

Introduced by

Judiciary Committee

(At the request of the Tax Commissioner)

1 A BILL for an Act to amend and reenact subsection 1 of section 57-38.3-02 and subsection 3 of
2 section 57-38.3-04 of the North Dakota Century Code, relating to setoff of income tax refunds
3 by the internal revenue service.

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

5 **SECTION 1. AMENDMENT.** Subsection 1 of section 57-38.3-02 of the North Dakota
6 Century Code is amended and reenacted as follows:

7 1. "Claimant agency" means the department of human services, job service North
8 Dakota, workforce safety and insurance, the insurance commissioner, the North
9 Dakota guaranteed student loan program, the industrial commission acting as the
10 state housing finance agency under chapter 54-17, a housing authority created under
11 section 23-11-02, or the state court administrator on behalf of the state courts for
12 purposes of court-ordered fines, fees, or costs due the state or the internal revenue
13 service. On or before September first of each year, the state housing finance agency
14 shall conduct an election by mail among housing authorities of the state and certify to
15 the tax commissioner which housing authority received the greatest number of votes
16 and is capable of compliance with the duties of a claimant agency under section
17 57-38.3-05. During the ensuing calendar year, the housing authority certified as
18 selected under this subsection shall act as the claimant agency for all housing
19 authorities for the purposes of submitting debtor information to the tax commissioner
20 for fund transfers and for providing notice to the debtor as required by section
21 57-38.3-05.

22 **SECTION 2. AMENDMENT.** Subsection 3 of section 57-38.3-04 of the North Dakota
23 Century Code is amended and reenacted as follows:

- 1 3. A claim made by any child support unit of the department of human services has
- 2 priority in setting off any refund. Other claims by state claimant agencies rank by date
- 3 of certification under section 57-38.3-05 in the office of the commissioner with the
- 4 claim earlier certified having priority. Claims made by the internal revenue service
- 5 under Internal Revenue Code sections 6331 and 6332 may be offset up to the amount
- 6 of refund owing after other state priority offsets.