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Title.  
Fiscal No. 1

Prepared by the Legislative Council  
staff for House Appropriations -  
Government Operations Division  
Committee

February 6, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO

### HOUSE BILL NO. 1006

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the office of the tax  
2 commissioner and for payment of state reimbursement under the homestead tax credit,  
3 disabled veterans' tax credit, and primary residence credit; to amend and reenact section  
4 57-01-04 of the North Dakota Century Code. relating to the salary of the state tax  
5 commissioner; to provide an exemption; and to provide for a transfer.

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

7 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
8 as may be necessary, are appropriated out of any moneys in the general fund in the state  
9 treasury, not otherwise appropriated, and from other funds derived from federal funds, to the tax  
10 commissioner for the purpose of defraying the expenses of the tax commissioner and paying  
11 the state reimbursement under the homestead tax credit, disabled veterans' tax credit, and  
12 primary residence credit, for the biennium beginning July 1, 2025, and ending June 30, 2027, as  
13 follows:

	Base Level	Adjustments or Enhancements	Appropriation
14			
15			
16	<del>Salaries and wages</del>	<del>\$24,036,152</del>	<del>\$0</del>
17	<del>Operating expenses</del>	<del>8,613,370</del>	<del>0</del>
18	<del>Capital assets</del>	<del>6,000</del>	<del>0</del>
19	<del>Homestead tax credit</del>	<del>72,400,000</del>	<del>0</del>

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1	Disabled veterans' tax credit	18,745,000	0	18,745,000
2	Primary residence credit	103,225,000	0	103,225,000
3	Total all funds	\$227,025,522	\$0	\$227,025,522
4	Less other funds	125,000	0	125,000
5	Total general fund	\$226,900,522	\$0	\$226,900,522
6	Full-time equivalent positions	117.00	0.00	117.00
7	Salaries and wages	\$24,036,152	\$1,650,068	\$25,686,220
8	New and vacant FTE pool	0	1,119,992	1,119,992
9	Operating expenses	8,613,370	824,741	9,438,111
10	Capital assets	6,000	0	6,000
11	Homestead tax credit	72,400,000	0	72,400,000
12	Disabled veterans' tax credit	18,745,000	3,255,000	22,000,000
13	Primary residence credit	103,225,000	(23,225,000)	80,000,000
14	Total all funds	\$227,025,522	(\$16,375,199)	\$210,650,323
15	Less other funds	125,000	0	125,000
16	Total general fund	\$226,900,522	(\$16,375,199)	\$210,525,323
17	Full-time equivalent positions	117.00	0.00	117.00

18 **SECTION 2. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The  
 19 tax commissioner may not spend funds appropriated in the new and vacant FTE pool line item  
 20 in section 1 of this Act, but may request the office of management and budget to transfer funds  
 21 from the new and vacant FTE pool line item to the salaries and wages line item in accordance  
 22 with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the  
 23 sixty-ninth legislative assembly.

24 **SECTION 3. EXEMPTION - LINE ITEM TRANSFERS.** Notwithstanding section 54-16-04,  
 25 the state tax commissioner may transfer funds between the homestead tax credit and disabled  
 26 veterans' tax credit line items in section 1 of this Act if one line item does not have sufficient  
 27 funds available for state reimbursement of eligible tax credits. The state tax commissioner shall  
 28 notify the office of management and budget and the legislative council of any transfers made  
 29 pursuant to this section.

30 **SECTION 4. MOTOR VEHICLE FUEL TAX REVENUE TRANSFER.** There is transferred to  
 31 the general fund in the state treasury out of motor vehicle tax revenue collected pursuant to

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1 section 57-43.1-02, the sum of \$1,761,168, for the purpose of reimbursing the general fund for  
2 expenses incurred in the collection of the motor vehicle fuels and special fuels taxes and the  
3 administration of these taxes, for the biennium beginning July 1, 2025, and ending June 30,  
4 2027.

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

7 **57-01-04. Salary.**

8 The annual salary of the state tax commissioner is ~~one hundred thirty-one thousand seven-~~  
9 ~~hundred five~~ one hundred forty-one thousand eighty-two dollars through June 30, ~~2024~~2026,  
10 and ~~one hundred thirty-six thousand nine hundred seventy-three~~ one hundred forty-five  
11 thousand three hundred fourteen dollars thereafter.





