

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO  
FIRST ENGROSSMENT**

**ENGROSSED SENATE BILL NO. 2177**

Introduced by

Senators Thomas, Conley, Hogue

Representatives Hagert, Schreiber-Beck, Lefor

1 A BILL for an Act to create and enact a new section to chapter 57-39.2 of the North Dakota  
2 Century Code, relating to an animal agriculture facility infrastructure fund; to amend and reenact  
3 subsection 9 of section 11-23-02 and section 57-39.2-26 of the North Dakota Century Code,  
4 relating to county budget limits and the allocation of sales tax revenue; to provide a continuing  
5 appropriation; and to provide an expiration date.

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

7 **SECTION 1. AMENDMENT.** Subsection 9 of section 11-23-02 of the North Dakota Century  
8 Code is amended and reenacted as follows:

9 9. The amount of cash reserve for the general fund and each special revenue fund, not  
10 to exceed seventy-five percent of the appropriation for the fund. This subsection does  
11 not apply to the cash reserve for the infrastructure development fund.

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

14 **57-39.2-26. Allocation of revenue. (Effective through June 30, 2027)**

15 Except as provided by sections 57-39.2-26.1, 57-39.2-26.2, 57-39.2-26.3, and 57-39.2-26.4,  
16 and section 3 of this Act, all moneys collected and received under this chapter must be paid into  
17 the state treasury and must be credited by the state treasurer to the general fund. Moneys  
18 deposited with the commissioner as security for the payment of tax, penalties, or costs due  
19 must be deposited and accounted for as provided in subsection 3 of section 57-39.2-12.

1       **Allocation of revenue. (Effective after June 30, 2027)** Except as provided by sections  
2 57-39.2-26.1 and, 57-39.2-26.2, and section 3 of this Act, all moneys collected and received  
3 under this chapter must be paid into the state treasury and must be credited by the state  
4 treasurer to the general fund. Moneys deposited with the commissioner as security for the  
5 payment of tax, penalties, or costs due must be deposited and accounted for as provided in  
6 subsection 3 of section 57-39.2-12.

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

9       **Animal agriculture facility infrastructure fund - State treasurer - Continuing**  
10 **appropriation.**

- 11       1. The animal agriculture facility infrastructure fund is created as a special fund in the  
12 state treasury. The fund consists of all moneys transferred to the fund under  
13 subsection 2. All moneys in the fund are appropriated to the state treasurer on a  
14 continuing basis for the purpose of providing distributions to counties.
- 15       2. Notwithstanding any other provision of law, after the allocations under sections  
16 57-39.2-26.1, 57-39.2-26.2, 57-39.2-26.3, and 57-39.2-26.4, a portion of sales, gross  
17 receipts, and use tax collections equal to the combined total of the amounts certified  
18 under subsection 4, not to exceed five hundred thousand dollars per year, must be  
19 deposited by the state treasurer in the animal agriculture facility infrastructure fund as  
20 needed.
- 21       3. Once per year, the state treasurer shall distribute to each county the amount certified  
22 by the tax commissioner under subsection 4. If the amount certified for a year exceeds  
23 five hundred thousand dollars, the state treasurer shall distribute the funding on a pro  
24 rata basis.
- 25       4. The amount certified by the tax commissioner for each county is the sum of the state  
26 portion of sales, gross receipts, and use tax due under this title on eligible tangible  
27 personal property purchased to construct new or to expand, upgrade, or replace  
28 existing animal agriculture facilities located in the county, including the purchase of  
29 new equipment used in animal agriculture facilities, based on documentation  
30 submitted to the tax commissioner by the facility owner, facility operator, or a  
31 contractor.

- 1       5. Documentation, including any required supporting documentation, must be submitted  
2       in the form and manner prescribed by the tax commissioner. The documentation for  
3       eligible tangible personal property submitted under this section must equal a taxable  
4       value of at least ~~five hundred thousand~~three hundred thousand dollars purchased  
5       during the calendar year and must be submitted by March thirty-first of the subsequent  
6       year. For purposes of this section, "animal agriculture facility" means a building or  
7       structure where an animal is kept, handled, housed, or bred.
- 8       6. Upon receipt of the funding distributed under this section, the county treasurer shall  
9       deposit the funding into an infrastructure development fund. The infrastructure  
10       development fund consists only of the funding distributed under this section and may  
11       be used only for infrastructure projects near animal agriculture facilities located in the  
12       county or for other county expenses. Pursuant to section 11-23-02, the cash reserve in  
13       the county's infrastructure development fund may exceed the limit for the fund.
- 14       7. An organized township within the county may request a portion of the funding from the  
15       county's infrastructure development fund for township road projects near animal  
16       agriculture facilities located in the township, and the county treasurer may distribute  
17       the requested funding to the organized township upon approval by the board of county  
18       commissioners.

19       **SECTION 4. EXPIRATION DATE.** This Act is effective through June 30, 2029, and after that  
20       date is ineffective.