

**FIRST ENGROSSMENT  
with House Amendments  
ENGROSSED SENATE BILL NO. 2006**

Introduced by

Appropriations Committee

(At the request of the Governor)

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

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

8 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
9 as may be necessary, are appropriated out of any moneys in the general fund in the state  
10 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
11 other income, to the state tax commissioner for the purpose of defraying the expenses of the  
12 state tax commissioner and paying the state reimbursement under the homestead tax credit  
13 and disabled veteran credit, for the biennium beginning July 1, 2011, and ending June 30, 2013,  
14 as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>	
15				
16				
17	Salaries and wages	\$16,910,525	\$1,887,185	\$18,797,710
18	Operating expenses	5,345,814	2,052,217	7,398,031
19	Capital assets	58,000	(42,000)	16,000
20	Homestead tax credit	5,964,000	2,828,788	8,792,788
21	Disabled veteran credit	<u>3,000,000</u>	<u>1,243,920</u>	<u>4,243,920</u>
22	Total all funds	\$31,278,339	\$7,970,110	\$39,248,449
23	Less estimated income	<u>96,000</u>	<u>(86,000)</u>	<u>10,000</u>
24	Total general fund	\$31,182,339	\$8,056,110	\$39,238,449

1 Full-time equivalent positions 133.00 1.00 134.00

2 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

3 **SIXTY-THIRD LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding  
4 items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13  
5 one-time funding items included in the appropriation in section 1 of this Act:

6	<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
7	Integrated tax system loan payment	\$10,230,247	\$0
8	Onsite support - Gen Tax	1,234,000	0
9	Oil and gas integration to Gen Tax	1,500,000	0
10	Gen Tax upgrade	<u>0</u>	<u>1,000,000</u>
11	Total all funds	\$12,964,247	\$1,000,000
12	Total special funds	<u>100,000</u>	<u>0</u>
13	Total general fund	\$12,864,247	\$1,000,000

14 The 2011-13 one-time funding amounts are not a part of the entity's base budget for the  
15 2013-15 biennium. The tax commissioner shall report to the appropriations committees of the  
16 sixty-third legislative assembly on the use of this one-time funding for the biennium beginning  
17 July 1, 2011, and ending June 30, 2013.

18 **SECTION 3. TRANSFER.** There is transferred to the general fund in the state treasury, out  
19 of motor vehicle fuel tax revenue, collected pursuant to section 57-43.1-02, the sum of  
20 \$1,485,000 for the purpose of reimbursing the general fund for expenses incurred in the  
21 collection of the motor vehicle fuels and special fuels taxes and the administration of these  
22 taxes.

23 **SECTION 4. AMENDMENT.** Section 57-01-04 of the North Dakota Century Code is  
24 amended and reenacted as follows:

25 **57-01-04. Salary.**

26 The annual salary of the state tax commissioner is ~~ninety-ninety-eight thousand six hundred~~  
27 ~~seventy-eight~~sixty-eight dollars through June 30, ~~2010~~2012, and ~~ninety-five~~one hundred one  
28 thousand ~~two hundred twelve~~ten dollars thereafter.

29 **SECTION 5. EXEMPTION - GRANT TO NORTH DAKOTA STATE UNIVERSITY.** Up to  
30 \$50,000 of the general fund appropriation to the state tax commissioner in section 1 of  
31 chapter 6 of the 2009 Session Laws is not subject to the provisions of section 54-44.1-11 and

1 may be distributed by the state tax commissioner as a grant to North Dakota state university,  
2 department of agribusiness and applied economics, for the purpose of converting the software  
3 of the core model used for the preparation of agricultural land valuations as required under  
4 section 57-02-27.2, during the biennium beginning July 1, 2011, and ending June 30, 2013.

5 **SECTION 6. LEGISLATIVE MANAGEMENT STUDY - INCOME TAX CREDITS.** During the  
6 2011-12 interim, the legislative management shall consider studying the state's income tax  
7 credits. The study must involve the state tax commissioner and include an inventory of all of the  
8 state's income tax credits, a review of the nature of each credit, an indication of the targeted  
9 class of recipients of each credit, an analysis of possible barriers to using the credits, an  
10 analysis of possible gaps and overlaps in the state's income tax credits, the relationship of state  
11 income tax credits to federal tax policy, and a review of the effectiveness of each credit. The  
12 legislative management shall report its findings and recommendations, together with any  
13 legislation required to implement the recommendations, to the sixty-third legislative assembly.

14 **SECTION 7. CONTINGENT FUNDING - EMERGENCY COMMISSION APPROVAL.** The  
15 funds appropriated in the salaries and wages line item in section 1 of this Act include \$112,883  
16 from the general fund and the funds appropriated in the operating expenses line item in  
17 section 1 of this Act include \$29,440 from the general fund which may be used by the tax  
18 department to hire one full-time equivalent position also included in section 1 of this Act, upon  
19 emergency commission approval, for the purpose of performing additional compliance projects.  
20 The emergency commission may approve the use of these funds and the additional full-time  
21 equivalent position only if the tax department certifies that compliance projects conducted by  
22 the new compliance officer authorized by the 2011 legislative assembly have resulted in the  
23 collection of at least \$500,000, during the nine-month period beginning on the date the new  
24 compliance officer position is filled.