

HOUSE BILL NO. 1072

Introduced by

Finance and Taxation Committee

(At the request of the Tax Commissioner)

1 A BILL for an Act to create and enact a new section to chapter 57-06 of the North Dakota
2 Century Code, relating to taxable valuation of centrally assessed wind turbine electric
3 generators; to amend and reenact subsection 4 of section 57-02-27, subsection 27 of section
4 57-02-08, and subsection 4 of section 57-06-02 of the North Dakota Century Code, relating to
5 valuation of centrally assessed property, property exempt from taxation, and the definition of a
6 power company; and to repeal section 57-02-27.3 of the North Dakota Century Code, relating to
7 centrally assessed wind turbine electric generators.

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

9 **SECTION 1. AMENDMENT.** Subsection 4 of section 57-02-27 of the North Dakota
10 Century Code is amended and reenacted as follows:

11 4. All centrally assessed property to be valued at ten percent of assessed value
12 except as provided in section ~~57-02-27.3~~ 2 of this Act.

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

15 **Taxable valuation of centrally assessed wind turbine electric generators.** A
16 centrally assessed wind turbine electric generation unit with a nameplate generation capacity of
17 one hundred kilowatts or more, on which construction is completed before January 1, 2011,
18 must be valued at three percent of assessed value to determine taxable valuation of the
19 property. However, a centrally assessed wind turbine electric generation unit with a nameplate
20 generation capacity of one hundred kilowatts or more, for which a purchased power agreement
21 has been executed after April 30, 2005, and before January 1, 2006, and construction is begun
22 after April 30, 2005, and before July 1, 2006, must be valued at one and one-half percent of
23 assessed value to determine taxable valuation of the property and this reduced valuation

1 applies for that property for the duration of the initial purchased power agreement for that
2 generation unit.

3 **SECTION 3. AMENDMENT.** Subsection 27 of section 57-02-08 of the North Dakota
4 Century Code is amended and reenacted as follows:

5 27. Installations, machinery, and equipment of systems in new or existing buildings or
6 structures, designed to provide heating or cooling or to produce electrical or
7 mechanical power, or any combination of these, or to store any of these, by
8 utilization of solar, wind, or geothermal energy; provided, that if the solar, wind, or
9 geothermal energy device is part of a system which uses other means of energy,
10 only that portion of the total system directly attributable to solar, wind, or
11 geothermal energy shall be exempt. Provided, however, that any exemptions
12 granted by this subsection shall be valid for a five-year period following installation
13 of any such system and apply only to locally assessed property. For the purposes
14 of this subsection, solar or wind energy devices shall have the meaning provided in
15 section 57-38-01.8; geothermal energy device means a system or mechanism or
16 series of mechanisms designed to provide heating or cooling or to produce
17 electrical or mechanical power, or any combination of these, by a method which
18 extracts or converts the energy naturally occurring beneath the earth's surface in
19 rock structures, water, or steam.

20 **SECTION 4. AMENDMENT.** Subsection 4 of section 57-06-02 of the North Dakota
21 Century Code is amended and reenacted as follows:

22 4. "Power company" means a company owning or holding, under lease or otherwise,
23 any property in this state, including wind turbine electric generation units, and
24 operating it for the purpose of furnishing or distributing electric light, electric power,
25 or steam heat for public use.

26 **SECTION 5. REPEAL.** Section 57-02-27.3 of the North Dakota Century Code is
27 repealed.