

State Board of Equalization  
July 13, 2021

The State Board of Equalization met in the Peace Garden Room at the State Capitol, Tuesday, July 13, 2021 at 1:02 p.m. The meeting was offered as a hybrid option through Microsoft TEAMS.

The following members were present:

Governor Doug Burgum, Chairperson  
Thomas Beadle, State Treasurer  
Doug Goehring, Commissioner of Agriculture  
Ryan Rauschenberger, Tax Commissioner and  
Secretary of the State Board of Equalization

Not in attendance: Joshua Gallion, State Auditor

It was moved by Commissioner Goehring and seconded by Treasurer Beadle to approve the minutes of the April 1, 2021 meeting. Upon roll call, all members participating voted “aye.” Motion carried.

Commissioner Rauschenberger presented the new and expanding business exemption application for CI Sport. Rauschenberger noted CI Sport has met all requirements and notices for competitors and has been designated primary sector by the North Dakota Department of Commerce. Commissioner Rauschenberger provided information about the business plan, employment, and projections. Rauschenberger called upon Mr. Thoreson, President of CI Sport, to clarify the number of employees CI Sport plans to hire in the next five years. Treasurer Beadle asked Mr. Thoreson if CI Sport is currently operational and if they expect continued growth, which Thoreson clarified they are. With no further questions, Commissioner Goehring motioned for approval of a five year, 100 percent income tax exemption. The motion was seconded by Treasurer Beadle. Upon role call, all voting members voted “aye.” Motion carried.

Governor Burgum introduced the next agenda item, review of the business incentive for Dakota Specialty Milling Inc. Rauschenberger called upon Corporate Tax Specialist Doug Coyle, to present the business incentive. Mr. Coyle stated that Dakota Specialty Milling Inc. signed a five year business agreement in 2016, though they have failed to meet the original employment goals. A letter from Vice President and CFO, Bryan Hendricks of Dakota Specialty Milling was presented to the board. Within the letter, Mr. Hendricks explained why the business was not able to meet the job and compensation goals as indicated in the original application. Commissioner Rauschenberger motioned to adjust the goals for Specialty Milling Inc. to reflect the one additional employee the company has obtained over the past five years. A second was made by Commissioner Goehring. Upon role call, all voting members voted “aye.” Motion carried.

It was moved by Commissioner Goehring and seconded by Treasurer Beadle that the Board approve the 2021 tentative assessments for air transportation companies in the amount of \$9,042,300. Discussion regarding the valuation process for airline companies followed. Upon roll call, all members voted “aye.” Motion carried.

<b>Airlines</b>	<b>2021</b>
Allegiant Air, LLC	\$ 1,240,200
Delta Airlines, Inc.	\$ 3,808,600
Envoy Air, Inc.	\$ 736,600
Federal Express Corp	\$ 172,600
Frontier Airlines	\$ 202,400
SkyWest Airlines, Inc.	\$ 790,800
United Airlines, Inc.	\$ 2,091,100
<b>Total</b>	<b>\$ 9,042,300</b>

Natural gas pipelines followed airline transportation companies. Commissioner Rauschenberger gave an overview of valuations and answered company specific questions from the board. It was moved by Commissioner Rauschenberger and seconded by Treasurer Beadle to approve the 2021 tentative assessments for natural gas pipelines in the amount of \$2,854,973,900. Upon roll call, all members voted “aye.” Motion carried.

