

2023 SENATE FINANCE AND TAXATION

SB 2383

2023 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Fort Totten Room, State Capitol

SB 2383
2/1/2023

Relating to the carbon dioxide pipeline tax exemption; and to provide an effective date.

11:04 AM Chairman Kannianen opens hearing.

Senators present: **Kannianen, Weber, Patten, Piepkorn, Rummel, Magrum**

Discussion Topics:

- Project effect
- Pipe payment
- Tax credit estimation
- 45Q tax credit
- Tax revenue
- 45Q lifespan
- Country competition

11:05 AM Senator Magrum introduced bill. #18541

11:10 AM Jason Bohrer - President of Lignite Energy Counsel, in opposition. #18322

11:22 AM Charlie Adams – Manager of Agriculture and Stakeholder Relations for Summit Carbon Solutions, in opposition. #18540

11:28 AM Brady Pelton – Vice President for ND Petroleum Counsel, in opposition #18516

11:45 AM Samantha Vangsness - ND Ethanol Producers Association, in opposition. #18391

11:48 AM Geoff Simon – Executive Director for Western Dakota Energy Association, in opposition. #18409

11:49 AM Charles Dendy – ND Tax Department Legal Counsel, verbally Neutral.

Additional written testimony:

Josh Tiegen #18090

Jeffery Skaare #18321

11:50 AM Chairman Kannianen adjourns hearing.

Nathan Liesen, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Fort Totten Room, State Capitol

SB 2383
2/7/2023

Relating to the carbon dioxide pipeline tax exemption; and to provide an effective date.

2:48 PM Chairman Kannianen opens hearing.

Senators present: **Kannianen, Weber, Patten, Piepkorn, Rummel, Magrum**

Discussion Topics:

- Double dipping
- Pipeline cost
- 45Q

2:58 PM Mathew Danielson – ND Tax Commissioner, provided verbal information.

3:15 PM Senator Patten motioned a Do Not Pass.

3:15 PM Senator Rummel seconded.

Senators	Vote
Senator Jordan Kannianen	Y
Senator Mark F. Weber	Y
Senator Jeffery J. Magrum	Y
Senator Dale Patten	Y
Senator Merrill Piepkorn	N
Senator Dean Rummel	Y

Motion passed 5-1-0

3:19 PM Senator Magrum will carry.

3:19 PM Chairman Kannianen adjourns meeting.

Nathan Liesen, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2383: Finance and Taxation Committee (Sen. Kannianen, Chairman) recommends **DO NOT PASS** (5 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SB 2383 was placed on the Eleventh order on the calendar. This bill affects workforce development.

TESTIMONY

SB 2383



Testimony in Opposition of
House Bill No. 2383
Education and Environment Division of the House
Appropriations
February 1, 2023

TESTIMONY OF

Josh Teigen, Commissioner, ND Department of Commerce

Mr. Chairman and members of the committee. My name is Josh Teigen and I have the privilege of serving as the Commissioner for the ND Department of Commerce and by statute also the chair of the EmPower ND Commission.

I am here today in opposition of 2383 both as the Commissioner of Commerce and on behalf of the EmPower ND Commission as its chairman. The EmPower ND Commission was formed for the purpose of developing **ND's comprehensive energy policy for the state's diverse and growing energy industry**. The commission is made up of representatives from all the state's energy industries and is a model of how differing interests can come together for the good of an industry. Commerce exists to increase the overall wealth of the state and we do this primarily through the attraction of both capital and talent.

ND prides itself on a being a business-friendly state. A state with a favorable regulatory environment, low taxes, and an approach that innovation trumps regulation. This bill directly flies in the face of the principles that we have used to build our state as a great place to invest and do business.

Both Commerce and EmPower ND believe this bill to be harmful to the future of our economy. There is so much opportunity on the horizon and by enacting policies such as this, we signal to the world that ND is changing course and taking a stance of regulation over innovation. The passage of this bill will cause us to lose critical investments that will contribute to a better quality of life and economic opportunity for all citizens of ND.

Mr. Chairman and members of the committee, on behalf of EmPower ND and the ND Department of Commerce, I strongly urge you to vote no on this bill.

