

Sixty-third
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1398

Introduced by

Representatives Keiser, Kreun, Schmidt

1 A BILL for an Act to create and enact chapter 61-41 of the North Dakota Century Code, relating
2 to a fee for industrial use fresh water dispensed for oil and gas industry users; and to provide an
3 effective date.

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

5 **SECTION 1.** Chapter 61-41 of the North Dakota Century Code is created and enacted as
6 follows:

7 **61-41-01. Definitions.**

8 For purposes of this chapter:

9 1. "Fresh water" means fresh water drawn from an underground or surface source in this
10 state under an industrial use water permit, whether treated or untreated, and
11 dispensed to an oil and gas industry user.

12 2. "Oil and gas industry user" means an enterprise engaged in exploration, drilling, or
13 production of oil and gas, and includes businesses that transport water for use in such
14 an enterprise.

15 **61-41-02. Oil and gas industry fresh water user fee.**

16 A fee of twenty cents per one hundred gallons [378.54 liters] is imposed on fresh water
17 dispensed to an oil and gas industry user at a water depot or water-dispensing point in this
18 state. The operator of a water depot or water-dispensing point in this state which dispenses
19 fresh water to an oil and gas industry user shall maintain water-metering devices in compliance
20 with rules adopted by the state water commission

21 **61-41-03. Fee collection and reporting.**

22 The operator of a water depot or water-dispensing point in this state which dispenses fresh
23 water to an oil and gas industry user shall collect and remit the fee imposed by this chapter to
24 the state water commission under rules adopted by the state water commission.

1 **61-41-04. Deposit of revenue.**

2 The state water commission shall transmit fees collected under this chapter to the state
3 treasurer, who shall deposit the fees in the oil and gas impact grant fund.

4 **61-41-05. Administration.**

5 The provisions of chapter 57-39.2, pertaining to the administration of the sales tax, including
6 reporting, filing of returns, penalties, liens, rule making authority, and any other provisions not in
7 conflict with the provisions of this chapter, govern the administration, with the exception that the
8 state water commission shall exercise those powers under this chapter.

9 **SECTION 2. EFFECTIVE DATE.** This Act becomes effective July 1, 2013.