CHAPTER 57-60
COAL CONVERSION FACILITIES PRIVILEGE TAX

57-60-01. Definitions. As used in this chapter:

1. "Byproducts" means commercially usable products produced during the coal gasification or coal beneficiation process other than the principal product of a coal gasification plant or of a coal beneficiation plant.
2. "Carbon dioxide capture" means removal of carbon dioxide emissions from a coal conversion facility.
   a. For electrical generating plants, carbon dioxide captured is measured using the stack emissions of carbon dioxide from the facility as reported by the continuous emission monitoring system, in compliance with environmental protection agency rules in 40 CFR 75. The percentage reduction is determined by:
      (1) Determining the total carbon dioxide produced from the facility before the capture of carbon dioxide;
      (2) Subtracting the stack emissions of carbon dioxide from the facility; and
      (3) Dividing the result of paragraph 2 by the result of paragraph 1 and multiplying by one hundred, which results in the percentage of carbon dioxide captured.
   b. For coal gasification facilities, the carbon dioxide captured is determined by:
      (1) Determining the total carbon input to the facility by multiplying the percentage of carbon content in the coal fed to the facility, determined from the average of coal analysis for the taxing period, times the total tons of coal fed to the facility for the taxing period.
      (2) Determining the amount of nonemissions carbon by multiplying the percentage of carbon content in all hydrocarbon products, except carbon dioxide, leaving the facility times the tons of hydrocarbon products leaving the facility for the taxing period.
      (3) Subtracting the result under paragraph 2 from the result under paragraph 1 and multiplying the result times 3.667 to convert the amount of tons of carbon to tons of carbon dioxide, which results in the total tons of carbon dioxide emissions without capture.
      (4) The amount of carbon dioxide captured for the taxing period measured by a flow meter and converted to tons.
      (5) Dividing the result of paragraph 4 by the result from paragraph 3 and multiplying by one hundred, which results in the percentage of carbon dioxide captured.
3. "Coal beneficiation" means improving the physical, environmental, or combustion qualities of coal but does not include crushing or treatment with dust suppressants or freeze-proofing agents.
4. "Coal conversion facility" means any of the following:
   a. A plant, other than an electrical generating plant or a coal beneficiation plant, with all additions thereto, which processes or converts coal from its natural or beneficiated form into a form substantially different in chemical or physical properties, including coal gasification, coal liquefaction, and the manufacture of fertilizer and other products, and which uses or is designed to use over five hundred thousand tons [453592.37 metric tons] of coal per year;
   b. An electrical generating plant, with all additions thereto, which processes or converts coal from its natural or beneficiated form into electrical power and which has at least one single electrical energy generation unit with a capacity of ten thousand kilowatts or more;
   c. A plant, with all additions thereto, which is designed for coal beneficiation; or
   d. A gas-fired electrical generating facility, and all additions to the facility, which generates electrical power through the consumption of gas produced by the conversion of coal from its natural or beneficiated form into gas and has a capacity of ten thousand kilowatts or more.

5. "Coal gasification" means the production of synthetic natural gas, methanol, or other principal commercial gaseous or liquid product from coal.
6. "Commissioner" means the state tax commissioner.
7. "Design capacity of a coal beneficiation plant" means the number of tons a coal beneficiation plant is designed to produce as certified by a registered professional engineer.
8. "Gross receipts" means all revenue valued in money, whether received in money or otherwise, derived by a coal conversion facility subject to the provisions of this chapter from the production of products of a coal conversion facility. For the purpose of computing the tax imposed by this chapter, "gross receipts" does not include any financial assistance, whether in the form of price guarantee payments or otherwise, provided by the federal government or any agency of the federal government.
9. "Installed capacity" means the number of kilowatts a power unit can produce according to the nameplate assigned to the power unit generator by the manufacturer.
10. "Operator" means any person owning, holding, or leasing a coal conversion facility and conducting the conversion of coal into the products of the facility.
11. "Person" means any individual, estate, trust, corporation, cooperative corporation, limited liability company, or association.
12. "Repowering" means an investment of more than two hundred million dollars or one million dollars per megawatt of installed nameplate capacity, whichever is less, in an existing power plant that modifies or replaces the process used for converting coal in its natural form or beneficiated coal into electric power.
13. "Synthetic natural gas" means methane and any admixed gaseous products produced by coal gasification.

