

Fifty-eighth  
Legislative Assembly  
of North Dakota

## HOUSE BILL NO.

Introduced by

Representative M. Klein

A BILL for an Act to create and enact a new subsection to section 57-06-02 and a new section to chapter 57-06 of the North Dakota Century Code, relating to property tax exemption for new electric transmission lines; to amend and reenact subsection 2 of section 57-33.1-02 of the North Dakota Century Code, relating to application of the electric transmission lines mileage tax for cooperatives; and to provide an effective date.

### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1.** A new subsection to section 57-06-02 of the North Dakota Century Code is created and enacted as follows:

"Transmission line" means a line to transmit electrical energy which operates at a voltage of forty-one and six-tenths kilovolts or more but does not include a line owned or operated by an agency or instrumentality of the United States government.

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

**New transmission line property tax exemption.** A transmission line of two hundred thirty kilovolts or larger which is initially placed in service after December 31, 2002, is exempt from property taxes for the taxable year in which the line is initially put into service, and property taxes as otherwise determined by law on the transmission line must be reduced by:

1. Seventy-five percent for the second taxable year of operation of the transmission line.
2. Fifty percent for the third taxable year of operation of the transmission line.
3. Twenty-five percent for the fourth taxable year of operation of the transmission line.

**SECTION 3. AMENDMENT.** Subsection 2 of section 57-33.1-02 of the North Dakota Century Code is amended and reenacted as follows:

2. In addition to the tax imposed under subsection 1, the commissioner shall levy a tax upon transmission lines of two hundred thirty kilovolts or larger, owned by cooperatives subject to the provisions of this chapter and chapter 57-60 and carrying electrical energy the gross receipts or production of which have been subjected to the tax imposed by subsection 1 of this section or subsections 2 and 3 of section 57-60-02, at the rate of ~~two~~ three hundred ~~twenty-five~~ dollars per mile [1.61 kilometers] or fraction thereof of such lines located in this state. The tax imposed under this subsection does not apply to a transmission line for the taxable year in which the line is initially put into service, and the tax imposed under this section on the transmission line must be reduced by:

- a. Seventy-five percent for the second taxable year of operation of the transmission line.
- b. Fifty percent for the third taxable year of operation of the transmission line.
- c. Twenty-five percent for the fourth taxable year of operation of the transmission line.

The tax imposed by this subsection is in lieu of any property tax on such lines and any substation used in delivering electrical energy, the gross receipts or production of which have been subjected to the tax imposed by subsection 1 or subsections 2 and 3 of section 57-60-02. The proceeds derived from the taxing of transmission lines must be allocated to each county in which such transmission lines are located in the proportion that the miles [kilometers] of such lines in a county bear to the total miles [kilometers] of such transmission lines located within this state.

Revenues received by each county must be deposited in the county general fund.

**SECTION 4. EFFECTIVE DATE.** This Act is effective for taxable years beginning after December 31, 2002.