

HOUSE BILL NO. 1170

Introduced by

Representatives Headland, Hagert, Mitskog, Nathe, Nelson, Porter, Stemen, Vigesaa

Senators Kannianen, Patten, Sorvaag, Wanzek

1 A BILL ~~for an Act to create and enact a new subsection to section 57-02-08 of the North Dakota~~
2 ~~Century Code, relating to a property tax exemption for certain natural gas pipeline property; and~~
3 ~~to provide an effective date.~~ for an Act to create and enact a new section to chapter 57-06 of the
4 North Dakota Century Code, relating to a property tax exemption for certain natural gas pipeline
5 property; 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 57-02-08 of the North Dakota Century Code is~~
8 ~~created and enacted as follows:~~

9 ~~a. All property, excluding the land on which it is situated, which is part of an~~
10 ~~intrastate natural gas transportation or distribution pipeline system if:~~

11 ~~(1) Construction of the pipeline system commenced after January 1, 2023; and~~

12 ~~(2) The pipeline system provides service to a city or township in which the~~
13 ~~majority of households or businesses did not have access to natural gas~~
14 ~~distribution systems as of January 1, 2023.~~

15 ~~b. The exemption under this subsection may apply for a period of fifteen years.~~
16 ~~Once a property no longer qualifies, the property may not subsequently qualify~~
17 ~~for the exemption under this subsection.~~

18 ~~SECTION 2. EFFECTIVE DATE. This Act is effective for taxable years beginning after~~
19 ~~December 31, 2022.~~

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

22 **Natural gas pipeline infrastructure to underserved communities - Exemption.**

23 All property, excluding the land on which it is situated, which is part of a natural gas
24 transmission or distribution pipeline system constructed in this state is exempt from taxation for

1 a period of fifteen years following the taxable year in which the pipeline becomes operational.

2 The exemption under this section applies if:

3 1. Construction of the pipeline commences after January 1, 2023.

4 2. The pipeline provides service to a city or township located within the state in which the
5 majority of households or businesses did not have access to natural gas service as of
6 January 1, 2023.

7 3. The pipeline is located within this state.

8 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
9 December 31, 2022.