

Fifty-fifth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1467

Introduced by

Representatives Mahoney, Kempenich

1 A BILL for an Act to amend and reenact section 57-60-06 of the North Dakota Century Code,
2 relating to elimination of the property tax exemption for coal conversion facilities burning or
3 using coal upon which coal severance taxes have not been paid; and to provide an effective
4 date.

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

6 **SECTION 1. AMENDMENT.** Section 57-60-06 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **57-60-06. Property classified and exempted from ad valorem taxes - In lieu of**
9 **certain other taxes - Limitation - Credit for certain other taxes.** ~~Each~~ Except as otherwise
10 provided in this section, each coal conversion facility must be classified as personal property
11 and is exempt from all ad valorem taxes except for taxes on the land on which such facility is
12 located. ~~The~~ Except as otherwise provided in this section, the taxes imposed by this chapter
13 are in lieu of ad valorem taxes on the property so classified as personal property. The taxes
14 imposed by this chapter are also in lieu of those taxes imposed by chapters 57-33 and 57-33.1
15 on cooperative electrical generating plants that qualify as coal conversion facilities as defined in
16 this chapter for gross receipts derived from the operation of such plants on or after July 1,
17 1975. Each cooperative electrical generating plant shall receive a credit against the taxes
18 imposed by this chapter for any taxes imposed pursuant to chapters 57-33 and 57-33.1 and
19 payable after July 1, 1975. Such credit applies only for such taxes actually paid, and must be
20 applied against the taxes imposed by this chapter in the years in which such payments are
21 made. If a coal conversion facility burns or uses coal, upon which the severance tax under
22 chapter 57-61 has not been paid, in an amount exceeding ten percent of the total amount of
23 coal burned or used by the facility during any taxable year, then for subsequent taxable years
24 the taxes paid by the facility under this chapter are not in lieu of ad valorem taxes, the property

1 of the facility classified as personal property under this section must be reclassified as real
2 property, and the reclassified real property must be subjected to assessment and levy of
3 property taxes imposed by taxing districts in which the facility is located. Notwithstanding any
4 other provision of law, taxes paid on reclassified real property under this section must be paid
5 to the county treasurer and allocated by the county treasurer in the manner provided for
6 allocation of coal severance tax revenues within the county under subsection 2 of section
7 57-62-02. Notwithstanding section 57-60-14, taxes paid under this chapter by the operator of a
8 facility reclassified as real property under this section must be allocated entirely to the state
9 general fund.

10 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
11 December 31, 1996.