

State Board of Equalization
July 11, 2022

The State Board of Equalization met in the Peace Garden Room of the North Dakota State Capital and virtually through Microsoft TEAMS, Tuesday, July 11, 2023.

The following members were present:

Lieutenant Governor Tammy Miller, Chairperson
Josh Gallion, State Auditor
Thomas Beadle, State Treasurer
Doug Goehring, Commissioner of Agriculture
Brian Kroshus, Commissioner of Tax

Lieutenant Governor Miller called the meeting to order at 1:02 p.m.

The Pledge of Allegiance was recited.

It was moved by Treasurer Beadle and seconded by Auditor Gallion to approve the agenda. Upon a roll call vote, all participating members voted “aye”. Motion carried.

It was moved by Auditor Gallion and seconded by Treasurer Beadle to approve the minutes of the May 4, 2023, meeting. Upon a voice vote, all participating members voted “aye”. Motion carried.

Lieutenant Governor Miller introduced the fourth item of business which was the hearing of centrally assessed companies on the 2023 tentative assessments. Commissioner Kroshus gave an overview of the Airline Transportation assessments. Lieutenant Governor Miller asked why Allegiant Air, LLC is on a different program than other Airlines. Property Tax Specialist, Vicki Williams, stated that she was not sure why they are treated differently as we do not receive contract information from airlines. Ms. Williams stated that she would contact the airline to request the information.

Airline Transportation

Action: Upon motion of Treasurer Beadle and second by Auditor Gallion, it was moved to approve the 2023 tentative assessments for airline transportation companies in the amount of \$7,830,500. Upon roll call, all members voted “aye”. Motion carried.

Airlines	2023
ALLEGiant AIR, LLC	\$ 1,099,300
DELTA AIRLINES, INC	\$ 2,973,200
ENVOY AIT, INC	\$ 634,200
FEDERAL EXPRESS CORP	\$ 165,400
FRONTIER AIRLINES	\$ 184,000
SKYWEST AIRLINES, INC	\$ 839,000
UNITED AIRLINES, INC	\$ 1,935,400
Total	\$ 7,830,500

Commissioner Kroshus gave an overview of the 2023 natural gas and oil and refined petroleum pipeline tentative assessments. Lieutenant Governor Miller asked why there were companies with an assessment last year, but no assessment this year. Property Tax Specialist, Vicki Williams, stated that 2 companies were sold in 2022.

Natural Gas and Oil and Refined Petroleum Pipelines

Action: Upon motion of Auditor Gallion and second by Treasurer Beadle, it was moved to approve the 2023 tentative assessments for natural gas pipelines in the amount of \$3,136,070,400 and the 2023 tentative assessments for oil and refined petroleum pipelines in the amount of \$1,981,252,000. Upon roll call, all members voted “aye”. Motion carried.

NATURAL GAS PIPELINES	2023
ALLIANCE PIPELINE LP	\$ 105,059,000
AMERICAN MIDSTREAM GP LLC	\$ -
ANDEAVOR FIELD SERVICES COMPANY	\$ 116,143,000
ANDEAVOR GATHERING I LLC	\$ 8,681,000
ARCHER DANIELS MIDLAND	\$ 70,000
ARROW PIPELINE LLC	\$ 63,237,500
AUX SABLE MIDSTREAM LLC	\$ 29,251,000
BAKKEN OIL EXPRESS LLC	\$ -
BISON MIDSTREAM LLC	\$ -
BISON PIPELINE LLC	\$ 30,745,500
CALIBER BEAR DEN INTERCONNECT LLC	\$ 4,189,500
CALIBER MIDSTREAM PARTNERS LP	\$ 42,361,500
CRESTWOOD CRUDE LOGISTICS LLC	\$ 3,250,000
DAKOTA GASIFICATION CO	\$ 3,076,500
DAKOTA GASIFICATION CO - SNG ANTELOPE PIPELINE	\$ 2,750,000
DAKOTA GASIFICATION CO - SNG HEBRON PIPELINE	\$ 4,258,000
DAKOTA MIDSTREAM LLC - NATURAL GAS	\$ 6,018,500
DENBURY GREEN PIPELINE - MONTANA LLC *New in 2023*	\$ 6,162,500
EQUINOR PIPELINES LLC	\$ -
HESS BAKKEN INVESTMENTS II LLC	\$ 59,235,000
HESS NORTH DAKOTA EXPORT LOGISTICS LLC	\$ 20,904,000
HESS NORTH DAKOTA PIPELINES LLC	\$ 684,371,500
HESS TIOGA GAS PLANT, LLC	\$ 27,382,500

