and section 57-33.2-18 of the
4 North Dakota Century Code, relating to a supplemental wind generation tax; to provide a
5 continuing appropriation; and to provide an effective date.

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

7 **SECTION 1. AMENDMENT.** Section 57-06-14.1 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **57-06-14.1. Taxation of centrally assessed wind turbine electric generators.**

- 10 1. A centrally assessed wind turbine electric generation unit with a nameplate generation
11 capacity of one hundred kilowatts or more on which construction is completed before
12 January 1, 2015, is subject to tax as provided in subdivision c of subsection 1 of
13 section 57-33.2-04 and must be valued at three percent of assessed value to
14 determine taxable valuation of the property except:
- 15 a. A centrally assessed wind turbine electric generation unit with a nameplate
16 generation capacity of one hundred kilowatts or more, for which a purchased
17 power agreement was executed after April 30, 2005, and before January 1, 2006,
18 and construction was completed after April 30, 2005, and before July 1, 2006,
19 must be valued at one and one-half percent of assessed value to determine
20 taxable valuation of the property; and
- 21 b. A centrally assessed wind turbine electric generation unit with a nameplate
22 generation capacity of one hundred kilowatts or more, on which construction is
23 completed after June 30, 2006, and before January 1, 2015, must be valued at

1 one and one-half percent of assessed value to determine taxable valuation of the
2 property.

3 2. A centrally assessed wind turbine electric generation unit with a nameplate generation
4 capacity of one hundred kilowatts or more, on which construction is completed after
5 December 31, 2014, or which is twenty years or more from the date of first
6 assessment, is subject to taxes in lieu of property taxes, to be determined as provided
7 in subsection 1 of section 57-33.2-04 and subject to any associated administrative
8 provisions of chapter 57-33.2.

9 **SECTION 2. AMENDMENT.** Subsection 1 of section 57-33.2-04 of the North Dakota
10 Century Code is amended and reenacted as follows:

- 11 1. Wind generators, wind farms, and associated collector systems are subject to taxes
12 consisting of the following ~~two~~three components:
- 13 a. A tax of two dollars and fifty cents per kilowatt times the rated capacity of the
14 wind generator.
- 15 b. A tax of one-half of one mill per kilowatt-hour of electricity generated by the wind
16 generator during the taxable period.
- 17 c. A tax equal to fifty percent of the production tax credit received under section 45
18 of the federal Internal Revenue Code [26 U.S.C. 45] by the wind facility in this
19 state, for facilities that begin production after December 31, 2020.

20 **SECTION 3. AMENDMENT.** Section 57-33.2-18 of the North Dakota Century Code is
21 amended and reenacted as follows:

22 **57-33.2-18. Deposit of revenue - Report to treasurer.**

- 23 1. The commissioner shall transfer to the state treasurer, for deposit in the general fund,
24 thirty-three percent of the revenue collected under subdivisions a and b of
25 subsection 1 of section 57-33.2-04 for wind projects that:
- 26 a. Begin initial construction after December 31, 2020.
- 27 b. Have been in operation for twenty years or more from the date of first
28 assessment, whether initially taxed under section 57-06-14.1 or 57-33.2-04.
- 29 2. The commissioner shall transfer to the state treasurer, for deposit in the grid reliability
30 and resiliency fund, all revenue collected under subdivision c of subsection 1 of
31 section 57-33.2-04.

1 3. The commissioner shall transfer the remaining revenue collected under this chapter to
2 the state treasurer for deposit in the electric generation, transmission, and distribution
3 tax fund. With each transfer under this ~~section~~subsection, the commissioner shall
4 provide a report showing the information necessary for the state treasurer to allocate
5 the revenue under section 57-33.2-19.

6 **SECTION 4.** A new section to chapter 57-33.2 of the North Dakota Century Code is created
7 and enacted as follows:

8 **Grid reliability and resiliency fund - Public service commission - Grants - Continuing**
9 **appropriation.**

10 There is created in the state treasury the grid reliability and resiliency fund. The fund
11 consists of all moneys deposited in the fund under subsection 2 of section 57-33.2-18. Moneys
12 in the fund are appropriated on a continuing basis to the public service commission for the
13 purpose of providing grants to grid reliability and resiliency resources. For purposes of this
14 section, "grid reliability and resiliency resource" mean an electric generating plant located in this
15 state which is able to provide essential energy and ancillary reliability services, including voltage
16 support, frequency services, operating reserves, and reactive power; and has an onsite fuel
17 supply of no fewer than thirty days which would allow the plant to operate during an emergency,
18 extreme weather conditions, or a natural or manmade disaster. Grants awarded under this
19 section must be distributed proportionally to grid reliability and resiliency resources based on
20 the kilowatt hours generated by each grid reliability resource compared to the total kilowatt
21 hours generated by all grid reliability and resiliency resources.

22 **SECTION 5. EFFECTIVE DATE.** Sections 1 and 2 of this Act are effective for taxable years
23 beginning after December 31, 2020.