

Sixty-ninth  
Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO

### 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~~ carbon dioxide storage tax and creation of a North  
3 Dakota disaster fund; 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~~Carbon dioxide storage tax - Imposition - Payment to**  
8 **the tax commissioner - Report.**

- 9 1. There is imposed upon a person that transports a ~~substance~~carbon dioxide for the  
10 purpose of injection and permanent underground storage of ~~the substance~~carbon  
11 dioxide in pore space located in the state a tax as provided in this section. The tax is  
12 equal to ~~five~~ <sup>one</sup> dollars per ton on all ~~substances~~carbon dioxide transported using a  
13 pipeline in service after July 31, 2025, ~~which has a length greater than twenty-five~~  
14 miles ~~[40.23 kilometers] from onloading site to offloading site~~ for the purpose of  
15 injection and permanent underground storage of the ~~substance~~carbon dioxide in pore  
16 space located in the state.
- 17 2. Within twenty-five days after the end of each month, the tax commissioner shall  
18 require a person subject to the tax under this chapter to:
- 19 a. Remit the tax owed under subsection 1 for the preceding month to the tax  
20 commissioner on reports and forms prescribed by the tax commissioner.

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

- 3           (1) The number of tons of ~~substances~~carbon dioxide transported during the  
4           preceding month using a pipeline in service after July 31, 2025, ~~which has a~~  
5           ~~length greater than twenty-five miles [40.23 kilometers] from onloading site~~  
6           ~~to offloading site~~ for the purpose of injection and permanent underground  
7           storage of ~~a substances~~carbon dioxide in pore space located in the state;  
8           (2) The amount of tax remitted under subdivision a; and  
9           (3) Any other information deemed necessary by the tax commissioner for the  
10          proper administration of this chapter.

11          **57-66-02. When tax due - When delinquent.**

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

15          **57-66-03. Powers of tax commissioner.**

16          To effectuate this chapter, the tax commissioner may:

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

1       **57-66-04. Allocation of revenue.**

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

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

8       **57-66-05. North Dakota disaster fund.**

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

- 12       1. May be used only for expenses:
- 13       a. To mitigate damages arising from transporting ~~a substance~~carbon dioxide using a  
14 pipeline in service after July 31, 2025, ~~which has a length greater than twenty-five~~  
15 ~~miles [40.23 kilometers] from onloading site to offloading site~~ for the purpose of  
16 injection and permanent underground storage of ~~a substance~~carbon dioxide in  
17 pore space located in the state;
- 18       b. To purchase specialized equipment that may be used to respond to hazards  
19 which is not provided by any other party pursuant to the rules and regulations of  
20 the United States Department of Transportation Pipeline and Hazardous  
21 Materials Safety Administration or other state or federal laws or regulations;
- 22       c. For necessary training related to pipeline hazards which is not provided by any  
23 other party pursuant to the rules and regulations of the United States Department  
24 of Transportation Pipeline and Hazardous Materials Safety Administration or  
25 other state or federal laws or regulations; or
- 26       d. Associated with a declaration of a state of disaster or emergency declared by the  
27 governor in accordance with section 37-17.1-05.
- 28       2. May not be used for expenses covered by insurance or other federal or private  
29 sources.

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