

**SENATE BILL NO. 2320**

Introduced by

Senators Kelsh, O'Connell

Representatives Brandenburg, Gulleason

1 A BILL for an Act to create and enact a new section to chapter 58-03 and a new subsection to  
2 section 58-03-07 of the North Dakota Century Code, relating to sales, use, and excise taxes  
3 imposed by townships.

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

5 **SECTION 1.** A new subsection to section 58-03-07 of the North Dakota Century Code  
6 is created and enacted as follows:

7 To impose sales, use, or excise taxes under section 2 of this Act.

8 **SECTION 2.** A new section to chapter 58-03 of the North Dakota Century Code is  
9 created and enacted as follows:

10 **Township sales, use, and excise taxes - Contracts for collection.**

- 11 1. The township electors, at the annual township meeting, may impose sales, use, or  
12 excise taxes, or any combination of those taxes, within the township, excluding  
13 territory within an incorporated city.
- 14 2. Net revenues from taxes imposed under this section may be expended for any  
15 purpose for which a township is authorized by law to expend its funds.
- 16 3. A tax imposed under this section must be imposed for full calendar quarterly  
17 periods and may not be imposed if the township has not levied its maximum  
18 general fund mill levy permitted by law for the most recent taxable year.
- 19 4. A tax imposed under this section must conform to state law regarding sales or  
20 activities that are subject to, or exempt from, sales, use, or excise taxes and may  
21 be imposed at a rate of up to one percent.
- 22 5. a. The board of township supervisors and the tax commissioner may enter a  
23 contract for collection of taxes imposed under this section.

- 1                   b.   A contract under this subsection must provide for transfer of revenues to the  
2                   township and an agreed amount to be allowed the tax commissioner for  
3                   collection services. Any amount allowed the tax commissioner must be  
4                   transferred to the state treasurer for deposit in the state general fund.