

**Sixtieth Legislative Assembly of North Dakota
In Regular Session Commencing Wednesday, January 3, 2007**

HOUSE BILL NO. 1072
(Finance and Taxation Committee)
(At the request of the Tax Commissioner)

AN ACT to create and enact a new section to chapter 57-06 of the North Dakota Century Code, relating to taxable valuation of centrally assessed wind turbine electric generators; to amend and reenact subsection 4 of section 57-02-27, subsection 27 of section 57-02-08, and subsection 4 of section 57-06-02 of the North Dakota Century Code, relating to valuation of centrally assessed property, property exempt from taxation, and the definition of a power company; and to repeal section 57-02-27.3 of the North Dakota Century Code, relating to centrally assessed wind turbine electric generators.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 4 of section 57-02-27 of the North Dakota Century Code is amended and reenacted as follows:

4. All centrally assessed property to be valued at ten percent of assessed value except as provided in section ~~57-02-27.3~~ 2 of this Act.

SECTION 2. A new section to chapter 57-06 of the North Dakota Century Code is created and enacted as follows:

Taxable valuation of centrally assessed wind turbine electric generators. A centrally assessed wind turbine electric generation unit with a nameplate generation capacity of one hundred kilowatts or more, on which construction is completed before January 1, 2011, must be valued at three percent of assessed value to determine taxable valuation of the property. However, a centrally assessed wind turbine electric generation unit with a nameplate generation capacity of one hundred kilowatts or more, for which a purchased power agreement has been executed after April 30, 2005, and before January 1, 2006, and construction is begun after April 30, 2005, and before July 1, 2006, must be valued at one and one-half percent of assessed value to determine taxable valuation of the property and this reduced valuation applies for that property for the duration of the initial purchased power agreement for that generation unit.

SECTION 3. AMENDMENT. Subsection 27 of section 57-02-08 of the North Dakota Century Code is amended and reenacted as follows:

27. Installations, machinery, and equipment of systems in new or existing buildings or structures, designed to provide heating or cooling or to produce electrical or mechanical power, or any combination of these, or to store any of these, by utilization of solar, wind, or geothermal energy; provided, that if the solar, wind, or geothermal energy device is part of a system which uses other means of energy, only that portion of the total system directly attributable to solar, wind, or geothermal energy shall be exempt. Provided, however, that any exemptions granted by this subsection shall be valid for a five-year period following installation of any such system and apply only to locally assessed property. For the purposes of this subsection, solar or wind energy devices shall have the meaning provided in section 57-38-01.8; geothermal energy device means a system or mechanism or series of mechanisms designed to provide heating or cooling or to produce electrical or mechanical power, or any combination of these, by a method which extracts or converts the energy naturally occurring beneath the earth's surface in rock structures, water, or steam.

SECTION 4. AMENDMENT. Subsection 4 of section 57-06-02 of the North Dakota Century Code is amended and reenacted as follows:

4. "Power company" means a company owning or holding, under lease or otherwise, any property in this state, including wind turbine electric generation units, and operating it for the purpose of furnishing or distributing electric light, electric power, or steam heat for public use.

SECTION 5. REPEAL. Section 57-02-27.3 of the North Dakota Century Code is repealed.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixtieth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1072.

House Vote: Yeas 93 Nays 0 Absent 1

Senate Vote: Yeas 44 Nays 0 Absent 3

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 2007.

Approved at _____ M. on _____, 2007.

Governor

Filed in this office this _____ day of _____, 2007,

at _____ o'clock _____ M.

Secretary of State