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Title.
Fiscal No. 1

Prepared by the Legislative Council
staff for Senate Appropriations -
Government Operations Division
Committee

March 25, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

ENGROSSED HOUSE BILL NO. 1006

Introduced by

Appropriations Committee

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

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

7 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
8 as may be necessary, are appropriated out of any moneys in the general fund in the state
9 treasury, not otherwise appropriated, and from other funds derived from federal funds, to the tax
10 commissioner for the purpose of defraying the expenses of the tax commissioner and paying
11 the state reimbursement under the homestead tax credit, disabled veterans' tax credit, and
12 primary residence credit, for the biennium beginning July 1, 2025, and ending June 30, 2027, as
13 follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
16 Salaries and wages	\$24,036,152	\$1,650,068	\$25,686,220
17 <u>Salaries and wages</u>	<u>\$24,036,152</u>	<u>\$2,161,868</u>	<u>\$26,198,020</u>
18 New and vacant FTE pool	0	1,119,992	1,119,992
19 Operating expenses	8,613,370	824,741	9,438,111

1	<u>Operating expenses</u>	8,613,370	2,324,741	10,938,111
2	Capital assets	6,000	0	6,000
3	Homestead tax credit	72,400,000	(11,800,000)	60,600,000
4	Disabled veterans' tax credit	18,745,000	10,655,000	29,400,000
5	Primary residence credit	103,225,000	(103,225,000)	0
6	Total all funds	\$227,025,522	(\$100,775,199)	\$126,250,323
7	Less other funds	125,000	0	125,000
8	Total general fund	\$226,900,522	(\$100,775,199)	\$126,125,323
9	<u>Total all funds</u>	<u>\$227,025,522</u>	<u>(\$98,763,399)</u>	<u>\$128,262,123</u>
10	<u>Less other funds</u>	<u>125,000</u>	<u>0</u>	<u>125,000</u>
11	<u>Total general fund</u>	<u>\$226,900,522</u>	<u>(\$98,763,399)</u>	<u>\$128,137,123</u>
12	Full-time equivalent positions	117.00	0.00	117.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Property tax relief administration	\$1,500,000	\$0	\$1,500,000
Total	\$1,500,000	\$0	\$1,500,000

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The tax commissioner may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. EXEMPTION - LINE ITEM TRANSFERS. Notwithstanding section 54-16-04, the state tax commissioner may transfer funds between the homestead tax credit and disabled veterans' tax credit line items in section 1 of this Act if one line item does not have sufficient funds available for state reimbursement of eligible tax credits. The state tax commissioner shall

1 notify the office of management and budget and the legislative council of any transfers made
2 pursuant to this section.

3 **SECTION 5. MOTOR VEHICLE FUEL TAX REVENUE TRANSFER.** There is transferred to
4 the general fund in the state treasury out of motor vehicle tax revenue collected pursuant to
5 section 57-43.1-02, the sum of \$1,761,168, for the purpose of reimbursing the general fund for
6 expenses incurred in the collection of the motor vehicle fuels and special fuels taxes and the
7 administration of these taxes, for the biennium beginning July 1, 2025, and ending June 30,
8 2027.

9 **SECTION 6. AMENDMENT.** Section 57-01-04 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **57-01-04. Salary.**

12 The annual salary of the state tax commissioner is ~~one hundred thirty-one thousand seven-~~
13 ~~hundred five~~one hundred forty-one thousand eighty-two dollars through June 30, ~~2024~~2026,
14 and ~~one hundred thirty-six thousand nine hundred seventy three~~one hundred forty-five
15 thousand three hundred fourteen dollars thereafter.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1006 - State Tax Commissioner - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$24,036,152	\$25,686,220	\$511,800	\$26,198,020
New and vacant FTE pool		1,119,992		1,119,992
Operating expenses	8,613,370	9,438,111	1,500,000	10,938,111
Capital assets	6,000	6,000		6,000
Homestead tax credit	72,400,000	60,600,000		60,600,000
Disabled veterans' credit	18,745,000	29,400,000		29,400,000
Primary residence credit	103,225,000			
Total all funds	\$227,025,522	\$126,250,323	\$2,011,800	\$128,262,123
Less estimated income	125,000	125,000	0	125,000
General fund	\$226,900,522	\$126,125,323	\$2,011,800	\$128,137,123
FTE	117.00	117.00	0.00	117.00

Department 127 - State Tax Commissioner - Detail of Senate Changes

	Adds Funding for Salary Equity Increases ¹	Adds One-Time Funding Item ²	Total Senate Changes
Salaries and wages	\$511,800		\$511,800
New and vacant FTE pool			
Operating expenses		\$1,500,000	1,500,000
Capital assets			
Homestead tax credit			
Disabled veterans' credit			
Primary residence credit			
Total all funds	\$511,800	\$1,500,000	\$2,011,800
Less estimated income	0	0	0
General fund	\$511,800	\$1,500,000	\$2,011,800
FTE	0.00	0.00	0.00

¹ Funding of \$511,800 from the general fund is added for salary equity increases. The House version did not include this funding.

² One-time funding of \$1.5 million is added from the general fund for tax relief program administrative costs related to operating expenses for advertising and information technology costs. The House version did not include this funding.