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Fifty-seventh
Legislative Assembly
of North Dakota

SENATE BILL NO. 2454
with House Amendments

SENATE BILL NO. 2454

Introduced by

Senators Wanzek, Kroeplin

Representatives Brandenburg, Monson, Nicholas

1   A BILL for an Act to create and enact a new subsection to section 57-43.2-01 of the North

2   Dakota Century Code, relating to the definition of biodiesel fuel; to amend and reenact section

3   24-02-01.5, subsection 1 of section 57-43.2-02, and subsection 1 of section 57-43.2-03 of the

4   North Dakota Century Code, relating to a special fuels tax reduction for sales of diesel fuel

5   blended with biodiesel fuel; to provide an effective date; and to provide an expiration date.

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

7   **SECTION 1. AMENDMENT.** Section 24-02-01.5 of the 1999 Supplement to the North

8   Dakota Century Code is amended and reenacted as follows:

9   **24-02-01.5. Department of transportation - Administrative rules.** The department

10 of transportation may adopt the administrative rules necessary to carry out its responsibilities

11 and functions as created and transferred by sections 24-02-01.1 through 24-02-01.5. Rules

12 adopted by the agencies whose functions relate to the functions or agencies created,

13 transferred, or covered by sections 2-05-03, 24-02-01.1 through 24-02-01.5, subsections 7 and

14 11 of section 24-01-01.1, sections 24-02-13, 24-16-02, 24-17-02, subsections 8, 12, and 13 of

15 section 39-01-01, subsection 1 of section 39-16-01, subsection 7 of section 39-24-01,

16 subsection 2 of section 49-17.1-01, subsection 1 of section 54-06-04, subsection 1 of section

17 54-27-19, subsection 6 of section 57-40.3-01, subsection 1 of section 57-43.1-01, section

18 57-43.1-44, subsection ~~5~~ 6 of section 57-43.2-01, and section 57-43.2-37 remain in effect until

19 they are specifically amended or repealed by the department.

20   **SECTION 2.** A new subsection to section 57-43.2-01 of the North Dakota Century

21 Code is created and enacted as follows:

22   "Biodiesel" means a biodegradable, combustible liquid fuel that is derived from

23   vegetable oil or animal fat and which is suitable for blending with diesel fuel for use

24   in internal combustion diesel engines.

1   **SECTION 3. AMENDMENT.** Subsection 1 of section 57-43.2-02 of the North Dakota

2 Century Code is amended and reenacted as follows:

3   1. Except as otherwise provided in this chapter, an excise tax of twenty-one cents per

4   gallon [3.79 liters] is imposed on the sale or delivery of all special fuel sold or used

5   in this state. For the purpose of determining the tax upon compressed natural gas

6   under this section, one hundred twenty cubic feet [3.40 cubic meters] of

7   compressed natural gas is equal to one gallon [3.79 liters] of other special fuel.

8   The tax under this subsection is reduced by one and five-hundredths cents per

9   gallon [3.79 liters] on the sale or delivery of diesel fuel that contains at least two

10   percent biodiesel fuel by weight.

11   **SECTION 4. AMENDMENT.** Subsection 1 of section 57-43.2-03 of the North Dakota

12 Century Code is amended and reenacted as follows:

13   1. Except as otherwise provided in this chapter, a special excise tax of two percent is

14   imposed on all sales of special fuels, which are exempted from the tax imposed

15   under section 57-43.2-02. The tax under this subsection is reduced to one and

16   nine-tenths percent on all sales of diesel fuel that contains at least two percent

17   biodiesel fuel by weight.

18   **SECTION 5. EFFECTIVE DATE.** This Act becomes effective on the first day of the first

19 month after the tax commissioner certifies to the governor and the office of the legislative

20 council that a refining facility is operational in this state which has a production capacity of at

21 least ten million gallons [37854000 liters] of biodiesel per year.

22   **SECTION 6. EXPIRATION DATE.** This Act is for taxable events occurring from the

23 effective date of this Act under section 5 of this Act through June 30, 2003, and is thereafter

24 ineffective.