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Sixty-eighth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2334

Introduced by

Senators Bekkedahl, Sorvaag, Wanzek

Representatives Brandenburg, Kempenich

A BILL for an Act to create and enact a new section to chapter 57-39.2 of the North Dakota Century Code, relating to a local revenue loss reimbursement fund; to amend and reenact subsection 2 of section 57-39.2-04.15 and section 57-39.2-26 of the North Dakota Century Code, relating to a sales tax exemption for a fertilizer plant; to provide a continuing appropriation; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 2 of section 57-39.2-04.15 of the North Dakota Century Code is amended and reenacted as follows:

2. ~~On or before June 30, 2023, the~~The owner of the fertilizer or chemical processing plant must receive from the department of environmental quality an air quality permit or a notice that the air quality permit application is complete. The owner shall provide this documentation to the tax commissioner to qualify for the exemption under this section. Denial, expiration, or revocation of a permit terminates the exemption under this section.

SECTION 2. AMENDMENT. Section 57-39.2-26 of the North Dakota Century Code is amended and reenacted as follows:

57-39.2-26. Allocation of revenue.

Except as provided by sections 57-39.2-26.1 ~~and~~, 57-39.2-26.2, and section 3 of this Act, all moneys collected and received under this chapter must be paid into the state treasury and must be credited by the state treasurer to the general fund. Moneys deposited with the commissioner as security for the payment of tax, penalties, or costs due must be deposited and accounted for as provided in subsection 3 of section 57-39.2-12.

SECTION 3. A new section to chapter 57-39.2 of the North Dakota Century Code is created and enacted as follows:

Local revenue loss reimbursement fund - State treasurer - Continuing appropriation.

1. There is created in the state treasury the local revenue loss reimbursement fund. The fund consists of all moneys transferred to the fund under subsection 2. All moneys in the fund are appropriated to the state treasurer on a continuing basis for the purpose of providing distributions to an eligible county or city.
2. Notwithstanding any other provision of law, after the allocations under sections 57-29.2-26.1 and 57-39.2-26.2, a portion of sales, gross receipts, and use, tax collections equal to the amount under subsection 3 must be deposited by the state treasurer in the local revenue loss reimbursement fund as needed. The tax commissioner shall calculate the amount needed for distribution under subsection 3 and shall certify to the state treasurer the portion of sales, gross receipts, and use tax net revenues that must be deposited in the fund to provide for the distribution.
3. The state treasurer shall distribute to a county or city an amount equal to one percent of the estimated value of tangible property used in the construction of new infrastructure if:
   a. The county or city is levying a local sales tax for infrastructure, public safety, or economic development;
   b. The estimated total cost for the new infrastructure is at least five hundred million dollars;
   c. The new infrastructure is within the county or the city limits; and
   d. The new infrastructure is exempt from sales tax under this chapter or use tax under chapter 57-40.2.
4. If the new infrastructure is within city limits, only a city is eligible to receive a distribution under subsection 3.
5. The tax commissioner may request information and documentation from the owner of the new infrastructure to determine the estimated value of the tangible property and the estimated total cost of the new infrastructure for calculations under this section.

SECTION 4. EFFECTIVE DATE. This Act becomes effective on July 1, 2023.