57-60-02. Imposition of taxes. (Effective through June 30, 2031)

There is hereby imposed upon the operator of each coal conversion facility a tax paid monthly for the privilege of producing products of such coal conversion facility. The rate of the tax must be computed as follows:

1. For all coal conversion facilities, except as otherwise provided in this section, the tax is measured by the gross receipts derived from the facility for the preceding month and is in the amount of two percent of its gross receipts. Gross receipts derived from the sale of a capital asset are not subject to the tax imposed by this subsection.
2. For electrical generating plants, the tax is at a rate of sixty-five one-hundredths of one mill times sixty percent of the installed capacity of each unit times the number of hours in the taxable period. All electrical energy generating units that begin construction or complete repowering are exempt from eighty-five percent of the tax imposed by this subsection for five years from the date of the first taxable production or from the date of the first taxable production after repowering from the unit. If a unit is incapable of generating electricity for eighteen consecutive months, the tax on that unit for taxable periods beginning after the eighteenth month must be reduced by the ratio that the cost of repair of the unit bears to the original cost of the unit. This reduced rate remains in effect until the unit is capable of generating electricity.
3. For electrical generating plants, in addition to the tax imposed by subsection 2, there is a tax at the rate of twenty-five one-hundredths of one mill on each kilowatt hour of electricity produced for the purpose of sale. For all electrical generating plants that begin construction or complete repowering, the production from the plants is exempt from the tax imposed by this subsection for five years from the date of the first taxable production or from the date of the first taxable production after repowering from the plant.
4. For coal gasification plants, the tax is the greater of either the amount provided in subsection 1 or thirteen and one-half cents on each one thousand cubic feet [28316.85 liters] of synthetic natural gas produced for the purpose of sale but not including any amount of synthetic natural gas in excess of one hundred ten million cubic feet per day.

5. For all coal conversion facilities, other than electrical generating plants, the production from the facilities is exempt from eighty-five percent of the tax imposed by this section for a period of five years from the date of first taxable production from the facility. The operator of each facility applying for exemption under this subsection shall certify to the tax commissioner the date of first taxable production of the facility.
6. For coal beneficiation plants, the tax is twenty cents on each ton of two thousand pounds [907.18 kilograms] of beneficiated coal produced for the purpose of sale, or one and one-quarter percent of the gross receipts derived from such facility for the preceding month, whichever amount is greater. Any amount of beneficiated coal produced in excess of eighty percent of the design capacity of the coal beneficiation plant or produced for use within a coal conversion facility is exempt from such tax.
7. With the exception of the tax imposed under subsection 3, the board of county commissioners, by resolution, may grant the operator of a plant or facility located within the county a partial or complete exemption from up to fifteen percent of the tax imposed under this section for a period not to extend past June 30, 2031. If a board of county commissioners grants a partial or complete exemption for a specific plant or facility under this subsection, subsection 2 of section 57-60-14 does not apply. Notwithstanding section 57-60-14, any tax collected from a plant or facility subject to the exemption provided by this subsection must be allocated entirely to the county for allocation as provided in section 57-60-15.

Imposition of taxes. (Effective after June 30, 2031) (Contingent effective date - See note) There is hereby imposed upon the operator of each coal conversion facility a tax paid monthly for the privilege of producing products of such coal conversion facility. The rate of the tax must be computed as follows:

1. For all coal conversion facilities, except as otherwise provided in this section, the tax is measured by the gross receipts derived from the facility for the preceding month and is in the amount of two percent of its gross receipts. Gross receipts derived from the sale of a capital asset are not subject to the tax imposed by this subsection.
2. For electrical generating plants, the tax is at a rate of sixty-five one-hundredths of one mill times sixty percent of the installed capacity of each unit times the number of hours in the taxable period. All electrical energy generating units that begin construction or complete repowering are exempt from eighty-five percent of the tax imposed by this subsection for five years from the date of the first taxable production or from the date of the first taxable production after repowering from the unit. The board of county commissioners may, by resolution, grant to the operator of an electrical generating plant located within the county partial or complete exemption from the remaining fifteen percent of the tax imposed by this subsection for a period not exceeding five years from the date of the first taxable production or from the date of the first taxable production after repowering from the unit. If a board of county commissioners grants a partial or complete exemption for a specific coal conversion facility under this subsection, the provisions of subsection 2 of section 57-60-14 do not apply as that subsection relates to revenue from the specific unit of the coal conversion facility for which the partial or complete exemption has been granted. Notwithstanding section 57-60-14, any tax collected from a unit subject to the exemption provided by this subsection must be allocated entirely to the county for allocation as provided in section 57-60-15. If a unit is incapable of generating electricity for eighteen consecutive months, the tax on that unit for taxable periods beginning after the eighteenth month must be reduced by the ratio that the cost of repair of the unit bears to the original cost of the unit. This reduced rate remains in effect until the unit is capable of generating electricity.
3. For electrical generating plants, in addition to the tax imposed by subsection 2, there is a tax at the rate of twenty-five one-hundredths of one mill on each kilowatt hour of electricity produced for the purpose of sale. For all electrical generating plants that begin construction or complete repowering, the production from the plants is exempt from the tax imposed by this subsection for five years from the date of the first taxable