HILAND PARTNERS HOLDING LLC	\$	209,273,500
LIBERTY RESOURCES II	\$	12,195,000
MEADOWLARK MIDSTREAM COMPANY, LLC	\$	71,610,000
NORTHERN BORDER PIPELINE COMPANY	\$	112,143,500
OE2 NORTH LLC (NEW FOR 2020)	\$	49,243,000
ONEOK ROCKIES MIDSTREAM LLC	\$	960,199,000
PARADIGM MIDSTREAM LLC	\$	51,007,000
PECAN PIPELINE (NORTH DAKOTA) INC	\$	69,903,000
PETRO HUNT LLC (ETAL)	\$	33,400
PETRO HUNT LLC	\$	8,213,500
RED RIVER ENERGY LLC	\$	78,000
ROUGH RIDER PIPELINE CO	\$	42,000
SACAGAWEA PIPELINE COMPANY NEW FOR 2020	\$	24,531,000
STEEL REEF BURKE	\$	20,600,500
STERLING ENERGY INVESTMENTS LLC	\$	-
TARGA BADLANDS LLC	\$	144,031,000
USG MIDSTREAM BAKKEN I LLC	\$	17,093,000
USG WHEATLAND PIPELINE LLC	\$	1,972,500
VIKING GAS TRANSMISSION	\$	161,500
WBI ENERGY TRANSMISSION INC	\$	101,516,500
WHITING PETROLEUM CORP	\$	15,265,000
XTO ENERGY INC	\$	49,812,000
Total	\$	3,136,070,400

OIL & REFINED PETROLEUM PIPELINES	2023	
BAKKEN PIPELINE COMPANY LP	\$	26,588,000
BELLE FOURCHE PIPELINE	\$	13,566,500
BRIDGER PIPELINE LLC	\$	173,874,000
CENEX PIPELINE LLC	\$	33,223,000
DAKOTA ACCESS	\$	421,050,500
DAKOTA MIDSTREAM LLC - OIL (DAKOTA ENERGY CONNECTION LLC)	\$	4,777,000
ENABLE BAKKEN CRUDE SERVICES LLC	\$	52,674,500
ENBRIDGE ENERGY LP	\$	73,369,000
GLACIER PEAK MIDSTREAM, LLC	\$	48,122,500
HAWTHORN OIL TRANSPORTATION (NORTH DAKOTA) INC	\$	340,000
HILAND CRUDE LLC	\$	123,973,500
INDEPENDENT TRADING&TRANSPORTATION COMPANY 1 LLC	\$	13,903,500
MAGELLAN PIPELINE COMPANY LP	\$	13,381,500
NORTH DAKOTA PIPELINE COMPANY LLC	\$	171,209,000
NUSTAR PIPELINE OPERATING PARTNERSHIP LP	\$	25,922,000
OASIS MIDSTREAM SERVICES	\$	10,476,000
ONEOK BAKKEN PIPELINE LLC	\$	234,414,000
PELICAN GATHERING SYSTEMS LLC	\$	78,662,500
PEMBINA COCHIN LLC	\$	34,807,000
PLAINS PIPELINE LP	\$	6,098,000
PLAINS PIPELINE MONTANA, LLC	\$	11,875,500
ROSE ROCK MIDSTREAM CRUDE LP	\$	2,181,000
SACAGAWEA PIPELINE COMPANY LLC	\$	60,478,500
SOUTHERN LIGHTS HOLDINGS LLC	\$	1,055,000
TESORO GREAT PLAINS GATHERING AND MARKETING LLC	\$	11,427,000
TESORO HIGH PLAINS PIPELINE COMPANY	\$	137,285,500
TIDAL ENERGY MARKETING US LLC	\$	441,500
TRANSCANADA KEYSTONE PIPELINE LP	\$	163,781,000
VANTAGE PIPELINE US LP	\$	32,295,000
Total	\$	1,981,252,000

At this time Commissioner Kroshus introduced Charlie Dendy as the new General Counsel and Legal Division Director. Commissioner Kroshus then continued by introducing Shelli Myers as the new State Supervisor of Assessments and Property Tax Division Director. Ms. Myers then introduced the Property Tax Specialists: Breanna Zent, Sarah Ohlhauser, Vicki Williams, and Ross Pfaff.

