

Sixty-second
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1347

Introduced by

Representatives Wall, Froseth, Hunskor, Williams

Senators Freborg, Luick

1 A BILL for an Act to provide for imposition and collection of a severance tax on gravel, rock,
2 sand, and other materials used or usable for road construction and maintenance; to provide a
3 continuing appropriation; and to provide an effective date.

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

5 **SECTION 1.**

6 **Severance tax on road construction and maintenance materials - Continuing**
7 **appropriation.**

8 There is imposed upon all road construction and maintenance materials severed in this
9 state at a rate of ten cents per ton [907.18 kilograms] or fourteen cents per cubic yard [.76 cubic
10 meter].

11 1. For purposes of this section, "road construction and maintenance materials" means
12 gravel, clay, sand, rock, scoria, and other materials used or usable for road
13 construction and maintenance purposes. "Road construction and maintenance
14 materials" does not include materials excavated or moved for construction or
15 landscaping purposes not associated with road construction or maintenance. This
16 section does not apply to surface coal mining operations regulated under chapter
17 38-14.1.

18 2. Each person who severs road construction materials within a county during a month
19 shall remit the tax under this section by the twenty-fifth day of the next month to the
20 county treasurer with a tax reporting form prescribed by the tax commissioner. The
21 county shall enforce the provisions of this section relating to reporting and payment of
22 taxes.

23 3. Within thirty days after receipt of taxes paid under this section, the county treasurer
24 shall allocate seventy percent of the tax collections to the township in which the road

1 construction materials were severed, deposit ten percent in the county road fund, and
2 transfer the remaining amount to the state treasurer. The state treasurer shall deposit
3 one-half of the amount received under this section in the township highway aid fund
4 for distribution as provided in section 54-27-19.1 and deposit one-half in the state
5 highway fund. The funds for distribution or allocation as provided in this section are
6 provided as a continuing appropriation.

7 4. When the tax imposed by this section becomes delinquent, there is imposed a penalty
8 of five dollars or a sum equal to five percent of the tax due, whichever is greater, with
9 interest at a rate of one percent per month on the tax due for each calendar month or
10 fraction of a calendar month during which the delinquency continues. In addition, the
11 provisions of this title relating to delinquent personal property taxes apply to delinquent
12 taxes under this section.

13 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable events occurring after
14 June 30, 2011.