

Sixty-first  
Legislative Assembly  
of North Dakota

Introduced by

1 A BILL for an Act to create and enact a new subsection to section 57-60-01 and section  
2 57-60-02.1 of the North Dakota Century Code, relating to a credit against privilege taxes on  
3 coal conversion facilities for carbon dioxide capture; to amend and reenact section 57-60-03 of  
4 the North Dakota Century Code, relating to measurement and recording of carbon dioxide  
5 capture; and to provide an effective date.

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

7 **SECTION 1.** A new subsection to section 57-60-01 of the North Dakota Century Code  
8 is created and enacted as follows:

9 "Carbon dioxide capture" means removal of carbon dioxide emissions from a coal  
10 conversion facility.

11 a. For electrical generating plants, carbon dioxide capture is measured using the  
12 stack emissions of carbon dioxide from the plant as reported by the  
13 continuous emission monitoring system, in compliance with environmental  
14 protection agency rules in 40 C.F.R. Part 75. The percentage reduction is  
15 determined by;

16 (1) Determine the total carbon dioxide produced from the plant prior to the  
17 capture of carbon dioxide.

18 (2) Subtract the stack emissions of carbon dioxide from the plant.

19 (3) The percentage of carbon dioxide capture is obtained by dividing the  
20 result of paragraph 2 by the result of paragraph 1 and multiplying by  
21 one hundred percent.

22 b. For coal gasification facilities, the carbon dioxide capture percentage  
23 reduction is determined by:

- 1                   (1) Determine the total carbon input to the facility by multiplying the  
2                                   percentage of carbon content in the coal fed to the facility, determined  
3                                   from the average of coal analysis for the taxing period, times the total  
4                                   tons of coal fed to the facility for the taxing period.
- 5                   (2) Determine the amount of nonemissions carbon by multiplying the  
6                                   percentage of carbon content in all hydrocarbon products, except  
7                                   carbon dioxide, leaving the facility times the tons of hydrocarbon  
8                                   products leaving the facility for the taxing period.
- 9                   (3) The total tons of carbon dioxide emissions without capture is  
10                                   determined by subtracting the result under paragraph 2 from the result  
11                                   under paragraph 1 and multiplying the result times 3.667 to convert the  
12                                   amount to tons of carbon dioxide.
- 13                   (4) The amount of carbon dioxide emissions captured for the taxing period  
14                                   is measured by a flow meter and converted to tons.
- 15                   (5) The percentage of carbon dioxide capture is obtained by dividing the  
16                                   result of paragraph 4 by the result from paragraph 3 and multiplying by  
17                                   one hundred percent.

18                   **SECTION 2.** Section 57-60-02.1 of the North Dakota Century Code is created and  
19 enacted as follows:

20                   **57-60-02.1. Carbon dioxide capture credit.** A coal conversion facility that achieves a  
21 twenty percent capture of carbon dioxide emissions during a taxable period is entitled to a  
22 twenty percent reduction in the state general fund share of the tax imposed under section  
23 57-60-02 during that taxable period. The facility is entitled to an additional reduction of one  
24 percent of the state general fund share of the tax imposed under section 57-60-02 for every  
25 additional two percentage points of its reduction in carbon dioxide emissions. A maximum fifty  
26 percent reduction of the state general fund share of the tax imposed under section 57-60-02 is  
27 allowed for eighty percent or more reduction in carbon dioxide emissions.

28                   **SECTION 3. AMENDMENT.** Section 57-60-03 of the North Dakota Century Code is  
29 amended and reenacted as follows:

30                   **57-60-03. Measurement and recording of synthetic natural gas, byproducts,**  
31 **beneficiated coal, or electricity produced and carbon dioxide capture.** The production of

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

14 **SECTION 4. EFFECTIVE DATE.** This Act is effective for taxable events occurring after  
15 June 30, 2009.