**Summit Carbon Solutions Testimony on Senate Bill 2383
February 1, 2023, 10:45 A.M.
Senate Finance and Taxation Committee
Senator Jordan Kannianen, Chairman**

**Jeff Skaare – Director of Land Summit Carbon Solutions
Opposition to SB 2383**

Chairman Kannianen, and fellow Senate Committee Members.

My name is **Jeffrey Skaare**. I am the **Sequestration Director of Land Legal and Regulatory Affairs** for **Summit Carbon Solutions**. I am an attorney by education, and a certified professional landman by trade. Born, raised and educated in North Dakota, I have dedicated the majority of my professional career to the development of ND's vast mineral resources. I have witnessed first-hand the need for, and the buildout of, the necessary infrastructure to develop North Dakota's vast natural resources. We have reviewed proposed Senate Bill No. 2383 and we oppose for the following reason. This bill removes an incentive for pipeline development enacted by prior legislatures. In fact, this bill is contradictory to the North Dakota State Legislature's, Chapter 38-22 entitled Carbon Dioxide Underground Storage which created a framework for a new industry in the State.

Proposed climate and energy policies, investor pressures, and societal demands for lower carbon energy have created a low-carbon economy that presents both significant risk and tremendous opportunity to North Dakota. If we do nothing, these pressures threaten North Dakota's traditional energy and modern agriculture that represent seventy percent of our economy. If we take action and deploy solutions like carbon capture, transportation, storage and utilization, we can preserve our industries, spur new investment, and thrive in the low-carbon economy.

Fortunately, North Dakota industry, research, and policy leaders had the foresight over two decades ago to begin investing in research and developing the legal and regulatory frameworks to enable the development and commercialization of carbon capture, transportation, and storage. As a

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Opposition to SB 2383

result, North Dakota is uniquely positioned to thrive in a low-carbon economy with an established legal and regulatory framework, well understood geology, and commercially available capture technologies. This early action and thoughtful leadership of North Dakotans has produced three operating CCUS projects today and four others under development.

In 2009, the North Dakota State Legislature, enacted NDCC Chapter 38-22 entitled Carbon Dioxide Underground Storage, and thus created the framework for a new industry in the State. I encourage this committee's members to re-read Section 38-22-01 entitled Policy. In short, this section of code states that **“It is in the public interest to promote the geologic storage of carbon dioxide.”** This section of code explains that in addition to the State and Federal benefits of reducing our greenhouse gas emissions, that CO₂ storage will ensure the viability of the state’s coal and power industries and further provide ready availability of a potentially valuable commodity for commercial or industrial uses. I have provided the full text below for your review.

In 2017, The North Dakota State Legislature, in enacted N.D.C.C. § 57-06-17.1 intending to incentivize carbon management and promote economic development through infrastructure. By its very title, “Carbon dioxide pipeline exemption” it is clear that prior legislatures had the foresight to incentivize pipeline development. These incentives have spurred \$billions of new projects that will enhance the competitiveness and sustainability of North Dakota largest industries.

This bill sends a contradictory message to investors that are developing carbon capture, storage and utilization projects. Repealing the incentive for projects that qualify for the Federal 45Q tax credit

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effectively disqualifies all CO₂ projects from using the incentive as the 45Q credit applies to both geologic storage and enhanced oil recovery projects. Changing the PILOT program to exclude CO₂ pipelines and associated infrastructure disincentivizes critical investment in carbon management and by extension economic development.

It is for these reasons that we oppose the enactment of Senate bill number 2383 and request a recommendation of **DO NOT PASS**. Thank you.

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38-22-01. Policy

It is in the public interest to promote the geologic storage of carbon dioxide. Doing so will **benefit the state and the global environment** by reducing greenhouse gas emissions. Doing so will help **ensure the viability of the state's coal and power industries**, to the economic benefit of North Dakota and its citizens. Further, **geologic storage** of carbon dioxide, a potentially valuable commodity, **may allow for its ready availability if needed for commercial, industrial, or other uses**, including enhanced recovery of oil, gas, and other minerals. *Geologic storage, however, to be practical and effective requires cooperative use of surface and subsurface property interests and the collaboration of property owners. Obtaining consent from all owners may not be feasible, requiring procedures that promote, in a manner fair to all interests, cooperative management, thereby ensuring the maximum use of natural resources.*

(emphasis added)



February 1, 2023

Chairman Kannianen and Senate Finance and Taxation Committee Members,

On behalf of the members of the Lignite Energy Council, I am submitting testimony today in opposition of Senate Bill 2383. The Lignite Energy Council consists of over 250 members representing lignite mines, electric utilities, independent power producers and contractor suppliers in the Upper Midwest. The lignite industry accounts for over 13,000 direct and indirect jobs, over \$5.4 billion in economic development and millions in state, county and local tax revenue.

