

HOUSE BILL NO. 1531

Introduced by

Representatives Pinkerton, Belter

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 a surtax on certain electricity transmission; to provide a continuing
3 appropriation; and to provide an effective date.

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

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

7 **Electricity transmission surtax.** In addition to all other taxes provided by law, a surtax
8 is imposed equal to ten percent of the price of electricity when it is sold at retail if that electricity
9 is generated at a coal-fired electrical generation unit in this state and carried through
10 transmission lines in this state into a state that imposes by law, rule, regulation, or order any
11 environmental restrictions or conditions affecting coal-fired electrical generation which are more
12 stringent than environmental restrictions or conditions contained in federal law. The tax
13 commissioner shall collect the surtax imposed by this section from every entity selling electrical
14 power that is ultimately consumed by retail customers in a state described in this section. The
15 tax applies and electricity subject to tax under this section must be measured at the time
16 electricity is transferred to the transmission line that transmits it from this state to a state
17 described in this section.

18 **SECTION 2. ALLOCATION - CONTINUING APPROPRIATION.** All revenues
19 collected by the tax commissioner from the surtax imposed by section 1 of this Act must be
20 deposited by the tax commissioner in a special fund in the state treasury to be known as the
21 remediation of environmental costs fund. The tax commissioner shall allocate the moneys in
22 the fund among retail consumers of electricity in this state by allocation to power companies
23 providing those electric services in an amount necessary to provide a uniform reduction in
24 electric rates to consumers, not to exceed a reduction of ten percent. Any funds remaining in

1 the fund after allocation among power companies shall be allocated by the commissioner to
2 operators of coal-fired electrical generation facilities in this state in proportion to the electricity
3 generated at each facility to offset costs of remediation of environmental impact and improved
4 emissions technology. A continuing appropriation of the moneys available in the fund is
5 provided to the tax commissioner for purposes of this section.

6 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable events occurring after
7 June 30, 2009.