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Title.

Prepared by the Legislative Council staff for  
the Senate Appropriations - Government  
Operations Division Committee  
February 2, 2023

Fiscal No. 2

PROPOSED AMENDMENTS TO SENATE BILL NO. 2006

Page 1, line 3, after "credit" insert "; to amend and reenact section 57-01-04 of the North Dakota Century Code, relating to the salary of the state tax commissioner"

Page 1, replace lines 12 through 22 with:

"	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$22,594,196	\$1,655,343	\$24,249,539
Operating expenses	7,466,120	1,647,250	9,113,370
Capital assets	6,000	0	6,000
Homestead tax credit	18,000,000	900,000	18,900,000
Disabled veterans' tax credit	<u>16,300,000</u>	<u>2,445,000</u>	<u>18,745,000</u>
Total all funds	\$64,366,316	\$6,647,593	\$71,013,909
Less estimated income	<u>125,000</u>	<u>0</u>	<u>125,000</u>
Total general fund	\$64,241,316	\$6,647,593	\$70,888,909
Full-time equivalent positions	118.00	(1.00)	117.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Information technology enhancements	<u>\$0</u>	<u>\$500,000</u>
Total general fund	<u>\$0</u>	<u>\$500,000</u>

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The state tax commissioner shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025."

Page 2, after line 10, insert:

**"SECTION 5. AMENDMENT.** Section 57-01-04 of the North Dakota Century Code is amended and reenacted as follows:

**57-01-04. Salary.**

The annual salary of the state tax commissioner is one hundred ~~twenty-one~~twenty-nine thousand ~~eight~~two hundred ~~fourteen~~twenty dollars through June 30, ~~2022~~2024, and one hundred ~~twenty-four~~thirty-four thousand ~~two~~three hundred ~~fifty~~eighty-nine dollars thereafter."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2006 - State Tax Commissioner - Senate Action**

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$22,594,196	\$1,655,343	\$24,249,539
Operating expenses	7,466,120	1,647,250	9,113,370
Capital assets	6,000		6,000
Homestead tax credit	18,000,000	900,000	18,900,000
Disabled veterans' credit	16,300,000	2,445,000	18,745,000
<b>Total all funds</b>	<b>\$64,366,316</b>	<b>\$6,647,593</b>	<b>\$71,013,909</b>
Less estimated income	125,000	0	125,000
<b>General fund</b>	<b>\$64,241,316</b>	<b>\$6,647,593</b>	<b>\$70,888,909</b>
FTE	118.00	(1.00)	117.00

**Department 127 - State Tax Commissioner - Detail of Senate Changes**

	Adds Funding for Cost to Continue Salaries <sup>1</sup>	Adds Funding for Salary and Benefit Increases <sup>2</sup>	Removes an FTE Position <sup>3</sup>	Adds Funding for Operating Expenses <sup>4</sup>	Adds Funding for Tax Credit Programs <sup>5</sup>	Adds One-Time Funding for IT Costs <sup>5</sup>
Salaries and wages	\$159,434	\$1,663,353	(\$167,444)			
Operating expenses				\$1,147,250		\$500,000
Capital assets						
Homestead tax credit					\$900,000	
Disabled veterans' credit					2,445,000	
<b>Total all funds</b>	<b>\$159,434</b>	<b>\$1,663,353</b>	<b>(\$167,444)</b>	<b>\$1,147,250</b>	<b>\$3,345,000</b>	<b>\$500,000</b>
Less estimated income	0	0	0	0	0	0
<b>General fund</b>	<b>\$159,434</b>	<b>\$1,663,353</b>	<b>(\$167,444)</b>	<b>\$1,147,250</b>	<b>\$3,345,000</b>	<b>\$500,000</b>
FTE	0.00	0.00	(1.00)	0.00	0.00	0.00

	Total Senate Changes
Salaries and wages	\$1,655,343
Operating expenses	1,647,250
Capital assets	
Homestead tax credit	900,000
Disabled veterans' credit	2,445,000
<b>Total all funds</b>	<b>\$6,647,593</b>
Less estimated income	0
<b>General fund</b>	<b>\$6,647,593</b>
FTE	(1.00)

<sup>1</sup> Funding is added from the general fund for cost to continue salary increases.

<sup>2</sup> The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from \$1,429 to \$1,648 per month:

	General Fund	Other Funds	Total
Salary increase	\$1,110,808	\$0	\$1,110,808
Health insurance increase	552,545	0	552,545
<b>Total</b>	<b>\$1,663,353</b>	<b>\$0</b>	<b>\$1,663,353</b>

<sup>3</sup> Funding of \$167,444 from the general fund and 1 undesignated vacant FTE position are removed.

<sup>4</sup> Funding of \$1,147,250 is added from the general fund for the following operating expenses:

- \$36,596 for increases in Information Technology Department rates;
- \$400,000 for GenTax support to provide total funding of \$4.4 million;
- \$96,000 for information technology data processing; and
- \$614,654 for a new Capitol space rent model.

<sup>5</sup> Funding of \$3,345,000 is added from the general fund to increase the funding for the homestead tax credit program by \$900,000, from \$18,000,000 to \$18,900,000, and to increase the funding for the disabled veterans' tax credit program by \$2,445,000, from \$16,300,000 to \$18,745,000.

<sup>6</sup> One-time funding of \$500,000 is added from the general fund for GenTax support enhancements.

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A section is added to provide the statutory changes necessary to increase the Tax Commissioner's salary from the current salary of \$124,250 to \$129,220 (4 percent) effective July 1, 2023, and to \$134,389 (4 percent) effective July 1, 2024.

