

**Sixty-second Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 4, 2011**

SENATE BILL NO. 2006
(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the office of the state tax commissioner and for payment of state reimbursement under the homestead tax credit and disabled veterans credit; to provide for a transfer; to amend and reenact section 57-01-04 of the North Dakota Century Code, relating to the tax commissioner's salary; to provide for a legislative management study; to provide a contingent appropriation; and to provide an exemption.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state tax commissioner for the purpose of defraying the expenses of the state tax commissioner and paying the state reimbursement under the homestead tax credit and disabled veteran credit, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$16,910,525	\$1,887,185	\$18,797,710
Operating expenses	5,345,814	2,052,217	7,398,031
Capital assets	58,000	(42,000)	16,000
Homestead tax credit	5,964,000	2,828,788	8,792,788
Disabled veteran credit	<u>3,000,000</u>	<u>1,243,920</u>	<u>4,243,920</u>
Total all funds	\$31,278,339	\$7,970,110	\$39,248,449
Less estimated income	<u>96,000</u>	<u>(86,000)</u>	<u>10,000</u>
Total general fund	\$31,182,339	\$8,056,110	\$39,238,449
Full-time equivalent positions	133.00	1.00	134.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Integrated tax system loan payment	\$10,230,247	\$0
Onsite support - Gen Tax	1,234,000	0
Oil and gas integration to Gen Tax	1,500,000	0
Gen Tax upgrade	<u>0</u>	<u>1,000,000</u>
Total all funds	\$12,964,247	\$1,000,000
Total special funds	<u>100,000</u>	<u>0</u>
Total general fund	\$12,864,247	\$1,000,000

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The tax commissioner shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. TRANSFER. There is transferred to the general fund in the state treasury, out of motor vehicle fuel tax revenue, collected pursuant to section 57-43.1-02, the sum of \$1,485,000 for the

purpose of reimbursing the general fund for expenses incurred in the collection of the motor vehicle fuels and special fuels taxes and the administration of these taxes.

SECTION 4. AMENDMENT. Section 57-01-04 of the North Dakota Century Code is amended and reenacted as follows:

57-01-04. Salary.

The annual salary of the state tax commissioner is ~~ninety-eight thousand six hundred seventy-eight~~ninety-eight dollars through June 30, ~~2010~~2012, and ~~ninety-five thousand one hundred one thousand two hundred twelve~~one hundred one thousand dollars thereafter.

SECTION 5. EXEMPTION - GRANT TO NORTH DAKOTA STATE UNIVERSITY. Up to \$50,000 of the general fund appropriation to the state tax commissioner in section 1 of chapter 6 of the 2009 Session Laws is not subject to the provisions of section 54-44.1-11 and may be distributed by the state tax commissioner as a grant to 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, 2011, and ending June 30, 2013.

SECTION 6. LEGISLATIVE MANAGEMENT STUDY - INCOME TAX CREDITS. During the 2011-12 interim, the legislative management shall consider studying the state's income tax credits. The study must involve the state tax commissioner and include an inventory of all of the state's income tax credits, a review of the nature of each credit, an indication of the targeted class of recipients of each credit, an analysis of possible barriers to using the credits, an analysis of possible gaps and overlaps in the state's income tax credits, the relationship of state income tax credits to federal tax policy, and a review of the effectiveness of each credit. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

SECTION 7. CONTINGENT FUNDING - EMERGENCY COMMISSION APPROVAL. The funds appropriated in the salaries and wages line item in section 1 of this Act include \$112,883 from the general fund and the funds appropriated in the operating expenses line item in section 1 of this Act include \$29,440 from the general fund which may be used by the tax department to hire one full-time equivalent position also included in section 1 of this Act, upon emergency commission approval, for the purpose of performing additional compliance projects. The emergency commission may approve the use of these funds and the additional full-time equivalent position only if the tax department certifies that compliance projects conducted by the new compliance officer authorized by the 2011 legislative assembly have resulted in the collection of at least \$500,000, during the nine-month period beginning on the date the new compliance officer position is filled.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-second Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2006.

Senate Vote: Yeas 45 Nays 0 Absent 2

House Vote: Yeas 84 Nays 6 Absent 4

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2011.

Approved at _____ M. on _____, 2011.

Governor

Filed in this office this _____ day of _____, 2011,

at _____ o'clock _____ M.

Secretary of State