<b>NATURAL GAS PIPELINES</b>	<b>2021</b>
ALLIANCE PIPELINE LP	\$ 116,540,500
AMERICAN MIDSTREAM GP LLC	\$ -
ANDEAVOR FIELD SERVICES COMPANY	\$ 116,686,000
ANDEAVOR GATHERING I LLC	\$ 10,043,000
ARCHER DANIELS MIDLAND	\$ 79,000
ARROW PIPELINE LLC	\$ 66,862,000
AUX SABLE MIDSTREAM LLC	\$ 25,859,000
BAKKEN OIL EXPRESS LLC	\$ 8,317,500
BISON MIDSTREAM LLC	\$ 18,876,500
BISON PIPELINE LLC	\$ 59,524,500
CALIBER BEAR DEN INTERCONNECT LLC *New in 2017*	\$ 4,748,000
CALIBER MIDSTREAM PARTNERS LP	\$ 49,193,500
CRESTWOOD CRUDE LOGISTICS LLC	\$ 3,575,000
DAKOTA GASIFICATION CO	\$ 5,418,500
DAKOTA GASIFICATION CO - SNG ANTELOPE PIPELINE	\$ 2,867,000
DAKOTA GASIFICATION CO - SNG HEBRON PIPELINE	\$ 4,612,000
DAKOTA MIDSTREAM LLC - NATURAL GAS	\$ 6,084,500
EQUINOR PIPELINES LLC	\$ 53,751,000
HESS BAKKEN INVESTMENTS II LLC	\$ 51,066,500
HESS NORTH DAKOTA EXPORT LOGISTICS LLC	\$ 23,240,000
HESS NORTH DAKOTA PIPELINES LLC	\$ 634,822,000

HESS TIOGA GAS PLANT, LLC	\$	29,761,500
HILAND PARTNERS HOLDING LLC	\$	185,538,000
LIBERTY RESOURCES II	\$	13,812,000
MEADOWLARK MIDSTREAM COMPANY, LLC	\$	78,935,000
NORTHERN BORDER PIPELINE COMPANY	\$	111,550,500
OE2 NORTH LLC (NEW FOR 2020)	\$	27,124,500
ONEOK ROCKIES MIDSTREAM LLC	\$	714,697,500
PARADIGM MIDSTREAM LLC	\$	55,388,000
PECAN PIPELINE (NORTH DAKOTA) INC	\$	37,354,000
PETRO HUNT ET AL LLC	\$	33,400
PETRO HUNT LLC	\$	7,705,500
RED RIVER ENERGY LLC	\$	78,000
ROUGH RIDER PIPELINE CO	\$	78,000
SACAGAWEA PIPELINE COMPANY NEW FOR 2020	\$	27,597,500
STEEL REEF BURKE	\$	1,815,500
STERLING ENERGY INVESTMENTS LLC	\$	-
TARGA BADLANDS LLC	\$	149,958,000
USG MIDSTREAM BAKKEN I LLC	\$	37,847,000
USG WHEATLAND PIPELINE LLC	\$	3,848,500
VIKING GAS TRANSMISSION	\$	141,500
WBI ENERGY TRANSMISSION INC	\$	71,050,000
WHITING PETROLEUM CORP	\$	13,983,000
XTO ENERGY INC	\$	24,511,000
<b>Total</b>	<b>\$</b>	<b>2,854,973,900</b>

Next, Commissioner Rauschenberger provided an overview of oil and refined petroleum pipeline assessments. It was moved by Commissioner Goehring and seconded by Treasurer Beadle to approve the 2021 tentative assessments for oil and refined petroleum pipelines in the amount of \$2,073,149,000. Upon roll call, all members voted “aye.” Motion carried. Governor Burgum addressed the percentage of tax dollars brought in by the Dakota Access Pipeline.

<b>OIL &amp; REFINED PETROLEUM PIPELINES</b>	<b>2021</b>
BAKKEN PIPELINE COMPANY LP	\$ 49,857,000
BAKKENLINK PIPELINE LLC	\$ -
BELLE FOURCHE PIPELINE	\$ 26,207,500
BRIDGER PIPELINE LLC	\$ 167,124,000
*CENEX PIPELINE LLC	\$ 34,190,500
DAKOTA ACCESS	\$ 476,133,000
DAKOTA ENERGY CONNECTION LLC (DAKOTA MIDSTREAM)	\$ 4,717,000
ENABLE BAKKEN CRUDE SERVICES LLC	\$ 50,959,500
ENBRIDGE ENERGY LP	\$ 106,545,500
HAWTHORN OIL TRANSPORTATION (NORTH DAKOTA) INC	\$ 821,000
HILAND CRUDE LLC	\$ 181,487,500