production or from the date of the first taxable production after repowering from the plant.

4. For coal gasification plants, the tax is the greater of either the amount provided in subsection 1 or thirteen and one-half cents on each one thousand cubic feet [28316.85 liters] of synthetic natural gas produced for the purpose of sale but not including any amount of synthetic natural gas in excess of one hundred ten million cubic feet per day.
5. a. For all coal conversion facilities, other than electrical generating plants, the production from the facilities is exempt from eighty-five percent of the tax imposed by this section for a period of five years from the date of first taxable production from the facility. The operator of each facility applying for exemption under this subsection shall certify to the tax commissioner the date of first taxable production of the facility.
   b. The board of county commissioners may, by resolution, grant to the operator of a coal conversion facility, other than an electrical generating plant, located within the county a partial or complete exemption from the remaining fifteen percent of tax imposed by this section for a period not exceeding five years from the date of the first taxable production from the facility. Notwithstanding the provisions of section 57-60-14, any tax collected which is based upon the production of a facility subject to the exemption provided by this subsection must be allocated entirely to the county for allocation as provided in section 57-60-15.
6. For coal beneficiation plants, the tax is twenty cents on each ton of two thousand pounds [907.18 kilograms] of beneficiated coal produced for the purpose of sale, or one and one-quarter percent of the gross receipts derived from such facility for the preceding month, whichever amount is greater. Any amount of beneficiated coal produced in excess of eighty percent of the design capacity of the coal beneficiation plant or produced for use within a coal conversion facility is exempt from such tax.

57-60-02.1. Carbon dioxide capture credit - Reporting requirement.

A coal conversion facility that achieves a twenty percent capture of carbon dioxide emissions during a taxable period is entitled to a twenty percent reduction in the state legacy fund share of the tax imposed under section 57-60-02 during that taxable period. The facility is entitled to an additional reduction of one percent of the state legacy fund share of the tax imposed under section 57-60-02 for every additional two percentage points of its capture of carbon dioxide emissions. A maximum fifty percent reduction of the state legacy fund share of the tax imposed under section 57-60-02 is allowed for eighty percent or more capture of carbon dioxide emissions. A coal conversion facility may receive the reduction in coal conversion tax under this section for ten years from the date of first capture of carbon dioxide emission or for ten years from the date the coal conversion facility is eligible to receive the credit. A coal conversion facility that met the carbon dioxide capture requirements before January 1, 2017, may not claim the reduction under this section.

The operator of a coal conversion facility that receives a credit under this section shall report annually to the legislative council. The report must include:

1. An overview of the carbon dioxide capture project.
2. A status report on the current state of the carbon dioxide capture project, including data on the amount of carbon dioxide produced from the facility before the carbon dioxide capture project and the current carbon dioxide produced and captured from the facility.
3. Any recent changes to enhance the carbon dioxide capture system.
4. Information on the status of federal law and regulations related to the carbon dioxide capture project, including any benefits from the project realized by the operator under federal law and regulations.

57-60-02.2. Coal conversion facility tax - Exemption - Lignite research tax - Imposition. (Effective through June 30, 2031) (Contingent repeal - See note)

1. a. Excluding the generation tax imposed under subsection 3 of section 57-60-02, a coal conversion facility is entitled to a partial exemption from the coal conversion state share of the tax imposed under section 57-60-02 equal to:
   (1) Ninety percent of the coal conversion state share for taxable production after June 30, 2026, and through June 30, 2027.
   (2) Eighty percent of the coal conversion state share for taxable production after June 30, 2027, and through June 30, 2028.
   (3) Seventy percent of the coal conversion state share for taxable production after June 30, 2028, and through June 30, 2029.
   (4) Sixty percent of the coal conversion state share for taxable production after June 30, 2029, and through June 30, 2030.
   (5) Thirty-five percent of the coal conversion state share for taxable production after June 30, 2030, and through June 30, 2031.

   b. The coal conversion facility shall pay a lignite research tax equal to eighty-five percent of the tax imposed under section 57-60-02 before the application of the exemption under subdivision a, multiplied by five percent.

   c. For purposes of this subsection, "coal conversion state share" means eighty-five percent of the tax imposed under section 57-60-02, excluding the generation tax imposed under subsection 3 of section 57-60-02.