For the past two decades, the Lignite Energy Council has worked with the legislature, state agencies and stakeholders to create a legal, tax, and regulatory framework to support development of carbon capture technology for the electric power that would position North Dakota to lead the nation in CO2 development. There is a long list of legislation that has been thoughtfully designed, debated, and passed into law that includes conformity with federal laws, the fee structure at the North Dakota Industrial Commission, the long-term accountability for CO2 storage, Class VI primacy for pore space and the critically important state investments into research, and development to name a few policies that our industry has helped place into law.

We are pursuing this technology because it has the potential to create another top five industry in North Dakota, and to preserve and enhance the coal industry in the new carbon economy. We have pursued this path because ever tightening federal regulations around carbon emissions threaten the longevity of the lignite industry and we now have a tremendous opportunity to mitigate that risk. In North Dakota, we are blessed not only with an 800-year supply of our lignite natural resources, but we also have some of the best geology in the whole world for the underground storage of carbon emissions. This combination provides the tremendous opportunity to lower our carbon emissions while providing us with economic and regulatory certainty in the future that we will be able to continue to deliver affordable and reliable energy to the citizens of our state.

The language found in SB2383 seeks to eliminate investment opportunities for power sector carbon capture projects in North Dakota. The future of our economy depends on moving the commodities we produce to market through critical infrastructure such as carbon capture pipelines. This harmful legislation would effectively wipe out over two decades of legislation that has been carefully crafted and passed into law by previous legislatures and would significantly harm the futures of the energy and agricultural industries in our state.

For these reasons, the Lignite Energy Council opposes SB2383 and we respectfully ask that the committee move to give this legislation a "Do Not Pass" recommendation.

Thank you for your consideration,

Jason Bohrer
President and CEO

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Testimony of Samantha Vangsness

Executive Director, North Dakota Ethanol Producers Association

In Opposition of SB 2383

February 1, 2023

Chairman Kannianen and members of the Senate Finance and Taxation Committee,

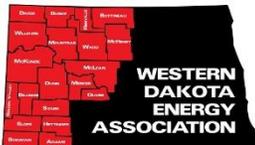
Thank you for the opportunity to testify before you today, I am Samantha Vangsness. I am executive director for the North Dakota Ethanol Producers Association (NDEPA), which represents North Dakota's six ethanol plants, industry stakeholders and associated businesses. I am here today to voice opposition to SB 2383, which exempts persons operating a CO₂ pipeline and utilizing the 45Q tax credit from also utilizing North Dakota's property tax exemption for CO₂ pipelines.

Thanks to North Dakota's innovative private sector and supportive state government, North Dakota's ethanol industry has been effective in diversifying and marketing the various products produced in the ethanol production process, including ethanol, distillers grains, corn oil, and carbon dioxide. According to a recent study conducted by North Dakota State University, the ethanol industry contributes nearly \$1.7 billion annually to the state's economy and provides thousands of direct and indirect jobs. The industry converts 40-60% of the state's corn crop into more than 550 million gallons of ethanol, 1.5 million tons of high-value livestock feed (distillers grain) and 20 million gallons of corn oil used in renewable diesel.

North Dakota's business-friendly environment has allowed the state's ethanol industry to more than quadruple its capacity in the past decade. The actions in this bill will limit future opportunities in low-carbon markets that the North Dakota ethanol industry is currently pursuing. Many plants across North Dakota are looking at ways to lower carbon intensity scores and implementing CO₂ pipelines may be part of achieving that. For years the legislature has been encouraging and supporting the development of low-carbon markets to secure a strong future for energy and agriculture. But this proposed legislation would compromise those efforts by prohibiting the use of an important CO₂

pipeline property tax exemption by projects that utilize the 45Q tax credit. Pipelines are critical to safely moving this product and attempts to make it less attractive to build pipelines should be rejected.

Thank you for your time, and I respectfully urge a 'Do Not Pass' recommendation on SB 2383. I stand for any questions.