Commissioner Kroshus gave an overview of the 2023 tentative railroad assessment.

Railroad Industry

Action: Upon motion of Treasurer Beadle and second by Auditor Gallion, it was moved to approve the 2023 tentative assessments for the railroad industry in the amount of \$758,046,500. Upon roll call, all members voted “aye”. Motion carried.

RAILROAD	2023
BNSF RAILROAD COMPANY	\$ 592,000,000
DAKOTA, MISSOURI VALLEY & WESTERN RAILROAD	\$ 19,916,500
DAKOTA NORTHERN RAILROAD INC	\$ 143,000
NORTHERN PLAINS RAILROAD INC.	\$ 5,892,500
RED RIVER VALLEY & WESTERN RAILROAD COMPANY	\$ 29,730,000
SOO LINE RAILROAD COMPANY	\$ 110,364,500
Total	\$ 758,046,500

Commissioner Kroshus gave an overview of the 2023 electric, heat, and utility companies tentative assessments.

Electric, Heat, and Utility Companies

Action: Upon motion of Auditor Gallion and second by Treasurer, it was moved to approve the 2023 tentative assessments for electric, heat, and gas utility companies in the amount of \$606,525,428. Upon roll call, all members voted “aye”. Motion carried.

ELECTRIC, HEAT & GAS	2023
DAKOTA NATURAL GAS	\$ 5,009,000
MONTANA DAKOTA UTILITIES	\$ 264,393,000
NORTHERN MUNICIPAL POWER COMPANY (MINNKOTA POWER COOP INC)	\$ 311,928
NORTHWESTERN CORP	\$ 938,000
OTTER TAIL POWER COMPANY	\$ 138,285,000
RAINBOW ENERGY MARKETING	\$ -
XCEL ENERGY SERVICES INC (NSP-Minnesota)	\$ 197,588,500
Total	\$ 606,525,428

Commissioner Kroshus gave an overview of the 2023 ad valorem wind tentative assessments.

Ad Valorem Wind

Action: Upon motion of Treasurer Beadle and second by Auditor Gallion, it was moved to approve the 2023 tentative assessments for the ad valorem wind in the amount of \$391,617,000. Upon roll call, all members voted “aye”. Motion carried.

Ad Valorem Wind	2023
ASHTABULA WIND I LLC	\$ 51,093,500
ASHTABULA WIND II LLC	\$ 43,816,500
ASHTABULA WIND III LLC	\$ 18,429,000
BALDWIN WIND LLC	\$ 21,713,000
FPL ENERGY BURLEIGH COUNTY WIND LLC	\$ 14,359,000
FPL ENERGY NORTH DAKOTA WIND LLC	\$ 2,475,000
FPL ENERGY OLIVER WIND I LLC	\$ 12,743,500
FPL ENERGY OLIVER WIND II LLC	\$ 15,750,000
LANGDON RENEWABLES	\$ 74,473,000
MONTANA DAKOTA UTILITIES	\$ 9,940,000
OTTER TAIL POWER COMPANY Ashtabula Wind Energy Center	\$ 22,808,000
OTTER TAIL POWER COMPANY Langdon Wind Energy Center	\$ 14,631,000
OTTER TAIL POWER COMPANY Luverne Wind Energy Center	\$ 16,066,500
RUGBY WIND LLC	\$ 32,433,000
TATANKA WIND POWER LLC	\$ 16,104,000
VELVA WINDFARM LLC	\$ 2,054,500
WILTON WIND II LLC	\$ 22,727,500
Total	\$ 391,617,000

Commissioner Kroshus gave an overview of the 2023 electric distribution in-lieu tax and of the statute-based formula.

Electric Distribution

Action: Upon motion of Auditor Gallion and second by Treasurer Beadle, it was moved to approve the 2023 tax for electric distribution in the amount of \$13,668,886.62. Upon roll call, all members voted “aye”. Motion carried.

