

Sixty-sixth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1480

Introduced by

Representatives Steiner, B. Anderson, Boe, Boschee, Hatlestad, Lefor, Longmuir, J. Nelson,
Pollert

Senators Patten, Piepkorn, Wardner

A BILL for an Act to create and enact ~~two new sections to chapter 24-02,~~ section 38-08-06.5,
~~and a new section to chapter 57-40.4~~ of the North Dakota Century Code, relating to
~~compressed natural gas fueling stations; creation of a compressed natural gas conversion fund,~~
~~flaring reduction, and compressed natural gas motor vehicle excise tax rebates; to provide a~~
~~penalty; to provide for a report to the legislative management; to provide an appropriation; to~~
~~provide a continuing appropriation; to provide an effective date; to provide for a legislative~~
~~management study;~~ and to provide an expiration date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

~~**SECTION 1.** A new section to chapter 24-02 of the North Dakota Century Code is created
and enacted as follows:~~

~~**Department of transportation authority - Compressed natural gas fueling stations --
Report to legislative management.**~~

~~**1.** The department of transportation shall retain consultant services and collaborate with
industry leaders in the state to determine congestion points and develop compressed
natural gas fueling stations in the state. The department of transportation may
negotiate with private retail gas stations for the installation of compressed natural gas
fueling stations.~~

~~**2.** At least one fueling station must be located in a city in:~~

~~**a.** Western North Dakota with a population of less than eight thousand;~~

~~**b.** South central North Dakota with a population of more than sixty-eight thousand;~~

~~**c.** Northwestern North Dakota with a population of less than four thousand;~~

~~**d.** Southwestern North Dakota with a population of less than two thousand;~~

~~**e.** Western North Dakota with a population less than two thousand;~~

- 1 ~~f. Western North Dakota with a population of more than fifteen thousand;~~
2 ~~g. Northwestern North Dakota with a population of more than thirteen thousand; and~~
3 ~~h. Northwestern North Dakota with a population less than two thousand.~~
4 ~~3. Upon receipt of a demand forecast by the consultant retained under subsection 1, the~~
5 ~~department of transportation shall install additional fuel stations at the locations~~
6 ~~provided under subsection 2 as necessary.~~
7 ~~4. Upon the establishment of compressed gas fueling stations in the state, the~~
8 ~~department of transportation shall initiate the transition of state fleet vehicles from a~~
9 ~~gas fleet to compressed natural gas or hybrid fleet.~~
10 ~~5. The department of transportation shall provide an annual report to the legislative~~
11 ~~management on the creation of compressed natural gas fueling stations under this~~
12 ~~section and the transition of state fleet vehicles from a gas fleet to a compressed~~
13 ~~natural gas or hybrid fleet.~~

14 **SECTION 2.** A new section to chapter 24-02 of the North Dakota Century Code is created
15 and enacted as follows:

16 **Compressed natural gas conversion fund - Continuing appropriation.**

17 ~~There is created in the state treasury the compressed natural gas conversion fund. The~~
18 ~~fund consists of all moneys deposited into the fund pursuant to section 5 of this Act. Moneys in~~
19 ~~the fund are appropriated to the department of transportation on a continuing basis for the~~
20 ~~purpose of contracting with consultants for the creation of compressed natural gas fueling~~
21 ~~stations, employing a temporary compressed natural gas fueling station inspector, providing~~
22 ~~rebates pursuant to section 4 of this Act, and establishing an online rebate program for~~
23 ~~compressed natural gas vehicle purchases.~~

24 **SECTION 1.** Section 38-08-06.5 of the North Dakota Century Code is created and enacted
25 as follows:

26 **38-08-06.5. Flare reduction - Industrial commission authority - Energy parks - Report**
27 **to legislative management - Penalty.**

- 28 1. ~~If a company that gathers and processes natural gas and associated liquids reaches~~
29 ~~ninety-eight percent gas and natural gas liquid volume pipeline capacity, the company~~
30 ~~shall transfer all gas and natural gas liquid produced beyond capacity upon request of~~
31 ~~an operator. A company that violates this section shall pay a fine of one million dollars~~

~~to the oil reclamation fund and an additional ten thousand dollars to the oil reclamation fund per day for each day the the company continues to violate this subsection must allow the purchase or the sale of transport of all gas and natural gas liquids to an operator that has the ability to accept the gas or natural gas liquids, at a rate determined by the industrial commission.~~ The industrial commission shall request congestion-point information from operators.

2. ~~The industrial commission shall receive complaints of a failure to transfer gas and natural gas liquid between a company and an operator under subsection 1.~~

3. ~~The industrial commission shall oversee the creation of at least ~~ten~~six innovative energy parks for the purpose of converting excess natural gas into consumable byproducts. Each park must be twenty or fewer acres in size.~~

4. ~~The industrial commission may adopt any rules necessary to implement this section.~~

5. ~~The industrial commission shall provide a biennial report to the legislative management on the number of complaints received under subsection 2, together with any recommendations and legislation required to implement the recommendations.~~

~~**SECTION 4.** A new section to chapter 57-40.4 of the North Dakota Century Code is created and enacted as follows:~~

~~**Motor vehicle excise tax rebate - Compressed natural gas vehicles.**~~

~~The owner of a dedicated compressed natural gas motor vehicle or a motor vehicle containing both a gasoline and compressed natural gas tank may apply to the department of transportation for a rebate of up to two thousand dollars of motor vehicle excise tax paid on the vehicle within three years of the date of purchase of the vehicle. Rebates from moneys deposited in the compressed natural gas conversion fund must be awarded to applicants in the order in which applications were received. Rebates under this section must cease after ten million dollars in rebates have been awarded to applicants from the fund.~~

~~**SECTION 5. APPROPRIATION - COMPRESSED NATURAL GAS CONVERSION FUND.**~~

~~There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$20,000,000, to the compressed natural gas conversion fund for the biennium beginning July 1, 2019, and ending June 30, 2021.~~

~~**SECTION 6. EFFECTIVE DATE.** Section 4 of this Act is effective for purchases made after June 31, 2021.~~

SECTION 2. LEGISLATIVE MANAGEMENT STUDY - FUELING STATIONS. During the 2019-20 interim, the legislative management shall consider studying the feasibility and desirability of transitioning state fleet vehicles from a gas fleet to natural gas, hybrid, propane, soybean, or electric fleet. The study must include consultation with the department of transportation and include an assessment of the costs and benefits associated with transitioning state fleet vehicles from a gas fleet to natural gas, hybrid, propane, soybean, or electric fleet and a determination of congestion points for developing natural gas fueling stations, electric charging stations, and other alternative fueling stations in the state. The study must include consideration of the availability of federal funding for the development of alternative fueling and charging stations for vehicles and transitioning state gas fleet vehicles to alternative fuel, hybrid, or electric fleet vehicles. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly.

SECTION 3. EXPIRATION DATE. Section ~~3~~¹ of this Act is effective through July 31, 2024, and after that date is ineffective.