

**HOUSE BILL NO. 1261**

Introduced by

Representatives S. Meyer, Froelich, Onstad

Senators Krauter, Mathern

1 A BILL for an Act to create and enact a new subsection to section 57-02-08 of the North Dakota  
2 Century Code, relating to a property tax exemption for an oil and gas refinery and pipeline; to  
3 provide an appropriation for defraying the expenses of an oil and gas refinery and pipeline  
4 request for proposal; to provide for a report to the legislative council; and to provide an effective  
5 date.

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

7 **SECTION 1.** A new subsection to section 57-02-08 of the North Dakota Century Code  
8 is created and enacted as follows:

9 All fixtures, buildings, and improvements and any associated pipeline facilities of  
10 an oil or gas refinery constructed in this state after December 31, 2008, are exempt  
11 from taxation until the tax commissioner determines that the up-front capital costs  
12 of the project have been recovered by the operator of the facility.

13 **SECTION 2. APPROPRIATION.** There is appropriated out of any moneys in the  
14 general fund in the state treasury, not otherwise appropriated, the sum of \$750,000, or so much  
15 of the sum as may be necessary, to the industrial commission to fund development of a request  
16 for proposal and report by the oil and gas research council as required by section 3 of this Act,  
17 for the biennium beginning July 1, 2009, and ending June 30, 2011.

18 **SECTION 3. OIL AND GAS RESEARCH COUNCIL REQUEST FOR PROPOSAL -**  
19 **SELECTION - REPORT TO LEGISLATIVE COUNCIL.** The oil and gas research council shall  
20 develop a request for proposal to develop and construct an oil or gas refinery and pipeline in  
21 North Dakota. The oil and gas research council shall select a recommendation from among the  
22 proposals received and submit a report including the recommendation to a committee  
23 designated by the legislative council. The legislative council shall report its findings and

1 recommendations, together with any legislation required to implement the recommendations, to  
2 the sixty-second legislative assembly.

3 **SECTION 4. EFFECTIVE DATE.** Section 1 of this Act is effective for taxable years  
4 beginning after December 31, 2008.