

**SENATE BILL NO. 2454**

Introduced by

Senators Wanzek, Kroepelin

Representatives Brandenburg, Monson, Nicholas

1 A BILL for an Act to create and enact a new subsection to section 57-43.2-01 of the North  
2 Dakota Century Code, relating to the definition of biodiesel fuel; to amend and reenact section  
3 24-02-01.5, subsection 1 of section 57-43.2-02, and subsection 1 of section 57-43.2-03 of the  
4 North Dakota Century Code, relating to a special fuels tax reduction for sales of diesel fuel  
5 blended with biodiesel fuel; and to provide an effective date.

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

7 **SECTION 1. AMENDMENT.** Section 24-02-01.5 of the 1999 Supplement to the North  
8 Dakota Century Code is amended and reenacted as follows:

9 **24-02-01.5. Department of transportation - Administrative rules.** The department of  
10 transportation may adopt the administrative rules necessary to carry out its responsibilities and  
11 functions as created and transferred by sections 24-02-01.1 through 24-02-01.5. Rules  
12 adopted by the agencies whose functions relate to the functions or agencies created,  
13 transferred, or covered by sections 2-05-03, 24-02-01.1 through 24-02-01.5, subsections 7 and  
14 11 of section 24-01-01.1, sections 24-02-13, 24-16-02, 24-17-02, subsections 8, 12, and 13 of  
15 section 39-01-01, subsection 1 of section 39-16-01, subsection 7 of section 39-24-01,  
16 subsection 2 of section 49-17.1-01, subsection 1 of section 54-06-04, subsection 1 of section  
17 54-27-19, subsection 6 of section 57-40.3-01, subsection 1 of section 57-43.1-01, section  
18 57-43.1-44, subsection ~~5~~ 6 of section 57-43.2-01, and section 57-43.2-37 remain in effect until  
19 they are specifically amended or repealed by the department.

20 **SECTION 2.** A new subsection to section 57-43.2-01 of the North Dakota Century Code  
21 is created and enacted as follows:

22 "Biodiesel" means a biodegradable, combustible liquid fuel that is derived from  
23 vegetable oil or animal fat and which is suitable for blending with diesel fuel for use  
24 in internal combustion diesel engines.

1           **SECTION 3. AMENDMENT.** Subsection 1 of section 57-43.2-02 of the North Dakota  
2 Century Code is amended and reenacted as follows:

3           1. Except as otherwise provided in this chapter, an excise tax of twenty-one cents per  
4 gallon [3.79 liters] is imposed on the sale or delivery of all special fuel sold or used  
5 in this state. For the purpose of determining the tax upon compressed natural gas  
6 under this section, one hundred twenty cubic feet [3.40 cubic meters] of  
7 compressed natural gas is equal to one gallon [3.79 liters] of other special fuel.  
8 The tax under this subsection is reduced by two and one-tenth cents per gallon  
9 [3.79 liters] on the sale or delivery of diesel fuel that contains at least two percent  
10 biodiesel fuel by weight.

11           **SECTION 4. AMENDMENT.** Subsection 1 of section 57-43.2-03 of the North Dakota  
12 Century Code is amended and reenacted as follows:

13           1. Except as otherwise provided in this chapter, a special excise tax of two percent is  
14 imposed on all sales of special fuels, which are exempted from the tax imposed  
15 under section 57-43.2-02. The tax under this subsection is reduced to one and  
16 eight-tenths percent on all sales of diesel fuel that contains at least two percent  
17 biodiesel fuel by weight.

18           **SECTION 5. EFFECTIVE DATE.** This Act is effective for taxable events occurring after  
19 June 30, 2001.