

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1006

That the Senate recede from its amendments as printed on pages 1508-1510 of the House Journal and pages 1327-1329 of the Senate Journal and that Engrossed House Bill No. 1006 be amended as follows:

Page 1, line 4, after the semicolon insert "to provide an exemption;"

Page 1, replace lines 14 through 23 with:

"Salaries and wages	\$18,797,710	\$1,340,778	\$20,138,488
Accrued leave payments	0	624,818	624,818
Operating expenses	6,398,031	2,323,803	8,721,834
Capital assets	16,000	0	16,000
Homestead tax credit	8,792,788	11,207,212	20,000,000
Disabled veterans credit	<u>4,243,920</u>	<u>3,434,080</u>	<u>7,678,000</u>
Total all funds	\$38,248,449	\$18,930,691	\$57,179,140
Less estimated income	<u>10,000</u>	<u>115,000</u>	<u>125,000</u>
Total general fund	\$38,238,449	\$18,815,691	\$57,054,140
Full-time equivalent positions	134.00	0.00	134.00"

Page 2, after line 12, insert:

**"SECTION 3. EXEMPTION.** Up to \$50,000 of the general fund appropriation to the tax commissioner in section 1 of chapter 6 of the 2009 Session Laws continued into the 2011-13 biennium is not subject to provisions of section 54-44.1-11, and may be distributed by the tax commissioner as a grant to the North Dakota state university department of agribusiness and applied economics, for the purpose of converting the software of the core model used for the preparation of agricultural land valuations as required under section 57-02-27.2, during the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 2, line 21, replace "four" with "five"

Page 2, line 22, replace "forty" with "fifty"

Page 2, line 22, replace "seven" with "eight"

Page 2, line 23, replace "one hundred sixty-one" with "two hundred two"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

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

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$21,151,815	\$19,758,455	\$380,033	\$20,138,488	\$21,073,894	(\$935,406)
Operating expenses	8,684,314	8,606,834	115,000	8,721,834	8,671,834	50,000
Capital assets	66,000	16,000		16,000	66,000	(50,000)
Homestead tax credit	30,685,000	10,685,000	9,315,000	20,000,000	26,185,000	(6,185,000)
Disabled veterans credit	7,178,000	7,178,000	500,000	7,678,000	7,678,000	
Accrued leave payments		624,818		624,818		624,818

Total all funds	\$67,765,129	\$46,869,107	\$10,310,033	\$57,179,140	\$63,674,728	(\$6,495,588)
Less estimated income	125,000	10,000	115,000	125,000	125,000	0
General fund	\$67,640,129	\$46,859,107	\$10,195,033	\$57,054,140	\$63,549,728	(\$6,495,588)
FTE	134.00	134.00	0.00	134.00	134.00	0.00

**Department No. 127 - State Tax Commissioner - Detail of Conference Committee Changes**

	Removes House Changes to Executive Compensation Package <sup>1</sup>	Adjusts State Employee Compensation and Benefits Package <sup>2</sup>	Restores Funding for Homestead Tax Credit Expansion <sup>3</sup>	Adds Funding for the Disabled Veterans Credit <sup>4</sup>	Restores Funding for Motor Fuel Tax Enforcement <sup>5</sup>	Total Conference Committee Changes
Salaries and wages	\$690,621	(\$310,588)				\$380,033
Operating expenses					115,000	115,000
Capital assets						
Homestead tax credit			9,315,000			9,315,000
Disabled veterans credit				500,000		500,000
Accrued leave payments						
Total all funds	\$690,621	(\$310,588)	\$9,315,000	\$500,000	\$115,000	\$10,310,033
Less estimated income	0	0	0	0	115,000	115,000
General fund	\$690,621	(\$310,588)	\$9,315,000	\$500,000	\$0	\$10,195,033
FTE	0.00	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> Changes made by the House to the executive compensation package are removed.

<sup>2</sup> This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent for the first year of the biennium and 2 to 4 percent for the second year of the biennium.
- Reduces the market component from 2 to 4 percent per year to 1 to 2 percent per year for employees below the midpoint of their salary range.
- Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

<sup>3</sup> Funding is provided for expanding the homestead tax credit program due to provisions for the tax credit included in Senate Bill No. 2171. The Senate version included \$15.5 million for the expansion. The executive budget recommendation included \$20 million for the expansion which the House removed.

<sup>4</sup> Funding is added for the disabled veterans tax credit program to provide for a total of \$7,678,000, the same as the Senate version. This funding was not included in the House version.

<sup>5</sup> Funding removed by the House for motor fuels tax enforcement program activities is restored to the Governor's recommended level, except that \$50,000 included in the capital assets line item in the executive budget recommendation is moved to the operating expenses line item. The Senate version included \$65,000 in the operating expenses line item and \$50,000 in the capital assets line item.

A section is added to allow general fund carryover authority of up to \$50,000 to provide as a grant to North Dakota State University for software conversion, the same as the Senate version.

Section 4 of the bill is amended to provide a 4 percent annual salary increase for the first year and a 3 percent annual salary increase for the second year for the Tax Commissioner. The executive budget recommendation and the Senate version provided 4 percent annual increases. The House provided 3 percent annual increases.