

Sixty-second
Legislative Assembly
of North Dakota

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>
17 Salaries and wages	\$16,910,525	\$1,801,131	\$18,711,656
18 Operating expenses	5,345,814	1,993,337	7,339,151
19 <u>Salaries and wages</u>	<u>\$16,910,525</u>	<u>\$1,887,185</u>	<u>\$18,797,710</u>
20 <u>Operating expenses</u>	<u>5,345,814</u>	<u>2,052,217</u>	<u>7,398,031</u>
21 Capital assets	58,000	(42,000)	16,000
22 Homestead tax credit	5,964,000	2,828,788	8,792,788
23 Disabled veteran credit	<u>3,000,000</u>	<u>1,243,920</u>	<u>4,243,920</u>
24 Total all funds	\$31,278,339	\$7,825,176	\$39,103,515

1	<u>Total all funds</u>	<u>\$31,278,339</u>	<u>\$7,970,110</u>	<u>\$39,248,449</u>
2	Less estimated income	96,000	(86,000)	10,000
3	Total general fund	\$31,182,339	\$7,911,176	\$39,093,515
4	Full-time equivalent positions	133.00	0.00	133.00
5	<u>Total general fund</u>	<u>\$31,182,339</u>	<u>\$8,056,110</u>	<u>\$39,238,449</u>
6	<u>Full-time equivalent positions</u>	<u>133.00</u>	<u>1.00</u>	<u>134.00</u>

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

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

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

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

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

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

1 **57-01-04. Salary.**

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

5 **SECTION 5. EXEMPTION - GRANT TO NORTH DAKOTA STATE UNIVERSITY.** Up to
6 \$50,000 of the general fund appropriation to the state tax commissioner in section 1 of
7 chapter 6 of the 2009 Session Laws is not subject to the provisions of section 54-44.1-11 and
8 may be distributed by the state tax commissioner as a grant to North Dakota state university,
9 department of agribusiness and applied economics, for the purpose of converting the software
10 of the core model used for the preparation of agricultural land valuations as required under
11 section 57-02-27.2, during the biennium beginning July 1, 2011, and ending June 30, 2013.

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

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