2. a. An electrical generating plant is entitled to a partial exemption from the generation tax imposed under subsection 3 of section 57-60-02 equal to:
   (1) Ninety percent of the generating plant state share for taxable production after June 30, 2026, and through June 30, 2027.
   (2) Eighty percent of the generating plant state share for taxable production after June 30, 2027, and through June 30, 2028.
   (3) Seventy percent of the generating plant state share for taxable production after June 30, 2028, and through June 30, 2029.
   (4) Sixty percent of the generating plant state share for taxable production after June 30, 2029, and through June 30, 2030.
   (5) Thirty-five percent of the generating plant state share for taxable production after June 30, 2030, and through June 30, 2031.

   b. The electrical generating plant shall pay a lignite research tax equal to the tax imposed under subsection 3 of section 57-60-02 before the application of the exemption under subdivision a, multiplied by five percent.

   c. For purposes of this subsection, the "generating plant state share" means one hundred percent of the generation tax imposed under subsection 3 of section 57-60-02.

57-60-03. Measurement and recording of synthetic natural gas, byproducts, beneficiated coal, or electricity produced and carbon dioxide capture.

The production of synthetic natural gas, byproducts, beneficiated coal, or electrical power and data necessary to determine the amount of carbon dioxide captured must be measured at the place of production or generation, and any person subject to the imposition of the taxes provided by this chapter shall maintain devices to measure and record the cumulative periodic totals of synthetic natural gas, byproducts, beneficiated coal, and electrical power generated and data necessary to determine the amount of carbon dioxide captured. Any person subject to the taxes imposed by this chapter shall maintain accurate records of the daily and monthly totals of synthetic natural gas, beneficiated coal, and electrical power generated and subject to such taxes and data necessary to determine the amount of carbon dioxide captured. On or before October first of each year, the operator of any coal gasification plant shall file a report with the department of environmental quality listing the quantity of byproducts produced during the year ending June thirtieth of that year. The commissioner shall have access to such records at reasonable times and places.

57-60-04. Payment of taxes for plants other than electrical generating plants - When taxes due - When delinquent.

Repealed by S.L. 1983, ch. 648, § 14.

57-60-05. Payment of taxes - When taxes due - When delinquent.

The taxes imposed by this chapter are due within twenty-five days after the end of each month, and, if not received by the twenty-fifth day, become delinquent and must be collected as herein provided. The commissioner, upon request and a proper showing of the necessity therefor, may grant an extension of time, not to exceed fifteen days, for paying the tax, and when such a request is granted, the tax is not delinquent until the extended period has expired. The commissioner shall require a report to be filed monthly by each person subject to the taxes imposed by section 57-60-02, in such form as the commissioner shall prescribe, to provide such information as the commissioner deems necessary for the proper administration of this chapter.

57-60-06. Property classified and exempted from ad valorem taxes - In lieu of certain other taxes - Credit for certain other taxes.

Each coal conversion facility and any carbon dioxide capture system located at the coal conversion facility, and any equipment directly used for secure geologic storage of carbon dioxide or enhanced recovery of oil or natural gas must be classified as personal property and is exempt from all ad valorem taxes except for taxes on the land on which the facility, capture system, or equipment is located. The exemption provided by this section may not be interpreted to apply to tangible personal property incorporated as a component part of a carbon dioxide pipeline but this restriction does not affect eligibility of such a pipeline for the exemption under section 57-06-17.1. The taxes imposed by this chapter are in lieu of ad valorem taxes on the property so classified as personal property.

57-60-07. Powers of commissioner.

The commissioner has power to require any person subject to the taxes imposed by this chapter to furnish any additional information deemed by the commissioner to be necessary for the purpose of correctly computing the amount of the tax, and to examine the books, records, and files of such person, and has power to conduct hearings and compel the attendance of witnesses, the production of books, records, and papers of any person, and full authority to make any investigation or hold any inquest deemed necessary to a full and complete disclosure of the true facts as to the amount of production or generation from any coal conversion plant, and as to the rendition thereof for taxing purposes.