WESTERN DAKOTA ENERGY ASSOCIATION

February 1, 2023

EXECUTIVE COMMITTEE

Trudy Ruland
President
Mountrail County

Supt. Leslie Bieber
Vice President
Alexander PSD

Zach Gaaskjolen
City of Stanley

Keith Harris
Dickinson PSD

Supt. Tim Holte
Stanley PSD

Shannon Holter
City of Bowbells

Lyn James
City of Bowman

Nick Klemisch
Garrison PSD
Coal Conversion
Counties

David Montgomery
Williams County

Craig Pelton
Dunn County

John Phillips
Coal Conversion
Counties

Testimony of:

Geoff Simon, Lobbyist #144
in opposition to SB 2383 – Tax Exemption for CO2 Pipelines
Senate Finance and Taxation Committee

Chairman Kannianen and Committee members:

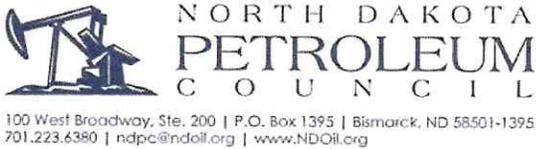
On behalf of the city, county and school district members of the Western Dakota Energy Association (WDEA), we wish to express our strong opposition to SB 2383, which would remove an existing tax exemption for CO2 pipelines that claim a federal 45Q tax credit, thereby eliminating a valuable economic incentive for construction of the pipelines.

While WDEA appreciates the angst of individuals who doubt that carbon dioxide poses a threat to public health as determined by the U.S. Environmental Protection Agency, it is an unfortunate reality that our fossil fuel industry must confront. There will be increasing federal regulatory pressure on all forms of energy production that emit carbon dioxide. This prospect poses a huge threat to not just the ongoing economic viability of ethanol plants and our coal-based generation assets, the forced retirement of baseload coal-fired electric generation presents a huge threat to the reliability of the electric grid in North Dakota and throughout the region.

Environmental extremist groups that would love to see the demise of the coal industry undoubtedly love this legislation. However, their activism which has convinced policy makers that carbon dioxide is a menace, has actually performed a huge favor for North Dakota and our fossil fuel industry. The operators of the state’s coal-fired generating plants are developing plans to capture and store carbon dioxide. Developers of Summit Carbon Solution’s proposed CO2 pipeline plan to do the same by capturing and storing CO2 from the region’s ethanol plants. But that’s not the end of the story.

There are multiple pilot projects underway by several of North Dakota’s major oil producers to develop technology to inject gas into oil-bearing shale formations to enhance oil production. While today those experiments are using produced natural gas, the miscibility of carbon dioxide is virtually identical. So while current plans contemplate the sequestration of CO2, a day will come in the not-too-distant future that carbon dioxide will be used to extract billions more barrels of oil from the Bakken, extending the life of North Dakota’s oil patch by decades. The ability of CO2 pipelines to capture the tax exemption currently provided in statute provides an important incentive for the development of CO2-enhanced oil recovery. Suffice to say, that prospect provides our state the opportunity to reap many millions, if not billions, more dollars of tax revenue.

We urge the Senate Finance and Taxation Committee to give SB 2383 a Do NOT pass recommendation, and ensure a bright economic future for our fossil fuel industry.



Senate Bill 2383

Testimony of Brady Pelton

Senate Finance and Taxation Committee

February 1, 2023

Chairman Kannianen and members of the Committee, my name is Brady Pelton, vice president of the North Dakota Petroleum Council (“NDPC”). The North Dakota Petroleum Council represents more than 600 companies involved in all aspects of the oil and gas industry, including oil and gas production, refining, pipeline, transportation, mineral leasing, consulting, legal work, and oilfield service activities in North Dakota. I appear before you today in opposition to Senate Bill 2383.

The bill before you removes a significant incentive to oil and gas developers by eliminating the property tax exemption for carbon dioxide pipelines and necessary associated equipment owned by entities seeking credits against federal income tax liability under Section 45Q of the United States Internal Revenue Code (45Q tax credit). The property tax exemption currently available for carbon dioxide pipelines in N.D.C.C. Section 57-06-17.1 is critical to developing pipelines transporting carbon dioxide for use in enhanced oil recovery (EOR) operations, and the potential exclusion of a pipeline simply because its owner has pursued 45Q tax credits is concerning.