INDEPENDENT TRADING&TRANSPORTATION COMPANY	
1 LLC	\$ 16,123,000
*MAGELLAN PIPELINE COMPANY LP	\$ 12,869,500
NORTH DAKOTA PIPELINE COMPANY LLC	\$ 183,234,500
*NUSTAR PIPELINE OPERATING PARTNERSHIP LP	\$ 24,525,500
OASIS MIDSTREAM SERVICES	\$ 7,747,500
ONEOK BAKKEN PIPELINE LLC	\$ 168,814,500
PELICAN GATHERING SYSTEMS LLC	\$ 46,741,000
PEMBINA COCHIN LLC	\$ 32,511,000
PLAINS PIPELINE LP	\$ 13,498,000
PLAINS PIPELINE MONTANA, LLC	\$ 11,350,000
ROSE ROCK MIDSTREAM CRUDE LP	\$ 2,442,500
SACAGAWEA PIPELINE COMPANY LLC	\$ 69,037,000
SOUTHERN LIGHTS HOLDINGS LLC	\$ 970,000
TESORO GREAT PLAINS GATHERING AND MARKETING LLC	\$ 30,254,500
TESORO HIGH PLAINS PIPELINE COMPANY	\$ 158,542,500
TIDAL ENERGY MARKETING US LLC	\$ 4,058,500
TRANSCANADA KEYSTONE PIPELINE LP	\$ 160,531,500
VANTAGE PIPELINE US LP	\$ 31,855,500
<b>\$</b>	
<b>-</b>	<b>\$ 2,073,149,000</b>

The board then reviewed railroad industry assessments. It was moved by Treasurer Beadle and seconded by Commissioner Rauschenberger that the Board approve the 2021 tentative assessments for railroad companies in the amount of \$651,700,000. Upon roll call, all members voted “aye.” Motion carried.

<b>RAILROAD</b>	<b>2021</b>
BNSF RAILROAD COMPANY	\$ 482,000,000
DAKOTA, MISSOURI VALLEY & WESTERN RAILROAD	\$ 20,639,000
DAKOTA NORTHERN RAILROAD INC	\$ 357,000
NORTHERN PLAINS RAILROAD INC.	\$ 2,949,500
RED RIVER VALLEY & WESTERN RAILROAD COMPANY	\$ 26,403,500
SOO LINE RAILROAD COMPANY	\$ 119,351,000
<b>Total</b>	<b>\$ 651,700,000</b>

Commissioner Rauschenberger reported the 2021 tentative assessments for electric and gas utility companies. It was moved by Treasurer Beadle and seconded by Commissioner Rauschenberger to approve the 2021 tentative assessments for electric and gas utility companies in the amount of \$508,161,928. Upon roll call, all members voted “aye.” Motion carried.

<b>ELECTRIC, HEAT &amp; GAS</b>	<b>2021</b>
DAKOTA NATURAL GAS	\$ 1,592,000
MONTANA DAKOTA UTILITIES	\$ 223,517,000
NORTHERN MUNICIPAL POWER COMPANY (MINNKOTA POWER COOP INC)	\$ 311,928
NORTHWESTERN CORP	\$ 1,018,500
OTTER TAIL POWER COMPANY	\$ 120,173,000
RAINBOW ENERGY MARKETING	-
XCEL ENERGY SERVICES INC	\$ 161,549,500
<b>Total</b>	<b>\$ 508,161,928</b>

Commissioner Rauschenberger provided an overview of the assessments for renewable wind companies and noted not all the wind farm information is going to be included in the ad valorem Wind data. He explained that the data for ad valorem Wind is gathered from older wind farms, and the data for newer wind farms will be provided separately. It was moved by Treasurer Beadle and seconded by Commissioner Rauschenberger that the Board approve the 2021 tentative assessments for renewable wind companies in the amount of \$478,024,666. Upon roll call, all members voted “aye.” Motion carried.