57-60-08. Commissioner to compute tax on incorrect or omitted reports.

1. The commissioner has the power and authority to ascertain and determine whether or not any report or remittances filed with the commissioner are correct, and if the person filing such report has made an untrue or incorrect report or remittance or has failed to make the required report, the commissioner shall ascertain the correct amount of taxes due and give immediate written notice to the person filing the incorrect report or remittance or who failed to file the required report. Any person receiving notice from the commissioner that the person has filed an incorrect report or remittance or failed to file the required report shall remit the tax assessed by the commissioner within fifteen days of such notice unless within fifteen days of the notice such person makes application in writing to the commissioner for a hearing under chapter 28-32 before the commissioner. The tax becomes delinquent if within fifteen days of the notice it is not paid or an application for a hearing is not made. Taxes assessed by decision of the commissioner pursuant to chapter 28-32, if not paid, become delinquent five days after the time for appeal from the commissioner's decision has expired, except that if an appeal from the commissioner's decision is taken to the district court of Burleigh County, such taxes, if not paid, become delinquent five days following final judicial determination.

2. If a person has filed an incorrect report or has failed to file a report as required by this chapter, the commissioner shall have six years from the date that the report was first due within which to give the notice provided in subsection 1 of taxes due, except that if false or fraudulent information is given in a report or if the failure to file a report is due to the fraudulent intent or the willful attempt of the taxpayer in any manner to evade the tax, no time limitation for giving the notice of taxes due applies.

57-60-09. Proceedings and penalty on delinquency.

If the tax provided for in this chapter becomes delinquent, there is hereby imposed a penalty of five dollars or a sum equal to five percent of the tax due, whichever is greater, with interest at the rate of one percent per month on the tax due, for each calendar month or fraction thereof during which such delinquency continues, excepting the month within which such tax became due, which must be collected in the manner hereinafter provided. If any person fails to make any report herein required, within the time prescribed by law for such report, it is the duty of the commissioner to examine the books, records, and files of such person to ascertain the amount and value of such production to compute the tax thereon as provided herein, and the commissioner shall add thereto the amount of any penalties accrued thereon. The commissioner, for good cause shown, may waive the penalty or the interest provided by this section.

57-60-10. Lien for tax.

The tax herein provided for must, at all times, be and constitutes a first and paramount lien in favor of the state of North Dakota upon all property and rights to property, whether real or personal, belonging to the taxpayer, and such lien may be foreclosed in the manner provided in chapter 32-20.

57-60-10.1. Refund of overpayments.

If it appears that as a result of a mistake an overpayment of a tax, penalty, or interest was made which was not due under the provisions of this chapter, then such amount must be credited against any amount due under this chapter from the person who made the erroneous payment or must be refunded to such person; provided, that the person entitled to the overpayment makes a written claim for it to the commissioner within six years after the date the overpayment was received by the commissioner. If a refund is authorized by the commissioner, the commissioner shall certify the amount of the refund, the reason for it, and the name of the person entitled to it to the office of management and budget which shall thereupon draw a warrant for such amount on the funds to which the overpayment was credited.

57-60-11. Appeal from decision of commissioner.

Any person aggrieved because of any action or decision of the commissioner under the provisions of this chapter may within fifteen days of written notification thereof from the commissioner make application in writing to the commissioner for a hearing to be governed by the provisions of chapter 28-32 and may appeal the commissioner's decision following such hearing to the district court of Burleigh County as provided in chapter 28-32.

57-60-12. Rules and regulations - Bond.

The commissioner is hereby authorized and empowered to prescribe all necessary rules for the purpose of making and filing of all reports required hereunder and otherwise necessary to the enforcement of this chapter, and may require a sufficient bond from any person charged with the making and filing of reports and the payment of the taxes herein imposed, and said bond must run to the state of North Dakota and must be conditioned upon the making and filing of reports as required by law or regulation, and for the prompt payment, by the principal therein, of all taxes justly due the state by virtue of the provisions of this chapter.

57-60-13. Moneys to be deposited with state treasurer.

It is the duty of the commissioner to immediately deposit with the state treasurer all moneys collected by the commissioner under this chapter and to accompany each remittance with the necessary information to allow the state treasurer to allocate the moneys received as provided by this chapter.