As an example of the carbon dioxide pipeline property tax exemption’s importance to industry and continued development of EOR in North Dakota, one need only look to the work of Denbury Inc. in the southwest corner of the state. Its Cedar Creek Anticline pipeline expansion from Montana into North Dakota has allowed carbon dioxide produced in Wyoming to be used in the first large-scale EOR project in the state’s history, targeting the Cedar Hills South Unit in Bowman County. That pipeline expansion construction cost alone totaled approximately \$127 million. Its pump station cost was approximately \$10 million. Finally, the four carbon dioxide recycling facilities necessary to service the Cedar Hills South Unit, which are currently under construction, will cost about \$92 million.

Considering the large costs involved in completing the 105-mile Denbury pipeline and its 26-mile lateral into Bowman County, availability of the existing property tax exemption for this game-changing pipeline was a critical component of the company's decision to bring the Cedar Creek Anticline lateral pipeline into North Dakota and begin carbon dioxide injection operations within the state. Denbury estimates approximately 19.5 million net barrels of oil can be recovered from the Cedar Hills South Unit using the carbon dioxide EOR techniques made possible with its pipeline expansion. This bill, if enacted, could have a large potential impact on Denbury's existing ten-year property tax exemption that the company relied on in constructing within North Dakota.

The language of Senate Bill 2383 creates confusion in that it can be read to disqualify the Denbury pipeline and the countless others needed to transport carbon dioxide to North Dakota's oil- and gas-producing fields from qualifying for the ten-year carbon dioxide property tax exemption if the pipeline transports carbon dioxide captured using the federal income tax credit designed to encourage the very carbon capture, utilization, and sequestration techniques needed for EOR activity. Eliminating a critical incentive for developing carbon dioxide pipeline infrastructure increases project costs and significantly reduces North Dakota's ability to compete with other regions of the country in further developing its natural resource production.

In essence, Senate Bill 2383 will act as a deterrent to carbon dioxide pipeline expansion critical in supporting the growth of EOR in North Dakota. For this reason alone, NDPC strongly opposes this bill, and we therefore urge a **Do Not Pass recommendation** for Senate Bill 2383.

Thank you, and I would be happy to answer any questions.

**Summit Carbon Solutions Testimony on Senate Bill 2383
February 1, 2023, 10:45 A.M.
Senate Finance and Taxation Committee
Senator Jordan Kannianen, Chairman**

**Charlie Adams – Manager of Agriculture and Stakeholder Relations,
Summit Carbon Solutions**

Opposition to SB 2383

Chairman Kannianen, and fellow Senate Committee Members.

My name is Charlie Adams. I am a Manager of Agriculture and Stakeholder Relations for Summit Carbon Solutions. I am a fourth generation North Dakotan who grew up on the farm 2 miles north of Lansford in western Bottineau County. My record of service to the rural agriculture community includes service as a Bottineau County Commissioner. During that time, I served on the state board of the North Dakota County Commissioners Association. I was also the General Manager of Hefty Seed Company in Mohall for 8 years where I helped farmers grow their business. I joined Summit Carbon Solutions in July to connect with landowners and farmers, local government leaders, and other stakeholders to get the facts out regarding our project and its benefit to the future of North Dakota's agriculture and energy industries. We have reviewed proposed Senate Bill No. 2383 and we oppose for the following reason. This bill removes an incentive for pipeline development enacted by prior legislatures. In fact, this bill is contradictory to the North Dakota State Legislature's, Chapter 38-22 entitled Carbon Dioxide Underground Storage which created a framework for a new industry in the State.

Proposed climate and energy policies, investor pressures, and societal demands for lower carbon energy have created a low-carbon economy that presents both significant risk and tremendous opportunity to North Dakota. If we do nothing, these pressures threaten North Dakota's traditional energy and modern agriculture that represent seventy percent of our economy. If we take action and deploy solutions like carbon capture, transportation, storage and utilization, we can preserve our industries, spur new investment, and thrive in the low-carbon economy.

Fortunately, North Dakota industry, research, and policy leaders had the foresight over two decades ago to begin investing in research and developing the legal and regulatory frameworks to enable the development and commercialization of carbon capture, transportation, and storage. As a result, North Dakota is uniquely positioned to thrive in a low-carbon economy with an established legal and regulatory framework, well understood geology, and commercially available capture technologies. This early action and thoughtful leadership of North Dakotans has produced three operating CCUS projects today and four others under development.