<b>Ad Valorem Wind</b>	<b>2021</b>
ASHTABULA WIND I LLC	\$ 36,388,500
ASHTABULA WIND II LLC	\$ 47,674,000
ASHTABULA WIND III LLC	\$ 19,812,500
*BALDWIN WIND LLC	\$ 64,219,500
*FPL ENERGY BURLEIGH COUNTY WIND LLC	\$ 15,094,000
FPL ENERGY NORTH DAKOTA WIND LLC	\$ 5,203,000
*FPL ENERGY OLIVER WIND I LLC	\$ 25,636,500
*FPL ENERGY OLIVER WIND II LLC	\$ 31,608,500
LANGDON RENEWABLES	\$ 74,288,500
LANGDON WIND LLC	\$ -
LANGDON WIND II LLC	\$ -
MONTANA DAKOTA UTILITIES	\$ 11,292,500
OTTER TAIL POWER COMPANY Ashtabula Wind Energy Center	\$ 24,208,000
OTTER TAIL POWER COMPANY Langdon Wind Energy Center	\$ 16,494,000
OTTER TAIL POWER COMPANY Luverne Wind Energy Center	\$ 16,914,000
RUGBY WIND LLC	\$ 35,707,000
TATANKA WIND POWER LLC	\$ 28,390,666
VELVA WINDFARM LLC	\$ 2,167,500
WILTON WIND II LLC	\$ 22,926,000
<b>Total</b>	<b>\$ 478,024,666</b>

Commissioner Rauschenberger provided the board with an overview of the statute-based formula for electric distribution. It was moved by Commissioner Goehring and seconded by

Treasurer Beadle to approve the 2021 tax for electric distribution companies in the amount of \$11,699,312.52. Upon roll call, all members voted “aye.” Motion carried.

<b>ELECTRIC DISTRIBUTION TAX</b>	<b>2021</b>
BURKE DIVIDE ELECTRIC COOP	\$ 152,800.28
CAPITAL ELECTRIC COOP	\$ 295,955.04
CASS CO ELECTRIC COOP	\$ 1,007,253.42
CAVALIER RURAL ELEC COOP	\$ 28,126.40
DAKOTA VALLEY ELECTRIC	\$ 510,827.98
GOLDENWEST ELECTRIC COOPERATIVE INC	\$ 20,306.02
KEM ELECTRIC COOPERATIVE INC	\$ 69,591.57
LOWER YELLOWSTONE RURAL ELECTRIC ASSOC INC	\$ 56,298.44
MCKENZIE ELECTRIC COOP	\$ 3,655,578.40
MCLEAN ELECTRIC COOPERATIVE INC	\$ 105,362.99
MOR GRAN SOU ELECTRIC COOP INC	\$ 124,855.40
MOUNTRAIL WILLIAMS ELEC	\$ 2,956,198.65
NODAK ELECTRIC COOP	\$ 855,557.62
NORTH CENTRAL ELECTRIC COOPERATIVE INC	\$ 177,502.76
NORTHERN PLAINS ELECTRIC	\$ 357,149.20
ROUGH RIDER ELECTRIC COOPERATIVE INC	\$ 573,423.97
SHERIDAN ELEC COOP INC	\$ 23,751.21
SLOPE ELECTRIC COOPERATIVE INC	\$ 270,614.04
TRAVERSE ELECTRIC COOP	\$ 297.44
VERENDRYE ELECTRIC COOPERATIVE INC	\$ 457,861.69
<b>Total</b>	<b>\$ 11,699,312.52</b>

Commissioner Rauschenberger provided the board with an overview of the statute-based formula for electric transmission. It was moved by Treasurer Beadle and seconded by Commissioner Rauschenberger to approve the 2021 tax for electric transmission companies in the amount of \$1,888,805.61. Upon roll call, all members voted “aye.” Motion carried.

<b>ELECTRIC TRANSMISSION TAX</b>	<b>2021</b>
ALLETE INC	105,168.78
ASHTABULA WIND II LLC	3,608.40
ASHTABULA WIND LLC	3,688.00
BASIN ELECTRIC POWER CO	564,217.00
BRADY WIND, LLC	5,404.20
BURKE DIVIDE ELECTRIC COOP	21,620.00
CENTRAL POWER ELECTRIC COOP	142,753.50
EMMONS-LOGAN WIND, LLC	416.18
GOLDENWEST ELECTRIC COOPERATIVE INC	990.00
GRAND ELECTRIC COOP., INC.	3,200.00
GREAT RIVER ENERGY	274,217.84
KEM ELECTRIC COOPERATIVE INC	6,043.50

