

**Fifty-fifth Legislative Assembly, State of North Dakota, begun in the Capitol in the City of Bismarck, on Monday, the sixth day of January, one thousand nine hundred and ninety-seven**

HOUSE BILL NO. 1163  
(Finance and Taxation Committee)  
(At the request of the Department of Transportation)

AN ACT to amend and reenact sections 57-43.1-02 and 57-43.2-02 of the North Dakota Century Code, relating to motor vehicle fuel and special fuel taxes; to repeal sections 57-43.1-02.1 and 57-43.2-02.1 of the North Dakota Century Code, relating to additional motor vehicle fuel and special fuel taxes; to provide an appropriation; to provide an effective date; and to provide an expiration date.

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

**SECTION 1. AMENDMENT.** Section 57-43.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**57-43.1-02. Tax imposed on motor vehicle fuels.**

1. Except as otherwise provided in this section, a tax of ~~seventeen~~ twenty cents per gallon [3.79 liters] is imposed on all motor vehicle fuel sold or used in this state.
2. The dealer shall collect the tax imposed by this section from the consumer on all sales.
3. Sales of fuel in the original package may be made to a licensed dealer, and the dealer may collect the tax imposed by this chapter, but on sales in the original package to persons other than licensed dealers, the dealer is liable for the tax.

**SECTION 2. AMENDMENT.** Section 57-43.2-02 of the North Dakota Century Code is amended and reenacted as follows:

**57-43.2-02. Tax imposed - Exemptions.**

1. An excise tax of ~~seventeen~~ twenty cents per gallon [3.79 liters] is imposed on the sale or delivery of special fuel to any special fuel user, except that special fuel to be used for heating, agricultural, or railroad purposes or for industrial purposes other than in the performance of a contract with any unit of government is exempt from the tax imposed by this chapter, provided that the sale or delivery of special fuel for use in a motor vehicle is not exempt. For the purpose of determining the tax upon compressed natural gas under this section, one hundred twenty cubic feet [3.40 cubic meters] of compressed natural gas is equal to one gallon [3.79 liters] of other special fuel.
2. The tax attaches at the time of sale, delivery, or transfer of title of ~~such~~ the special fuel to a special fuel user or unlicensed dealer. The special fuel dealer shall collect the tax from the special fuel user and pay the tax to the commissioner as provided in this chapter.
3. Except as prohibited by section 57-43.1-09 the tax is refundable when used for nonhighway purposes, and the provisions and procedures of chapter 57-43.1 relating to the refund of motor fuel taxes apply to the tax imposed by this chapter, provided that the amount refunded for any special fuel does not include the amount of tax imposed by section 57-43.2-03 on the sale of that fuel.

**SECTION 3. REPEAL.** Sections 57-43.1-02.1 and 57-43.2-02.1 of the 1995 Supplement to the North Dakota Century Code are repealed.

**SECTION 4. APPROPRIATION.** There is hereby appropriated out of any moneys in the state highway tax distribution fund in the state treasury the entire state's share of revenue from the additional tax imposed by sections 1 and 2 of this Act, but not exceeding \$12,200,000, or so much of the sum as may be necessary, to the department of transportation for highway purposes for the biennium beginning July 1, 1997, and ending June 30, 1999.

**SECTION 5. EFFECTIVE DATE - EXPIRATION DATE.** Sections 1, 2, and 3 of this Act are effective for sales or delivery of motor vehicle or special fuels after June 30, 1997. Sections 1 and 2 of this Act are effective through December 31, 1999, and are thereafter ineffective.

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Speaker of the House

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President of the Senate

\_\_\_\_\_  
Chief Clerk of the House

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Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Fifty-fifth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1163.

House Vote:      Yeas    72      Nays    23      Absent    2

Senate Vote:    Yeas    42      Nays    4      Absent    3

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Chief Clerk of the House

Received by the Governor at \_\_\_\_\_ M. on \_\_\_\_\_, 1997.

Approved at \_\_\_\_\_ M. on \_\_\_\_\_, 1997.

\_\_\_\_\_  
Governor

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 1997,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State