ELECTRIC DISTRIBUTION TAX	2023
BURKE DIVIDE ELECTRIC COOP	\$ 152,244.68
CAPITAL ELECTRIC COOP	\$ 313,536.84
CASS CO ELECTRIC COOP	\$ 1,096,817.62
CAVALIER RURAL ELEC COOP	\$ 26,633.89
DAKOTA VALLEY ELECTRIC	\$ 548,403.84
GOLDENWEST ELECTRIC COOPERATIVE INC	\$ 25,690.98
KEM ELECTRIC COOPERATIVE INC	\$ 75,502.90
LOWER YELLOWSTONE RURAL ELECTRIC ASSOC INC	\$ 76,730.41
MCKENZIE ELECTRIC COOP	\$ 4,343,985.56
MCLEAN ELECTRIC COOPERATIVE INC	\$ 109,478.78
MOR GRAN SOU ELECTRIC COOP INC	\$ 132,663.92
MOUNTRAIL WILLIAMS ELEC	\$ 3,236,678.86
NODAK ELECTRIC COOP	\$ 1,658,260.25
NORTH CENTRAL ELECTRIC COOPERATIVE INC	\$ 195,933.02
NORTHERN PLAINS ELECTRIC	\$ 344,230.07
ROUGH RIDER ELECTRIC COOPERATIVE INC	\$ 606,730.14
SHERIDAN ELEC COOP INC	\$ 24,017.62
SLOPE ELECTRIC COOPERATIVE INC	\$ 230,713.93
TRAVERSE ELECTRIC COOP	\$ 308.19
VERENDRYE ELECTRIC COOPERATIVE INC	\$ 470,325.12
Total	\$ 13,668,886.62

Commissioner Kroshus gave an overview of the 2023 electric transmission in-lieu tax. Commissioner Kroshus stated that due to staffing changes Grand Electric Coop. Inc., has not yet submitted their annual return. Further, Commissioner Kroshus explained that the Property Tax Division has been in communication with Grand Electric Coop. Inc and expects the return shortly.

Electric Transmission Companies

Action: Upon motion of Treasurer Beadle and seconded by Auditor Gallion, to approve the 2023 tax for electric transmission companies, excluding Grand Electric Coop. Inc., in the amount of \$2,005,461.99. Upon roll call, all members voted “aye”. Motion carried.

ELECTRIC TRANSMISSION TAX	2023
ALLETE INC	\$ 105,438.05
ASHTABULA WIND II LLC	\$ 3,608.40
ASHTABULA WIND III LLC	\$ 10,286.10
ASHTABULA WIND LLC	\$ 3,688.00
AURORA WIND PROJECT	\$ 11,949.09
BALDWIN WIND LLC	\$ 13,420.51
BASIN ELECTRIC POWER CO	\$ 568,902.00
BRADY WIND, LLC	\$ 5,404.20
BURKE DIVIDE ELECTRIC COOP	\$ 21,620.00
CENTRAL POWER ELECTRIC COOP	\$ 144,713.85
EMMONS-LOGAN WIND, LLC	\$ 1,248.53
FPL ENERGY BURLEIGH COUNTY WIND LLC	\$ 456.00
FPL ENERGY NORTH DAKOTA WIND LLC	\$ 6,592.00
FPL ENERGY OLIVER WIND I LLC	\$ 5,353.94
FPL ENERGY OLIVER WIND II LLC	\$ 4,414.02
GOLDENWEST ELECTRIC COOPERATIVE INC	\$ 990.00
GRAND ELECTRIC COOP., INC.	\$ -
GREAT RIVER ENERGY	\$ 118,130.31
KEM ELECTRIC COOPERATIVE INC	\$ 6,096.00
LANGDON RENEWABLES LLC	\$ 27,804.36
LOWER YELLOWSTONE RURAL ELECTRIC ASSOC INC	\$ 6,326.00
MCKENZIE ELECTRIC COOP	\$ 98,900.80
MEADOWLARK WIND I LLC	\$ 3,022.80
MINNKOTA POWER COOP INC	\$ 425,597.25
MONTANA-DAKOTA UTILITIES CO.	\$ 9,922.84
MOORHEAD PUBLIC SER DEPT	\$ 1,750.00
MOR GRAN SOU ELECTRIC COOP INC	\$ 30,996.10
MOUNTRAIL WILLIAMS ELEC	\$ 77,338.94
NEXUS LINE LLC	\$ 156,087.52
NORTHERN DIVIDE WIND, LLC	\$ 6,137.10
NORTHERN STATES POWER COMPANY-MINNESOTA	\$ 33,332.73
OLIVER WIND III, LLC	\$ 1,436.10
OTTER TAIL POWER COMPANY	\$ 19,856.62
ROUGH RIDER ELECTRIC COOPERATIVE INC	\$ 32,211.90
RUGBY WIND LLC	\$ 3,070.55
SHERIDAN ELEC COOP INC	\$ 13,360.00
SLOPE ELECTRIC COOPERATIVE INC	\$ 12,650.45
SQUARE BUTTE ELECTRIC CO	\$ 1,327.20
TATANKA WIND POWER LLC	\$ 3,853.74
UPPER MISSOURI G&T ELECT	\$ 296.00
WILTON WIND II LLC	\$ 7,872.00
Total	\$ 2,005,461.99

