

Sixty-fourth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2005

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the state treasurer;
2 and to amend and reenact sections 54-11-13 and 57-20-07.2 of the North Dakota Century
3 Code, relating to the salary of the state treasurer and state-paid property tax relief credit.

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

5 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
6 as may be necessary, are appropriated out of any moneys in the general fund in the state
7 treasury, not otherwise appropriated, and from special funds derived from federal funds and
8 other income, to the state treasurer for the purpose of defraying the expenses of that agency,
9 for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

| | | Adjustments or | |
|-----------------------------------|-------------------|---------------------|----------------------|
| | <u>Base Level</u> | <u>Enhancements</u> | <u>Appropriation</u> |
| 12 Salaries and wages | \$1,396,437 | \$111,228 | \$1,507,665 |
| 13 Accrued leave payments | 13,038 | (13,038) | 0 |
| 14 Operating expenses | 135,356 | 101,658 | 237,014 |
| 15 Coal severance payments | 252,800 | (7,800) | 245,000 |
| 16 Property tax relief credits | <u>0</u> | <u>226,800,000</u> | <u>226,800,000</u> |
| 17 Total general fund | \$1,797,631 | \$226,992,048 | \$228,789,679 |
| 18 Full-time equivalent positions | 8.00 | 0.00 | 8.00 |

19 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-**
20 **FIFTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items
21 approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17
22 one-time funding items included in the appropriation in section 1 of this Act:

| | <u>One-Time Funding Description</u> | <u>2013-15</u> | <u>2015-17</u> |
|----|-------------------------------------|----------------|----------------|
| 24 | IT developmental costs | \$377,591 | \$0 |

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| | | | |
|---|----------------------------------|--------------------|---------------|
| 1 | Property tax relief | 200,000,000 | 226,800,000 |
| 2 | Township road distributions | 8,760,000 | 0 |
| 3 | Township distribution correction | 385,000 | 0 |
| 4 | Information technology costs | 13,247 | 0 |
| 5 | Nonoil transportation funding | <u>100,000,000</u> | <u>0</u> |
| 6 | Total general fund | \$309,535,838 | \$226,800,000 |

7 The 2015-17 one-time funding amounts are not a part of the entity's base budget for the
8 2017-19 biennium. The state treasurer shall report to the appropriations committees of the
9 sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning
10 July 1, 2015, and ending June 30, 2017.

11 **SECTION 3. PROPERTY TAX RELIEF CREDITS.** The \$226,800,000 appropriated in the
12 property tax relief credits line item of section 1 of this Act, or so much of the sum as may be
13 necessary, must be used for the purpose of state-paid property tax relief credits under section
14 57-20-07.2, for the biennium beginning July 1, 2015, and ending June 30, 2017.

15 **SECTION 4. AMENDMENT.** Section 54-11-13 of the North Dakota Century Code is
16 amended and reenacted as follows:

17 **54-11-13. Salary of state treasurer.**

18 The annual salary of the state treasurer is ~~ninety-one~~ninety-six thousand ~~four~~nine hundred
19 ~~six~~seventy-two dollars through June 30, ~~2014~~2016, and ~~ninety-four~~ninety-nine thousand
20 ~~one~~eight hundred ~~forty-eight~~eighty-one dollars thereafter.

21 **SECTION 5. AMENDMENT.** Section 57-20-07.2 of the North Dakota Century Code is
22 amended and reenacted as follows:

23 **57-20-07.2. (Effective for the first two taxable years beginning after December 31,**
24 ~~2012~~2014) **State-paid property tax relief credit.**

- 25 1. The owner of taxable property is entitled to a credit against property taxes levied
26 against the total amount of property or mobile home taxes in dollars levied against the
27 taxable value of the property. The credit is equal to ~~twelve~~eleven percent of property or
28 mobile home taxes levied in dollars against that property.
- 29 2. The owner, operator, or lessee of railroad property assessed by the state board of
30 equalization under chapter 57-05 or public utility operative property assessed by the
31 state board of equalization under chapter 57-06 is entitled to a credit against property

1 taxes levied within each county against that property in the amount provided in
2 subsection 1 against property taxes levied in dollars against that property in that
3 county.

4 3. The owner, operator, or lessee of operative property of an air carrier transportation
5 company assessed and taxed under chapter 57-32 is entitled to a credit in the amount
6 provided in subsection 1 against property taxes in dollars levied against that property.
7 The tax commissioner shall determine the total amount of credits under this
8 subsection and certify the amount to the state treasurer for transfer from the general
9 fund to the air transportation fund. The credit for each air transportation company must
10 be allocated to each city or municipal airport authority where that company makes
11 regularly scheduled landings, in the same manner as the tax collected from that
12 company is allocated.

13 4. The tax commissioner shall estimate the amount necessary to provide each county
14 advance payment of seventy-five percent of the amount the county and the taxing
15 districts in the county will ultimately receive for a taxable year under this section and
16 certify the estimated amounts to the state treasurer by March fifteenth for transfer by
17 April first to the county treasurer and distribution to the county and taxing districts in
18 the county as provided in subsection 5.

19 5. The tax commissioner shall determine the total amount of credits under this section for
20 each county from the abstract of the tax list filed by the county auditor under section
21 57-20-04, as audited and corrected by the tax commissioner. The tax commissioner
22 shall certify to the state treasurer for payment, by June first following receipt of the
23 abstract of the tax list, the amount determined for each county under this subsection.
24 No penalty or interest applies to any state payment under this section, regardless of
25 when the payment is made. The tax commissioner shall reduce the June certification
26 of payments to reflect the April estimated payments previously made to counties under
27 subsection 4.

28 6. Upon receipt of the payment from the state treasurer under subsections 4 and 5, the
29 county treasurer shall apportion and distribute it to the county and the taxing districts
30 in the county on the basis on which the general real estate tax for the preceding year
31 is apportioned and distributed.

- 1 7. After payments to counties under subsection 5 have been made, the tax commissioner
2 shall certify to the state treasurer as necessary any supplemental amounts payable to
3 counties or the air transportation fund or any amounts that must be returned by
4 counties or returned from the air transportation fund for deposit in the state general
5 fund to correct any errors in payments or reflect any abatement or compromise of
6 taxes, court-ordered tax reduction or increase, or levy of taxes against omitted
7 property. The county auditor shall provide any supplemental information requested by
8 the tax commissioner after submission of the abstract of the tax list. The county
9 treasurer shall apply to the tax commissioner for any supplemental payments to which
10 the county treasurer believes the county is entitled.
- 11 8. Notwithstanding any other provision of law, for any property other than mobile homes,
12 the property tax credit under this section does not apply to any property subject to
13 payments or taxes that are stated by law to be in lieu of personal or real property
14 taxes.