

Fifty-sixth  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1454

Introduced by

Representatives Belter, Hanson

Senators Kinnoin, Urlacher

1 A BILL for an Act to amend and reenact subsection 3 of section 57-39.2-02.1, subsection 9 of  
2 section 57-40.2-01, and subsection 3 of section 57-40.2-02.1 of the North Dakota Century  
3 Code, relating to sales and use taxes on coal and allocation of tax revenues; to repeal section  
4 57-61-01.8 of the North Dakota Century Code, relating to a reduced severance tax for coal  
5 burned in small boilers; to provide a statement of legislative intent; to provide an effective date;  
6 and to declare an emergency.

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

8 **SECTION 1. AMENDMENT.** Subsection 3 of section 57-39.2-02.1 of the 1997  
9 Supplement to the North Dakota Century Code is amended and reenacted as follows:

10 3. There is imposed a tax of ~~six cents per million British thermal units~~ seventy-five  
11 cents per ton of two thousand pounds [907.18 kilograms] on all sales at retail of  
12 coal, except for coal used for heating buildings in this state and coal used in  
13 agricultural processing or sugar beet refining plants located within this state or  
14 adjacent states.

15 **SECTION 2. AMENDMENT.** Subsection 9 of section 57-40.2-01 of the 1997  
16 Supplement to the North Dakota Century Code is amended and reenacted as follows:

17 9. "Use" means the exercise by any person of any right or power over tangible  
18 personal property incident to the ownership or possession of that property,  
19 including the storage, use, or consumption of that property in this state, except that  
20 it does not include processing, or the sale of that property in the regular course of  
21 business. "Use" also means the severing of sand ~~or~~, gravel, or coal from the soil  
22 of this state for use within or outside this state.

23 **SECTION 3. AMENDMENT.** Subsection 3 of section 57-40.2-02.1 of the 1997  
24 Supplement to the North Dakota Century Code is amended and reenacted as follows:

1           3.    An excise tax is imposed on the storage, use, or consumption in this state of coal  
2                    at the rate of ~~six cents per million British thermal units~~ seventy-five cents per ton of  
3                    two thousand pounds [907.18 kilograms], except for coal used for heating buildings  
4                    in this state and coal used in agricultural processing or sugar beet refining plants  
5                    located within this state or adjacent states.

6           **SECTION 4. REPEAL.** Section 57-61-01.8 of the 1997 Supplement to the North  
7 Dakota Century Code is repealed.

8           **SECTION 5. LEGISLATIVE INTENT.** It is the intent of the legislative assembly that  
9 sections 57-39.2-02.1, 57-39.2-26.1, and 57-40.2-02.1 remain effective, except as amended by  
10 this Act.

11           **SECTION 6. EFFECTIVE DATE.** Section 4 of this Act is effective July 1, 2003.

12           **SECTION 7. EMERGENCY.** This Act is declared to be an emergency measure.