

HOUSE BILL NO. 1412

Introduced by

Representatives Delzer, Headland, Pollert

Senators Bell, Wardner

1 A BILL for an Act to create and enact a new section to chapter 57-60 of the North Dakota
2 Century Code, relating to an exemption from the coal conversion facilities privilege tax and the
3 imposition of a lignite research tax; to amend and reenact subsection 1 of section 57-60-14 of
4 the North Dakota Century Code, relating to allocation of the coal conversion facilities privilege
5 tax and the lignite research tax; to provide an effective date; and to provide an expiration date.

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

7 **SECTION 1.** A new section to chapter 57-60 of the North Dakota Century Code is created
8 and enacted as follows:

9 **Coal conversion facility tax - Exemption - Lignite research tax - Imposition.**

- 10 1. Excluding the generation tax imposed under subsection 3 of section 57-60-02, a coal
11 conversion facility is exempt from sixty percent of the tax imposed under section
12 57-60-02 and instead shall pay a lignite research tax equal to eighty-five percent of the
13 tax imposed under section 57-60-02 multiplied by five percent.
14 2. An electrical generating plant is exempt from the generation tax imposed under
15 subsection 3 of section 57-60-02 and instead shall pay a lignite research tax equal to
16 eighty-five percent of the tax imposed under subsection 3 of section 57-60-02
17 multiplied by five percent.

18 **SECTION 2. AMENDMENT.** Subsection 1 of section 57-60-14 of the North Dakota Century
19 Code is amended and reenacted as follows:

- 20 1. ~~The~~At least quarterly, the state treasurer shall ~~no less than quarterly~~ allocate all
21 moneys received from all coal conversion facilities in each county pursuant to the
22 provisions of this chapter, ~~fifteen percent to the county and eighty five percent to the~~
23 ~~state general fund, except moneys received from the tax imposed by subsection 3 of~~
24 ~~section 57-60-02, which must be deposited in the state general fund. Five percent of~~

1 all funds allocated to the state general fund pursuant to this chapter must be allocated
2 to the:

3 a. The lignite research tax collections under section 1 of this Act to the lignite
4 research fund for the purposes under section 57-61-01.5.

5 b. The coal conversion tax collections under subsection 3 of section 57-60-02 to the
6 general fund.

7 c. Thirty-seven and one-half percent of the coal conversion tax collections under
8 section 57-60-02, excluding the collections under subsection 3 of section
9 57-60-02, to the county.

10 d. The remaining coal conversion tax collections under section 57-60-02 to the
11 general fund lignite research fund, for the purposes defined in section
12 57-61-01.5.

13 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable production beginning after
14 June 30, 2021.

15 **SECTION 4. EXPIRATION DATE.** This Act is effective through June 30, 2026, and after that
16 date is ineffective.