**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1006 - State Tax Commissioner - House Action**

	Base Budget	House Changes	House Version
Salaries and wages	\$24,036,152	\$1,650,068	\$25,686,220
New and vacant FTE pool		1,119,992	1,119,992
Operating expenses	8,613,370	824,741	9,438,111
Capital assets	6,000		6,000
Homestead tax credit	72,400,000		72,400,000
Disabled veterans' credit	18,745,000	3,255,000	22,000,000
Primary residence credit	103,225,000	(23,225,000)	80,000,000
Total all funds	\$227,025,522	(\$16,375,199)	\$210,650,323
Less estimated income	125,000	0	125,000
General fund	\$226,900,522	(\$16,375,199)	\$210,525,323
FTE	117.00	0.00	117.00

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

	Adds Funding for Salary and Benefit Increases <sup>1</sup>	Adds Funding to Replace 2023-25 FTE Pool <sup>2</sup>	Transfers Funding for 2025-27 New and Vacant FTE Pool <sup>3</sup>	Adjusts Funding for Salaries and Wages <sup>4</sup>	Adds Funding for Operating Expenses <sup>5</sup>	Adjusts Funding for Tax Credits <sup>6</sup>
Salaries and wages	\$1,629,178	\$1,285,846		\$335,033		
New and vacant FTE pool			1,119,992			
Operating expenses					\$824,741	
Capital assets						
Homestead tax credit						
Disabled veterans' credit						\$3,255,000
Primary residence credit						(23,225,000)
Total all funds	\$1,629,178	\$1,285,846	(\$479,997)	\$335,033	\$824,741	(\$19,970,000)
Less estimated income	0	0	0	0	0	0
General fund	\$1,629,178	\$1,285,846	(\$479,997)	\$335,033	\$824,741	(\$19,970,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total House Changes
Salaries and wages	\$1,650,068
New and vacant FTE pool	1,119,992
Operating expenses	824,741
Capital assets	
Homestead tax credit	
Disabled veterans' credit	3,255,000
Primary residence credit	(23,225,000)
Total all funds	(\$16,375,199)
Less estimated income	0
General fund	(\$16,375,199)
FTE	0.00

<sup>1</sup> The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

General Fund	
Salary increase	\$926,560
Health insurance increase	702,618
Total	\$1,629,178

<sup>2</sup> Funding of \$1,285,846 is added to replace 2023-25 biennium new and vacant FTE pool funding for vacant FTE positions.

<sup>3</sup> Funding of \$1,599,989 is removed for estimated savings from vacant 2025-27 FTE positions and \$1,119,992 is added for a new and vacant FTE pool, resulting in net savings of \$479,997.

<sup>4</sup> Funding for salaries and wages is adjusted by \$335,033, as follows:

- Decreased by \$26,697 for budget reduction from salary savings.
- Increased by \$362,000 for cost to continue salary increases.

<sup>5</sup> Operating funding is adjusted as follows:

	<b>General Fund</b>
GenTax support	\$450,000
IT rate adjustments	358,321
Capitol rent increase	<u>16,420</u>
Total	\$824,741

<sup>6</sup> Funding for tax credit programs is adjusted as follows:

	<b>General Fund</b>
Disabled veterans' credit	\$3,255,000
Primary residence credit	<u>(23,225,000)</u>
Total	(\$19,970,000)

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The House version:

- Adds a section regarding the use of funding in the new and vacant FTE pool line item.
- Includes a section allowing the Tax Commissioner to transfer funding between the homestead tax credit and disabled veterans' tax credit line items if one line item does not have sufficient funding.
- Includes a section to transfer \$1,761,168 from motor vehicle tax revenue to the general fund for reimbursing expenses related to the administration of the motor vehicle fuels and special fuels taxes.
- Adds a section to provide the statutory changes necessary to increase the Tax Commissioner's annual salary to \$141,082 (3 percent) effective July 1, 2025, and to \$145,314 (3 percent) effective July 1, 2026.