Commissioner Kroshus gave an overview of the 2023 electric generation from wind in-lieu tax. Treasurer Beadle asked for classification on the year over year change in assessment for Merricourt Power Cooperative Inc. State Supervisor of Assessments, Shelli Myers, stated that the 2021 production was taxed in 2022 so when reviewing the production tax, it appears one year behind.

Electric Generation from Wind

Action: Upon motion of Treasurer Beadle and second by Auditor Gallion, it was moved to approve the 2023 tax for electric generation from wind companies in the amount of \$13,382,284.88. Upon roll call, all members voted “aye”. Motion carried.

ELECTRIC GENERATION FROM WIND TAX	2023
ALLETE INC	\$ 2,024,975.74
AURORA WIND PROJECT LLC	\$ 1,340,547.67
BASIN ELECTRIC POWER CO	\$ 471,101.54
BRADY WIND II, LLC	\$ 713,104.99
BRADY WIND, LLC	\$ 711,994.51
BWF WIND	\$ 707,738.83
COURTNAY WIND	\$ 907,993.37
EMMONS-LOGAN WIND, LLC	\$ 947,938.02
FOXTAIL WIND	\$ 653,369.76
GLEN ULLIN ENERGY CENTER, LLC	\$ 492,210.12
LINDAHL WIND PROJECT LLC	\$ 679,565.49
MEADOWLARK WIND I LLC	\$ 473,653.22
MERRICOURT WIND ENERGY CENTER	\$ 667,716.34
MINNKOTA POWER COOPERATIVE INC.	\$ 6,197.15
MONTANA-DAKOTA UTILITIES CO.	\$ 683,475.50
NORTHERN DIVIDE WIND, LLC	\$ 930,597.51
OLIVER WIND III, LLC	\$ 477,889.01
SUNFLOWER WIND PROJECT LLC	\$ 492,216.12
Total	\$ 13,382,284.88

Commissioner Kroshus gave an overview of the 2023 electric generation in-lieu tax.

Electric Generation

Action: Upon motion of Auditor Gallion and second by Treasurer Beadle, it was moved to approve the 2023 tax for electric generation in the amount of \$1,789,598.22. Upon roll call, all members voted “aye”. Motion carried.

ELECTRIC GENERATION TAX (from other sources other than wind or coal)	2023
BASIN ELECTRIC POWER CO - NG Gas Peaker Plant	\$ 1,652,809.00
MINNKOTA POWER COOP INC - Community Solar Project	\$ 10,082.77
OREG I - Pipeline Waste Heat	\$ 42,240.20
OREG II - Pipeline Waste Heat	\$ 84,466.25
Total	\$ 1,789,598.22

Commissioner Goehring joined the meeting.

The next item on the agenda was the approval of the State Medical Center Resolution. It was moved by Treasurer Beadle and seconded by Auditor Gallion that the Board approve the State Medical Center Resolution as follows:

STATE MEDICAL CENTER RESOLUTION

WHEREAS, ARTICLE X, SECTION 10 of the North Dakota Constitution requires that a one mill levy on all taxable property within the State shall be spread for the purpose of establishing a Medical Center at the University of North Dakota

THEREFORE, BE IT RESOLVED that a Medical Center levy for the year of 2023 is hereby levied at a rate of one mill on each dollar of net taxable valuation of all property subject to the general property tax for the year 2023. Upon roll call, all members voted “aye.” Motion carried.

Lieutenant Governor Miller asked for a motion to adjourn. Upon motion by Treasurer Beadle and second by Auditor Gallion, Lieutenant Governor Miller adjourned the meeting at 1:36 p.m.