

SENATE BILL NO. 2334

Introduced by

Senators Bekkedahl, Sorvaag, Wanzek

Representatives Brandenburg, Kempenich

1 A BILL for an Act to create and enact a new section to chapter 57-39.2 of the North Dakota
2 Century Code, relating to a ~~local revenue loss reimbursement~~ large facility development fund; to
3 amend and reenact subsection 2 of section 57-39.2-04.15 and section 57-39.2-26 of the North
4 Dakota Century Code, relating to a sales tax exemption for a fertilizer plant; to provide a
5 continuing appropriation; ~~and~~ to provide an effective date; and to provide an expiration date.

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

7 **SECTION 1. AMENDMENT.** Subsection 2 of section 57-39.2-04.15 of the North Dakota
8 Century Code is amended and reenacted as follows:

9 2. ~~On or before June 30, 2023, the~~ The owner of the fertilizer or chemical processing
10 plant must receive from the department of environmental quality an air quality permit
11 or a notice that the air quality permit application is complete. The owner shall provide
12 this documentation to the tax commissioner to qualify for the exemption under this
13 section. Denial, expiration, or revocation of a permit terminates the exemption under
14 this section.

15 **SECTION 2. AMENDMENT.** Section 57-39.2-26 of the North Dakota Century Code is
16 amended and reenacted as follows:

17 **57-39.2-26. Allocation of revenue.**

18 Except as provided by sections 57-39.2-26.1 ~~and~~, 57-39.2-26.2, 57-39.2-26.3, and section 3
19 of this Act, all moneys collected and received under this chapter must be paid into the state
20 treasury and must be credited by the state treasurer to the general fund. Moneys deposited with
21 the commissioner as security for the payment of tax, penalties, or costs due must be deposited
22 and accounted for as provided in subsection 3 of section 57-39.2-12.

23 **SECTION 3.** A new section to chapter 57-39.2 of the North Dakota Century Code is created
24 and enacted as follows:

Local revenue loss reimbursementLarge facility development fund - State treasurer -

Continuing appropriation.

1. There is created in the state treasury the ~~local revenue loss reimbursement~~large facility development fund. The fund consists of all moneys transferred to the fund under subsection 2. All moneys in the fund are appropriated to the state treasurer on a continuing basis for the purpose of providing distributions to an eligible county or city.
2. Notwithstanding any other provision of law, after the allocations under sections ~~57-29.2-26.1 and 57-39.2-26.1~~, 57-39.2-26.2, and 57-39.2-26.3, a portion of sales, gross receipts, and use, tax collections equal to the amount under subsection 3 must be deposited by the state treasurer in the ~~local revenue loss reimbursement~~large facility development fund as needed. The tax commissioner shall calculate the amount needed for distribution under subsection 3 and shall certify to the state treasurer the portion of sales, gross receipts, and use tax net revenues that must be deposited in the fund to provide for the distribution.
3. ~~The~~Within thirty days after construction begins on the large facility, the state treasurer shall distribute to a county or city an amount equal to one percent of ~~the~~up to two billion dollars of estimated ~~value~~cost of tangible property eligible for a tax exemption under section 57-39.2-04.15 used in the construction of ~~new infrastructure~~the large facility if:
 - a. The county or city is levying a local sales tax for infrastructure, public safety, or economic development; and
 - b. ~~The estimated total cost for the new infrastructure is at least five hundred million dollars;~~
 - c. ~~The new infrastructure is within the county or the city limits; and~~
 - d. ~~The new infrastructure is exempt from sales tax under this chapter or use tax under chapter 57-40.2~~The county, in which the large facility is located, has a hub city and received at least thirty million dollars of oil and gas gross production tax revenue allocations under section 57-51-15 during the twelve-month period ended August 31, 2022.
4. To qualify for the distribution under subsection 3, the large facility must:

1 a. Be a new fertilizer or chemical processing plant that is eligible for a tax exemption
2 under section 57-39.2-04.15;

3 b. Begin construction after July 1, 2023; and

4 c. Have an estimated total cost of at least one billion dollars.

5 5. A county or city may receive only one distribution under subsection 3.

6 6. If the ~~new infrastructure~~ large facility is within city limits, only a city is eligible to receive
7 a distribution under subsection 3.

8 ~~5.7.~~ The ~~tax commissioner may request~~ owner of the large facility shall provide information
9 and documentation ~~from the owner of the new infrastructure~~ to the tax commissioner to
10 determine the estimated ~~value~~ cost of the tangible property and the estimated total cost
11 of the ~~new infrastructure~~ large facility for calculations under this section.

12 **SECTION 4. EFFECTIVE DATE.** This Act becomes effective on July 1, 2023.

13 **SECTION 5. EXPIRATION DATE.** Sections 2 and 3 of this Act are effective through
14 June 30, 2027, and after that date are ineffective.