

HOUSE BILL NO. 1573

Introduced by

Representatives S. Olson, Koppelman, Morton, Rios, Rohr, Hendrix

Senator Magrum

1 A BILL for an Act to create and enact chapter 57-66 of the North Dakota Century Code, relating
2 to the imposition of a pore space utilization tax and creation of a North Dakota disaster fund;
3 and to provide an effective date.

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

5 **SECTION 1.** Chapter 57-66 of the North Dakota Century Code is created and enacted as
6 follows:

7 **57-66-01. Pore space utilization tax - Imposition - Payment to the tax commissioner -**
8 **Report.**

9 1. There is imposed upon a person that transports a substance for the purpose of
10 injection and permanent underground storage of the substance in pore space located
11 in the state a tax as provided in this section. The tax is equal to five dollars per ton on
12 all substances transported using a pipeline in service after July 31, 2025, which has a
13 length greater than twenty-five miles [40.23 kilometers] from onloading site to
14 offloading site for the purpose of injection and permanent underground storage of the
15 substance in pore space located in the state.

16 2. Within twenty-five days after the end of each month, the tax commissioner shall
17 require a person subject to the tax under this chapter to:

18 a. Remit the tax owed under subsection 1 for the preceding month to the tax
19 commissioner on reports and forms prescribed by the tax commissioner.

20 b. File a monthly report in the form specified by the tax commissioner, which must
21 include:

22 (1) The number of tons of substances transported during the preceding month
23 using a pipeline in service after July 31, 2025, which has a length greater
24 than twenty-five miles [40.23 kilometers] from onloading site to offloading

- 1 site for the purpose of injection and permanent underground storage of a
2 substances in pore space located in the state;
3 (2) The amount of tax remitted under subdivision a; and
4 (3) Any other information deemed necessary by the tax commissioner for the
5 proper administration of this chapter.

6 **57-66-02. When tax due - When delinquent.**

7 The tax under this chapter is due within twenty-five days after the end of each month, and if
8 not received by the twenty-fifth day, becomes delinquent. The tax commissioner may impose
9 late fees and, upon request, may grant an extension of time to pay the tax.

10 **57-66-03. Powers of tax commissioner.**

11 To effectuate this chapter, the tax commissioner may:

- 12 1. Require a person the tax commissioner reasonably believes to be subject to the tax
13 under this chapter, and any agent or employee of the person, to furnish any
14 information the tax commissioner deems necessary for the purpose of correctly
15 computing the amount of the tax, including books, records, and files.
16 2. Conduct hearings and compel the attendance of witnesses and production of books,
17 records, and papers of any person.
18 3. Make any investigation or hold any inquest deemed necessary to a full and complete
19 disclosure of the true facts as to the amount of substances subject to the tax.
20 4. Compute tax on incorrect or omitted returns.
21 5. Provide for refunds necessary due to a mistake or overpayment of the tax.
22 6. Develop policies and prescribe, design, and make available all forms deemed
23 necessary for the proper administration of this chapter.

24 **57-66-04. Allocation of revenue.**

25 The moneys collected and received under this chapter must be paid into the state treasury
26 and must be credited by the state treasurer as follows:

- 27 1. The first five hundred million dollars in revenue from the tax must be credited to the
28 North Dakota disaster fund as provided in section 57-66-05.
29 2. The remaining moneys collected and received under this chapter must be paid into the
30 state treasury and must be credited by the state treasurer to the general fund.

1 **57-66-05. North Dakota disaster fund.**

2 The North Dakota disaster fund is a special fund in the state treasury. The fund consists of
3 all moneys allocated to the fund under section 57-66-04. Subject to legislative appropriation,
4 moneys in the fund:

5 1. May be used only for expenses:

6 a. To mitigate damages arising from transporting a substance using a pipeline in
7 service after July 31, 2025, which has a length greater than twenty-five miles
8 [40.23 kilometers] from onloading site to offloading site for the purpose of
9 injection and permanent underground storage of a substance in pore space
10 located in the state;

11 b. To purchase specialized equipment that may be used to respond to hazards
12 which is not provided by any other party pursuant to the rules and regulations of
13 the United States Department of Transportation Pipeline and Hazardous
14 Materials Safety Administration or other state or federal laws or regulations;

15 c. For necessary training related to pipeline hazards which is not provided by any
16 other party pursuant to the rules and regulations of the United States Department
17 of Transportation Pipeline and Hazardous Materials Safety Administration or
18 other state or federal laws or regulations; or

19 d. Associated with a declaration of a state of disaster or emergency declared by the
20 governor in accordance with section 37-17.1-05.

21 2. May not be used for expenses covered by insurance or other federal or private
22 sources.

23 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable events occurring after
24 June 30, 2025.