

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2199

In lieu of the amendments adopted by the House as printed on pages 960 and 961 of the House Journal, Reengrossed Senate Bill No. 2199 is amended as follows:

Page 1, line 1, after "Act" insert "to create a property tax relief sustainability fund;"

Page 1, line 2, after "57-15-01.1" insert ", a new section to chapter 57-38, a new subdivision to subsection 7 of section 57-38-30.3,"

Page 1, line 3, after "grants" insert "and an income tax credit for renters of residential property"

Page 1, line 5, after the second semicolon insert "to provide for transfers;"

Page 2, line 23, replace "2010" with "2018"

Page 2, line 24, after "of" insert "up to"

Page 2, line 25, replace "2010" with "2018"

Page 3, after line 29, insert:

"SECTION 4. A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

Renter's credit. A taxpayer is entitled to a tax credit against tax liability as determined under section 57-38-29 or 57-38-30.3 equal to three percent of the first six thousand five hundred dollars of rent paid during the taxable year for the right of occupancy of a dwelling in this state occupied as the taxpayer's primary residence. The claimant of a credit under this section must provide information required by the tax commissioner to verify eligibility for the credit under this section, including a statement from the lessor of the amount of rent paid for the dwelling during the taxable year. Rental of a dwelling in a nursing home, intermediate care facility, long-term care residential facility, or dwelling for which the landlord and tenant have not dealt with each other at arm's length is not eligible for the credit under this section. If a dwelling has more than one occupant renter, only one occupant may claim the credit under this section and how the credit will be apportioned among the occupants is the responsibility of the occupants.

SECTION 5. A new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota Century Code is created and enacted as follows:

Renter's credit under section 4 of this Act."

Page 4, line 17, after "of" insert "residential and agricultural"

Page 4, line 18, replace "one hundred" with "forty"

Page 4, line 21, after "of" insert "residential and agricultural"

Page 4, line 22, replace "seventy-five" with "one hundred fifty"

Page 5, after line 2, insert:

- "7. For all purposes under law relating to allocation of funds among political subdivisions based on property tax levies, property taxes levied by a school district are the amount that would have been levied without the mill reduction grant provided to the school district under this chapter."

Page 5, line 5, replace "combined education" with "general fund" and after "rate" insert "for residential and agricultural property"

Page 5, line 6, replace "one hundred ten" with "forty"

Page 5, line 8, replace "combined education" with "general fund"

Page 5, line 9, replace "one hundred ten" with "forty" and after "mills" insert "for residential and agricultural property"

Page 5, line 19, replace "combined education" with "general fund", after "rate" insert "for residential and agricultural property", and replace "one hundred ten" with "forty"

Page 5, line 26, replace "combined" with "general fund"

Page 5, line 27, remove "education"

Page 5, line 30, after "district" insert "general fund"

Page 6, line 1, after the second boldfaced underscored period insert "The mill levy reduction grant to a school district under this chapter must be applied to reduce the combined education mill rate of the school district as it applies to residential and agricultural property in the school district. If the combined mill rate of the school district is reduced to zero for residential and agricultural property, any remaining amount of the grant must be applied proportionately to reduction of the combined mill rate for other taxable property in the school district."

Page 6, after line 6, insert:

"57-64-05. Tax increment financing district revenue replacement grants.

1. A city in which a tax increment financing district was established before January 1, 2009, is entitled to a grant, subject to legislative appropriation, to reimburse the district for the loss of tax increments attributable to the mill levy reduction under this chapter for the school district in which the tax increment financing district property is located. The grant to which a city is entitled under this section is equal to the combined education mill rate reduction under this chapter for the school district for the taxable year times the incremental value of residential and agricultural property that had a tax increment value before January 1, 2009, as determined under section 40-58-20, discounted by five percent as allowed for taxpayers under section 57-20-09.
2. Applications for grants under this section must be filed with the tax commissioner by January thirty-first immediately following the taxable year

of the combined education mill rate reduction under this chapter. Applications must be filed on a form prescribed by the tax commissioner. The tax commissioner shall audit applications, make corrections as required, and certify grant amounts and recipients to the state treasurer for payment of grants by March thirty-first following receipt of applications.

SECTION 7. Property tax relief sustainability fund. The property tax relief sustainability fund is a special fund in the state treasury. Moneys in the fund may be spent, pursuant to legislative appropriations, for property tax relief programs."

Page 6, line 8, replace "permanent oil tax trust" with "general"

Page 6, line 9, replace "\$295,000,000" with "\$395,000,000"

Page 6, after line 11, insert:

"SECTION 9. APPROPRIATION. There is appropriated out of any moneys in the permanent oil tax trust fund in the state treasury, not otherwise appropriated, the sum of \$1,720,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of allocation of revenue replacement grants to tax increment financing districts under section 57-64-05, for the biennium beginning July 1, 2009, and ending June 30, 2011.

SECTION 10. APPROPRIATION. There is appropriated out of any moneys in the permanent oil tax trust fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the information technology department for the purpose of providing grants to counties that demonstrate to the satisfaction of the department that the county has incurred technology-related costs directly related to enactment of this Act.

SECTION 11. TRANSFER - PERMANENT OIL TAX TRUST FUND - GENERAL FUND. The office of management and budget shall transfer the sum of \$395,000,000 from the permanent oil tax trust fund to the general fund on July 1, 2009.

SECTION 12. TRANSFER - PERMANENT OIL TAX TRUST FUND - PROPERTY TAX RELIEF SUSTAINABILITY FUND. The office of management and budget shall transfer the sum of \$395,000,000 from the permanent oil tax trust fund to the property tax relief sustainability fund on July 1, 2010."

Page 6, line 12, remove "and" and after "3" insert ", 4, and 5"

Renumber accordingly