

Fifty-seventh
Legislative Assembly
of North Dakota

ENGROSSED 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 chapter to title 58, a new subsection to section
2 58-03-07, and a new subsection to section 58-06-01 of the North Dakota Century Code,
3 relating to a township infrastructure maintenance fund and imposition of a township gross
4 receipts tax.

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

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

8 To authorize an infrastructure maintenance fund tax in accordance with section 3
9 of this Act.

10 **SECTION 2.** A new subsection to section 58-06-01 of the North Dakota Century Code
11 is created and enacted as follows:

12 To impose an infrastructure maintenance fund tax in accordance with section 3 of
13 this Act.

14 **SECTION 3.** A new chapter to title 58 of the North Dakota Century Code is created and
15 enacted as follows:

16 **Definitions.** In this chapter, unless the context otherwise requires:

- 17 1. "Gross receipts tax" means a tax, other than a sales or use tax, which is imposed
18 on and measured by the gross receipts from sales made by a business operating
19 in the county, whether those sales are made within or outside the township. Taxes
20 imposed under this chapter may be added to the purchase price of items sold.
21 2. "Taxpayer" means any corporation, limited liability company, partnership, firm,
22 association, or person acting as a business entity and having income from a
23 business activity which is taxable both within and without the township.

1 **Infrastructure maintenance fund - Gross receipts tax - Balance limit.** The electors
2 of a township at an annual meeting or special meeting may establish a gross receipts tax and a
3 special fund to be known as the infrastructure maintenance fund to be used to provide for
4 infrastructure maintenance of township roads. Once approved by the electors, the township
5 board of supervisors by resolution shall impose a tax not to exceed one percent on the gross
6 receipts of taxpayers within the township. The tax under this chapter may not be imposed in an
7 amount in dollars which would bring the balance in the infrastructure maintenance fund to more
8 than twenty-five thousand dollars. Interest and income of the fund must be retained in the fund
9 except that any earnings that would bring the balance in the fund to more than twenty-five
10 thousand dollars must be deposited in the township general fund.

11 **Notice - Collection.**

- 12 1. The township clerk shall notify by certified mail all taxpayers in the township within
13 thirty days of the establishment of the fund. The notice must include:
- 14 a. A unique reporting number for each business.
15 b. The percentage rate of tax to be collected.
16 c. The beginning day for collection of the tax, commencing the first day of the
17 ensuing calendar quarter.
18 d. The name and address of the township treasurer.
- 19 2. Each taxpayer shall collect the tax and remit the tax along with records reporting
20 actual gross receipts by the fifteenth day of the month following each calendar
21 quarter to the township treasurer.
- 22 3. When the fund reaches seventy-five percent of the maximum allowable, the
23 township treasurer shall notify by certified mail all taxpayers collecting the tax to
24 end the collections at the end of the current calendar quarter.
- 25 4. The township treasurer shall notify by certified mail all taxpayers to reinstate the
26 tax to begin the first day of the month of the ensuing calendar quarter when the
27 fund drops below twenty-five percent.

28 **Infrastructure maintenance fund uses.** The infrastructure maintenance fund shall be
29 used for acquiring, constructing, extending, repairing, or otherwise improving, operating, or
30 maintaining township roads.

1 **Confidentiality.** All officers of a township shall guard the secrecy of information
2 received from a taxpayer. Any information contained on statements or financial records shall
3 be limited to such data as is necessary to comply with the collection of the tax and for purposes
4 of auditing under the authority granted in this chapter. Any information provided by a township
5 to the public must be made in a manner that will not reveal the names of taxpayers.

6 **Exemptions.** There are specifically exempted from the provisions of this chapter and
7 from computation of the amount of tax imposed by it the following taxpayers:

- 8 1. Those engaged in the activity of farming.
- 9 2. A public utility.
- 10 3. Those located within an incorporated city within the township.