

**FIRST ENGROSSMENT
with House Amendments**

ENGROSSED SENATE BILL NO. 2177

Introduced by

Senators Thomas, Conley, Hogue

Representatives Hagert, Schreiber-Beck, Lefor

1 A BILL for an Act to create and enact a new section to chapter 57-39.2 of the North Dakota
2 Century Code, relating to an animal agriculture facility infrastructure fund; to amend and reenact
3 subsection 9 of section 11-23-02 and section 57-39.2-26 of the North Dakota Century Code,
4 relating to county budget limits and the allocation of sales tax revenue; to provide a continuing
5 appropriation; and to provide an expiration date.

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

7 **SECTION 1. AMENDMENT.** Subsection 9 of section 11-23-02 of the North Dakota Century
8 Code is amended and reenacted as follows:

9 9. The amount of cash reserve for the general fund and each special revenue fund, not
10 to exceed seventy-five percent of the appropriation for the fund. This subsection does
11 not apply to the cash reserve for the infrastructure development fund.

12 **SECTION 2. AMENDMENT.** Section 57-39.2-26 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **57-39.2-26. Allocation of revenue. (Effective through June 30, 2027)**

15 Except as provided by sections 57-39.2-26.1, 57-39.2-26.2, 57-39.2-26.3, ~~and 57-39.2-26.4,~~
16 and section 3 of this Act, all moneys collected and received under this chapter must be paid into
17 the state treasury and must be credited by the state treasurer to the general fund. Moneys
18 deposited with the commissioner as security for the payment of tax, penalties, or costs due
19 must be deposited and accounted for as provided in subsection 3 of section 57-39.2-12.

20 **Allocation of revenue. (Effective after June 30, 2027)** Except as provided by sections
21 57-39.2-26.1 ~~and~~, 57-39.2-26.2, and section 3 of this Act, all moneys collected and received
22 under this chapter must be paid into the state treasury and must be credited by the state

1 treasurer to the general fund. Moneys deposited with the commissioner as security for the
2 payment of tax, penalties, or costs due must be deposited and accounted for as provided in
3 subsection 3 of section 57-39.2-12.

4 **SECTION 3.** A new section to chapter 57-39.2 of the North Dakota Century Code is created
5 and enacted as follows:

6 **Animal agriculture facility infrastructure fund - State treasurer - Continuing**
7 **appropriation.**

- 8 1. The animal agriculture facility infrastructure fund is created as a special fund in the
9 state treasury. The fund consists of all moneys transferred to the fund under
10 subsection 2. All moneys in the fund are appropriated to the state treasurer on a
11 continuing basis for the purpose of providing distributions to counties.
- 12 2. Notwithstanding any other provision of law, after the allocations under sections
13 57-39.2-26.1, 57-39.2-26.2, 57-39.2-26.3, and 57-39.2-26.4, a portion of sales, gross
14 receipts, and use tax collections equal to the combined total of the amounts certified
15 under subsection 4, not to exceed five hundred thousand dollars per year, must be
16 deposited by the state treasurer in the animal agriculture facility infrastructure fund as
17 needed.
- 18 3. Once per year, the state treasurer shall distribute to each county the amount certified
19 by the tax commissioner under subsection 4. If the amount certified for a year exceeds
20 five hundred thousand dollars, the state treasurer shall distribute the funding on a pro
21 rata basis.
- 22 4. The amount certified by the tax commissioner for each county is the sum of the state
23 portion of sales, gross receipts, and use tax due under this title on eligible tangible
24 personal property purchased to construct new or to expand, upgrade, or replace
25 existing animal agriculture facilities located in the county, including the purchase of
26 new equipment used in animal agriculture facilities, based on documentation
27 submitted to the tax commissioner by the facility owner, facility operator, or a
28 contractor.
- 29 5. Documentation, including any required supporting documentation, must be submitted
30 in the form and manner prescribed by the tax commissioner. The documentation for
31 eligible tangible personal property submitted under this section must equal a taxable

1 value of at least three hundred thousand dollars purchased during the calendar year
2 and must be submitted by March thirty-first of the subsequent year. For purposes of
3 this section, "animal agriculture facility" means a building or structure where an animal
4 is kept, handled, housed, or bred.

5 6. Upon receipt of the funding distributed under this section, the county treasurer shall
6 deposit the funding into an infrastructure development fund. The infrastructure
7 development fund consists only of the funding distributed under this section and may
8 be used only for infrastructure projects near animal agriculture facilities located in the
9 county or for other county expenses. Pursuant to section 11-23-02, the cash reserve in
10 the county's infrastructure development fund may exceed the limit for the fund.

11 7. An organized township within the county may request a portion of the funding from the
12 county's infrastructure development fund for township road projects near animal
13 agriculture facilities located in the township, and the county treasurer may distribute
14 the requested funding to the organized township upon approval by the board of county
15 commissioners.

16 **SECTION 4. EXPIRATION DATE.** This Act is effective through June 30, 2029, and after that
17 date is ineffective.