Fifty-ninth Legislative Assembly of North Dakota In Regular Session Commencing Tuesday, January 4, 2005

HOUSE BILL NO. 1314 (Representatives Nelson, Delmore, Klein, Svedjan) (Senators Bercier, Trenbeath)

AN ACT to create and enact three new sections to chapter 49-02 and two new subsections to section 57-38-01.8 of the North Dakota Century Code, relating to a renewable electricity and recycled energy credit trading and tracking system by the public service commission and a tax credit for a wind energy device; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 49-02 of the North Dakota Century Code is created and enacted as follows:

Renewable electricity and recycled energy credit trading and tracking system. Notwithstanding any other provision of law, the commission by rule may establish or participate in a program to track, record, and verify the trading of credits for electricity generated from renewable and recycled heat sources among electric generators, utilities, and other interested entities within this state and with similar entities in other states. This section applies to all public utilities, electric cooperatives, and municipal electric utilities.

SECTION 2. A new section to chapter 49-02 of the North Dakota Century Code is created and enacted as follows:

Renewable electricity and recycled energy defined. As used in section 1 of this Act, renewable electricity and recycled energy include electricity generated from facilities using the following sources:

- 1. Solar, using the sun as the source of energy for producing electricity.
- 2. Wind, using the wind as the source of energy for producing electricity.
- 3. Biomass, using agricultural crops and agricultural wastes and residues, wood and wood wastes and residues, animal wastes, and landfill gas as the fuel to produce electricity.
- 4. Geothermal, using energy contained in heat that continuously flows outward from the earth as the source of energy to produce electricity.
- 5. Hydrogen, provided that the hydrogen is generated from a source listed in this section.
- Recycled energy systems producing electricity from currently unused waste heat resulting
 from combustion or other processes into electricity and which do not use an additional
 combustion process. The term does not include any system whose primary purpose is the
 generation of electricity.

SECTION 3. A new section to chapter 49-02 of the North Dakota Century Code is created and enacted as follows:

Qualifying for renewable electricity and recycled energy credits. For purposes of qualifying for renewable electricity and recycled energy credits, electricity must be generated from a source identified in section 2 of this Act.

SECTION 4. Two new subsections to section 57-38-01.8 of the North Dakota Century Code are created and enacted as follows:

If a taxpayer entitled to the credit provided by this section is a member of a group of corporations filing a North Dakota consolidated tax return using the combined reporting method, the credit may be claimed against the aggregate North Dakota tax liability of all of the corporations included in the North Dakota consolidated return.

The credit allowed under this section may not exceed the liability for tax under this chapter. If the amount of credit determined under this section exceeds the liability for tax under this chapter, the excess may be used as a credit carryover to each of the five succeeding taxable years.

SECTION 5. EFFECTIVE DATE. This Act is effective for taxable years beginning after December 31, 2004.

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House Vote:	Yeas	82	Nays	3	Absent	9	
Senate Vote:	Yeas	45	Nays	0	Absent	2	
					Chief	Clerk of the	House
Received by the Governor at M. on							, 2005.
Approved at	N	1. on					, 2005.
					Gove	rnor	
Filed in this office this day of							, 2005,
at o'	clock	M.					
					Secre	etary of State	9