

Introduced by

Senators Wanzek, Kessel, Sorvaag

Representatives Beltz, Brandenburg, Hagert

1 A BILL for an Act to create and enact a new section to chapter 4.1-01 of the North Dakota
2 Century Code, relating to a low-carbon fuels fund; to amend and reenact sections 39-04-39 and
3 54-44.5-09 of the North Dakota Century Code, relating to the distribution of certain vehicle
4 registration fees and ethanol production incentives; to repeal chapter 17-02 of the North Dakota
5 Century Code, relating to ethanol production incentives; to provide a continuing appropriation;
6 to provide a transfer; and to provide a report.

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

8 **SECTION 1.** A new section to chapter 4.1-01 of the North Dakota Century Code is created
9 and enacted as follows:

10 **Low-carbon fuels fund - Continuing appropriation.**

- 11 1. The low-carbon fuels fund is created as a special fund in the state treasury. The fund
12 consists of all moneys transferred to the fund under section 39-04-39. The moneys in
13 the fund are appropriated to the commissioner on a continuing basis to distribute
14 low-carbon fuels incentives and carbon intensity verification under this section.
- 15 2. The commissioner shall distribute low-carbon fuels incentives to ethanol production
16 facilities for eligible capital projects that increase the efficiency of a facility and
17 decrease the carbon intensity of the production process. Distributions of low-carbon
18 fuels incentives to an ethanol production facility are limited to fifty percent of the cost
19 of eligible capital projects and may not exceed:
- 20 a. Three million dollars per biennium;
21 b. Cumulative distributions of ten million dollars per facility; and
22 c. A period of ten years beginning with the first distribution to the facility.
- 23 3. For purposes of this section, "eligible capital projects" means construction of new
24 infrastructure or replacement of existing infrastructure for carbon dioxide capture and

1 storage, beneficial use of carbon dioxide, energy efficiency enhancements, or ethanol
2 yield improvements.

3 4. The commissioner may use up to one million dollars from the fund to contract with an
4 entity to develop a carbon intensity verification process.

5 5. At least once per biennium, the commissioner shall provide a report to the legislative
6 management regarding the status of the fund, including the revenues deposited in the
7 fund, the low-carbon fuels incentives distributed from the fund, and the balance of the
8 fund.

9 **SECTION 2. AMENDMENT.** Section 39-04-39 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **39-04-39. Distribution of registration fees collected.**

12 1. Any moneys in the registration fund accruing from license fees or from other like
13 sources, in excess of the amount required to pay salaries and other necessary
14 expenses, in accordance with the legislative assembly's appropriation for such
15 purposes, must be promptly deposited in the highway tax distribution fund which must
16 be distributed in the manner as prescribed by law.

17 2. The state treasurer shall transfer annually from the highway tax distribution fund to the
18 ethanol production incentive ~~low-carbon fuels~~ fund under section 1 of this Act an
19 amount equal to forty percent of all sums collected for the registration of farm vehicles
20 under subsection 5 of section 39-04-19 ~~except that no transfer may be made in an~~
21 amount that would result in the balance of the ethanol production incentive fund
22 exceeding seven million five hundred thousand dollars until the cumulative total
23 transfers under this subsection equals thirty million dollars.

24 **SECTION 3. AMENDMENT.** Section 54-44.5-09 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **54-44.5-09. Office of renewable energy and energy efficiency.**

27 The office of renewable energy and energy efficiency is established within the division of
28 community services. The office shall assist in the development of renewable energy within this
29 state to provide secure, diverse, sustainable, and competitive renewable energy supplies and
30 promote the conservation of energy and the wise use of energy resources in both the public and
31 private sectors. The office shall communicate and disseminate information concerning state and

1 federal energy conservation and renewable energy incentives, including tax credits, financing
2 and grants to business entities seeking to invest in wind-generated power and transmission,
3 ethanol production and distribution, and the development of biodiesel, green diesel, biomass,
4 solar, hydropower, geothermal, and other renewable energy sources. ~~The office also shall~~
5 ~~manage and distribute all production incentive payments as authorized by chapter 17-02.~~

6 **SECTION 4. REPEAL.** Chapter 17-02 of the North Dakota Century Code is repealed.

7 **SECTION 5. TRANSFER - ETHANOL PRODUCTION INCENTIVE FUND TO**
8 **LOW-CARBON FUELS FUND.** The office of management and budget shall transfer any
9 remaining balance from the ethanol production incentive fund to the low-carbon fuels fund on
10 July 1, 2025.