

Fifty-ninth  
Legislative Assembly  
of North Dakota

**SENATE BILL NO. 2238**

Introduced by

Senators Erbele, Wardner, Warner

Representatives Brandenburg, S. Kelsh, Kretschmar

1 A BILL for an Act to create and enact a new section to chapter 57-33 and a new section to  
2 chapter 57-38 of the North Dakota Century Code, relating to a credit against rural electric  
3 cooperative gross receipts taxes and a credit against corporate income taxes for electricity  
4 purchased from school districts that generate electricity using wind turbines; and to provide an  
5 effective date.

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

7 **SECTION 1.** A new section to chapter 57-33 of the North Dakota Century Code is  
8 created and enacted as follows:

9 **Credit for purchase of electricity from school districts.** A cooperative is entitled to a  
10 credit against taxes due under this chapter for a portion of the cost of electricity purchased by  
11 the cooperative from a school district and generated by a wind turbine owned by the school  
12 district. The amount of the credit is equal to the number of kilowatt hours of electricity  
13 purchased, times the purchase price paid per kilowatt hour minus the avoided cost of electricity.  
14 For purposes of this section:

15 1. "Avoided cost of electricity" means the cost per kilowatt hour for electricity  
16 produced by the cooperative or purchased by the cooperative in the open market,  
17 whichever is less.

18 2. "Purchase price paid per kilowatt hour" means the price per kilowatt hour for  
19 electricity paid by the cooperative to the school district.

20 **SECTION 2.** A new section to chapter 57-38 of the North Dakota Century Code is  
21 created and enacted as follows:

22 **Credit for purchase of electricity from school districts.** An investor-owned utility  
23 corporation is entitled to a credit against taxes due under section 57-38-30 for a portion of the  
24 cost of electricity purchased by the corporation from a school district and generated by a wind

1 turbine owned by the school district. The amount of the credit is equal to the number of kilowatt  
2 hours of electricity purchased, times the purchase price paid per kilowatt hour minus the  
3 avoided cost of electricity. For purposes of this section:

4 1. "Avoided cost of electricity" means the cost per kilowatt hour for electricity  
5 produced by the corporation or purchased by the corporation in the open market,  
6 whichever is less.

7 2. "Purchase price paid per kilowatt hour" means the price per kilowatt hour for  
8 electricity paid by the corporation to the school district.

9 **SECTION 3. EFFECTIVE DATE.** This Act is effective for purchases of electricity  
10 occurring after June 30, 2005.