

PROPERTY TAXES ON WIND TURBINES

The Legislative Assembly amended North Dakota Century Code Section 57-06-14.1 in 2015 Senate Bill No. 2037 ([appendix](#)), relating to the taxation of wind turbine electrical generation units. The taxation applies to centrally assessed wind turbine electrical generation units with a nameplate generation capacity of 100 kilowatts or more. The section provides that the wind turbines are subject either to a property tax or to a payment in lieu of property taxes.

Wind turbines completed before January 1, 2015, and less than 20 years from the date of first assessment are subject to property taxes. Wind turbines are valued at 3 percent of assessed value to determine taxable valuation of the property, unless the wind turbines qualify for a lower valuation of 1.5 percent. Wind turbines are valued at 1.5 percent of assessed value if the following criteria are met:

- Completed after April 30, 2005, and before July 1, 2006, with a purchased power agreement executed after April 30, 2005, and before January 1, 2006.
- Completed after June 30, 2006, and before January 1, 2015.

Wind turbines completed after December 31, 2014, and 20 years or more from the date of first assessment are subject to payments in lieu of property taxes under Section 57-33.2-04. The payments in lieu of property taxes are equal to \$2.50 per kilowatt of rated capacity for the wind turbine plus .5 mill per kilowatt-hour of electricity generated by the wind turbine during the taxable period. Based on testimony for Senate Bill No. 2037, the payments in lieu of property taxes are estimated to be the equivalent of valuing the wind turbines at 4.5 percent of the assessed value.

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