57-60-14. Allocation of revenue - Continuing appropriation. (Effective through June 30, 2031)

1. At least quarterly, the state treasurer shall allocate:
   a. The lignite research tax collections under section 57-60-02.2 to the lignite research fund for the purposes under section 57-61-01.5.
   b. The remaining portion of the coal conversion state share after the exemption under section 57-60-02.2 to the legacy fund to become part of the principal of the legacy fund. For purposes of this subdivision, "coal conversion state share" has the same meaning as subsection 1 of section 57-60-02.2.
   c. The remaining portion of the generating plant state share after the exemption under section 57-60-02.2 to the legacy fund to become part of the principal of the legacy fund. For purposes of this subdivision, "generating plant state share" has the same meaning as subsection 2 of section 57-60-02.2.
   d. The remaining coal conversion tax collections under section 57-60-02 to the county.
2. Notwithstanding any other provision of law, the allocation under this section to each county may not be less in each calendar year than the amount certified to the state treasurer for each county under this section in the immediately preceding calendar year. For a county that has received less in a calendar year than the amount certified to the state treasurer for that county in the immediately preceding calendar year, not later than January tenth of the following year, the county auditor shall calculate the amount that is due under this subsection and submit a statement of the amount to the state treasurer. The state treasurer shall verify the stated amount and make the required payment under this subsection to the county, from collections received under section 57-60-02, not later than March first of the following year. The funds needed to make the distribution to counties under this subsection are appropriated on a continuing basis for making these payments. Money received by a county under this subsection must be distributed pursuant to section 57-60-15.
3. Notwithstanding any other provision of law, for a county in which is located a coal conversion facility that was not a coal conversion facility under this chapter before January 1, 2002, for years after 2002, subsection 2 applies to allocations to that county under this section, except that for a county described in this subsection, amounts received for any calendar year must be allocated by the county in the same manner property taxes for the facility were allocated for taxable year 2001.

Allocation of revenue - Continuing appropriation. (Effective after June 30, 2031) (Contingent effective date - See note)

1. The state treasurer shall no less than quarterly allocate all moneys received from all coal conversion facilities in each county pursuant to the provisions of this chapter, fifteen percent to the county and eighty-five percent to the state, except moneys received from the tax imposed by subsection 3 of section 57-60-02, which must be allocated to the state. From the amount allocated to the state under this subsection:
   a. Five percent must be allocated to the lignite research fund, for the purposes defined in section 57-61-01.5; and
   b. The remaining amount must be deposited in the legacy fund to become part of the principal of the legacy fund.
2. Notwithstanding any other provision of law, the allocation under this section to each county may not be less in each calendar year than the amount certified to the state treasurer for each county under this section in the immediately preceding calendar year. For a county that has received less in a calendar year than the amount certified to the state treasurer for that county in the immediately preceding calendar year, not

later than January tenth of the following year, the county auditor shall calculate the amount that is due under this subsection and submit a statement of the amount to the state treasurer. The state treasurer shall verify the stated amount and make the required payment under this subsection to the county, from collections received under section 57-60-02, not later than March first of the following year. The funds needed to make the distribution to counties under this subsection are appropriated on a continuing basis for making these payments. Money received by a county under this subsection must be distributed pursuant to section 57-60-15.

3. Notwithstanding any other provision of law, for a county in which is located a coal conversion facility that was not a coal conversion facility under this chapter before January 1, 2002, for years after 2002, subsection 2 applies to allocations to that county under this section, except that for a county described in this subsection, amounts received for any calendar year must be allocated by the county in the same manner property taxes for the facility were allocated for taxable year 2001.

57-60-15. Duty of state treasurer - Allocation to political subdivisions.

Moneys allocated to counties under the provisions of section 57-60-14 must be apportioned as follows:

1. Thirty percent of all revenues allocated to any county must be paid by the state treasurer to the incorporated cities of the county based upon the population of each incorporated city according to the last official regular or special federal census or the census taken in accordance with the provisions of chapter 40-02 in case of a city incorporated subsequent to such census.
2. Forty percent of the revenues allocated to any county must be paid to the county treasurer who shall deposit it in the county general fund to be used for general governmental purposes.
3. Thirty percent of all revenues allocated to any county must be apportioned by the state treasurer to school districts within the county on the average daily membership basis, as certified to the state treasurer by the county superintendent of schools.

57-60-16. Penalty.

Any person intentionally violating any of the provisions of this chapter is guilty of a class A misdemeanor.