In 2009, the North Dakota State Legislature, enacted NDCC Chapter 38-22 entitled Carbon Dioxide Underground Storage, and thus created the framework for a new industry in the State. I encourage this committee's members to re-read Section 38-22-01 entitled Policy. In short, this section of code states that **"It is in the public interest to promote the geologic storage of carbon dioxide."** This section of code explains that in addition to the State and Federal benefits of reducing our greenhouse gas emissions, that CO₂ storage will ensure the viability of the state's coal and power industries and further provide ready availability of a potentially valuable commodity for commercial or industrial uses. I have provided the full text below for your review.

In 2017, The North Dakota State Legislature, in enacted N.D.C.C. § 57-06-17.1 intending to incentivize carbon management and promote economic development through infrastructure. By its very title, "Carbon dioxide pipeline exemption" it is clear that prior legislatures had the foresight to incentivize pipeline development. These incentives have spurred \$billions of new projects that will enhance the competitiveness and sustainability of North Dakota largest industries.

This bill sends a contradictory message to investors that are developing carbon capture, storage and utilization projects. Repealing the incentive for projects that qualify for the Federal 45Q tax credit effectively disqualifies all CO₂ projects from using the incentive as the 45Q credit applies to both geologic storage and enhanced oil recovery projects. Changing the PILOT program to exclude CO₂

pipelines and associated infrastructure disincentivizes critical investment in carbon management and by extension economic development.

It is for these reasons that we oppose the enactment of Senate bill number 2383 and request a recommendation of **DO NOT PASS**. Thank you.

38-22-01. Policy

It is in the public interest to promote the geologic storage of carbon dioxide. Doing so will **benefit the state and the global environment** by reducing greenhouse gas emissions. Doing so will help **ensure the viability of the state's coal and power industries**, to the economic benefit of North Dakota and its citizens. Further, **geologic storage** of carbon dioxide, a potentially valuable commodity, **may allow for its ready availability if needed for commercial, industrial, or other uses**, including enhanced recovery of oil, gas, and other minerals. *Geologic storage, however, to be practical and effective requires cooperative use of surface and subsurface property interests and the collaboration of property owners. Obtaining consent from all owners may not be feasible, requiring procedures that promote, in a manner fair to all interests, cooperative management, thereby ensuring the maximum use of natural resources.*

(emphasis added)

CHAPTER 652

SENATE BILL NO. 2249
(Senators Streibel, Naaden, DeKrey)
(Representatives Brown, Rennerfeldt, Whalen)

CARBON DIOXIDE PIPELINES

AN ACT to create and enact two new sections to chapter 57-06 of the North Dakota Century Code, relating to a property tax exemption for certain centrally assessed pipeline and associated property used to promote enhanced recovery of oil or natural gas and to provide for payments in lieu of taxes; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 57-06 of the North Dakota Century Code is created and enacted as follows:

Carbon dioxide pipeline exemption. Property, not including land, is exempt from taxation for the first ten full taxable years after commencement of construction if it consists of a pipeline and necessary associated equipment for the transportation or storage of carbon dioxide to an oilfield in this state for use in enhanced recovery of oil or natural gas.

SECTION 2. A new section to chapter 57-06 of the North Dakota Century Code is created and enacted as follows:

Payments in lieu of taxes. Carbon dioxide pipeline property described in section 1 of this Act is subject to payments in lieu of property taxes during the time it is exempt from taxation under section 1 of this Act. For the purpose of these payments, carbon dioxide pipeline property described in section 1 of this Act must be valued annually by the state board of equalization in the manner that other pipeline valuations are certified. The county auditor shall calculate taxes on the carbon dioxide pipeline property described in section 1 of this Act in the same manner that taxes are calculated on other pipeline property. Not later than December twenty-sixth of each year, each county auditor shall submit a statement of the amount of taxes that would have been assessed against carbon dioxide pipeline property, exempted under section 1 of this Act, to the state treasurer for payment. The state treasurer shall make the required payment to each county not later than March first of the following year, and the county auditor shall distribute the payments to the political subdivisions in which the exempt pipeline property is located.

SECTION 3. EFFECTIVE DATE. This Act is effective for taxable years beginning after December 31, 1990.

Approved April 11, 1991
Filed April 12, 1991