LOWER YELLOWSTONE RURAL ELECTRIC ASSOC INC	3,033.59
MCKENZIE ELECTRIC COOP	97,883.80
MEADOWLARK WIND I LLC	3,022.80
MINNKOTA POWER COOP INC	425,163.35
MONTANA-DAKOTA UTILITIES CO.	9,249.41
MOORHEAD PUBLIC SER DEPT	1,746.00
MOR GRAN SOU ELECTRIC COOP INC	30,995.00
MOUNTRAIL WILLIAMS ELEC	73,696.98
NORTHERN STATES POWER COMPANY-MINNESOTA	27,224.38
OLIVER WIND III, LLC	1,436.10
OTTER TAIL POWER COMPANY	17,849.10
ROUGH RIDER ELECTRIC COOPERATIVE INC	32,250.62
RUGBY WIND LLC	3,070.55
SHERIDAN ELEC COOP INC	13,360.00
SLOPE ELECTRIC COOPERATIVE INC	12,019.60
SQUARE BUTTE ELECTRIC CO	1,327.20
TATANKA WIND POWER LLC	3,853.74
UPPER MISSOURI G&T ELECT	296.00
<b>Total</b>	<b>1,888,805.61</b>

Electric generation from wind industry followed with Commissioner Rauschenberger providing the board with an overview of the assessed values. Rauschenberger also explained that due to legislative law changes, the ad valorem wind farms will be transitioning to a new way of taxation. This change will cause the number of electric generation companies to grow as the ad valorem wind farms will dwindle. It was moved by Treasurer Beadle and seconded by Commissioner Rauschenberger that the Board approve the 2021 tax for electric generation from wind companies in the amount of \$11,477,996.03. Upon roll call, all members voted “aye.” Motion carried.

<b>ELECTRIC GENERATION FROM WIND TAX</b>	<b>2021</b>
ALLETE INC	2,091,548.83
BASIN ELECTRIC POWER CO	498,063.24
BRADY WIND II, LLC	713,417.00
BRADY WIND, LLC	721,644.51
BWF WIND	712,037.23
COURTNAY WIND	851,776.12
EMMONS-LOGAN WIND, LLC	980,070.98
FOXTAIL WIND	682,767.20
GLEN ULLIN ENERGY CENTER, LLC	494,115.68
LINDAHL WIND PROJECT LLC	690,314.75
MEADOWLARK WIND I LLC	469,302.69
MERRICOURT WIND ENERGY CENTER	391,809.77
MINNKOTA POWER COOPERATIVE INC.	6,653.01
MONTANA-DAKOTA UTILITIES CO.	695,715.50

NORTHERN DIVIDE WIND, LLC	505,931.08
OLIVER WIND III, LLC	476,610.00
SUNFLOWER WIND PROJECT LLC	496,218.46
<b>Total</b>	<b>11,477,996.03</b>

Commissioner Rauschenberger provided an overview of the electric generation (other than wind or coal) tax. It was moved by Treasurer Beadle and seconded by Commissioner Rauschenberger to approve the 2021 tax for electric generation in the amount of \$1,619,480.14. Upon roll call, all members voted “aye.” Motion carried.

<b>ELECTRIC GENERATION TAX (from other sources other than wind or coal)</b>	<b>2021</b>
BASIN ELECTRIC POWER CO - NG Gas Peaker Plant	\$ 1,518,643.00
MINNKOTA POWER COOP INC - Community Solar Project	\$ 10,083.89
OREG I - Pipeline Waste Heat	\$ 36,074.75
OREG II - Pipeline Waste Heat	\$ 54,678.50
<b>Total</b>	<b>\$ 1,619,480.14</b>

The next item on the agenda was the approval of the State Medical Center Resolution. It was moved by Commissioner Rauschenberger and seconded by Commissioner Goehring 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 2021 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 2021.

Upon roll call, all members voted “aye.” Motion carried.

Commissioner Rauschenberger stated the State Board of Equalization will meet again on August 10, 2021 at 8:30 a.m. in the Brynhild Haugland Room of the State Capitol. Commissioner Rauschenberger and Supervisor of Assessments Kim Vietmeier gave a brief overview of what to expect at the locally assessed property meeting.

Governor Burgum thanked Commissioner Rauschenberger and his team and adjourned the meeting at 1:57 p.m.