

Fifty-sixth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2006

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the office of the
2 state tax commissioner and for payment of state reimbursement under the homestead tax
3 credit; to amend and reenact section 57-01-04 and subsection 2 of section 57-01-13 of the
4 North Dakota Century Code, relating to the salary of the state tax commissioner and the
5 payment of fees for services rendered by a collection or credit agency; to provide a continuing
6 appropriation for the payment of fees for services rendered by a collection or credit agency; and
7 to provide a contingent expiration date.

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

9 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the
10 funds as may be necessary, are hereby appropriated out of any moneys in the general fund in
11 the state treasury, not otherwise appropriated, and from special funds derived from federal
12 funds, to the state tax commissioner for the purpose of defraying the expenses of the state tax
13 commissioner and paying the state reimbursement under the homestead tax credit, for the
14 biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

15 Subdivision 1.

| | | |
|----|----------------------------------|----------------|
| 16 | TAX COMMISSIONER | |
| 17 | Salaries and wages | \$11,761,828 |
| 18 | Operating expenses | 4,803,051 |
| 19 | Equipment | 368,500 |
| 20 | City tax administration fees | 50,000 |
| 21 | Motor fuels federal grant | <u>293,729</u> |
| 22 | Total all funds | \$17,277,108 |
| 23 | Less estimated income | <u>293,729</u> |
| 24 | Total general fund appropriation | \$16,983,379 |

1 Subdivision 2.

2 HOMESTEAD TAX CREDIT

3 Grants \$4,540,813

4 Total general fund appropriation \$4,540,813

5 Grand Total general fund appropriation S.B. 2006 \$21,650,721

6 **SECTION 2. TRANSFER.** There is hereby transferred to the general fund in the state
7 treasury, out of motor vehicle fuel tax revenue, collected pursuant to section 57-43.1-02, the
8 sum of \$1,380,608 for the purpose of reimbursing the general fund for expenses incurred in the
9 collection of the motor vehicle fuels and special fuels taxes and the administration of these
10 taxes.

11 **SECTION 3. EXEMPTION.** The appropriation contained in section 1 of chapter 6 of
12 the 1997 session laws relating to the development of "Project 2001", the department's new tax
13 processing system, is not subject to the provisions of section 54-44.1-11 for up to an amount of
14 \$60,000 and is available for continued development of "Project 2001".

15 **SECTION 4. AMENDMENT.** Section 57-01-04 of the 1997 Supplement to the North
16 Dakota Century Code is amended and reenacted as follows:

17 **57-01-04. Salary.** The annual salary of the state tax commissioner is ~~fifty five~~
18 ~~fifty-eight thousand four hundred sixty-four~~ sixty-two dollars through June 30, ~~1998~~ 2000,
19 fifty-nine thousand four hundred twenty-eight dollars through December 31, 2000, and
20 ~~fifty-seven~~ sixty-six thousand ~~one~~ two hundred ~~twenty~~ eighty-two dollars thereafter.

21 **SECTION 5. AMENDMENT.** Subsection 2 of section 57-01-13 of the 1997
22 Supplement to the North Dakota Century Code is amended and reenacted as follows:

23 2. a. Fees for services, reimbursement, or any other remuneration to a collection or
24 credit agency must be based on the amount of tax, penalty, and interest
25 actually collected. Each contract entered into between the tax commissioner
26 and the collection or credit agency must provide for the payment of fees for
27 the services, reimbursements, or other remuneration not in excess of fifty
28 percent of the amount of delinquent sales, use, motor vehicle fuels, special
29 fuels, importer for use, aviation fuel, motor vehicle excise, income, or
30 business and corporation privilege tax, including penalties and interest
31 actually collected.

- 1 b. All funds collected, ~~less the fees for collection services, as provided in the~~
2 ~~contract,~~ by the collection or credit agency must be remitted to the tax
3 commissioner monthly from the date of collection from a taxpayer. Forms to
4 be used for the remittances must be prescribed by the tax commissioner.
5 The tax commissioner shall transfer the funds to the state treasurer for
6 deposit in the state general fund. An amount equal to the amount of fees for
7 services, reimbursement, or any other remuneration to the collection or credit
8 agency as set forth in the contract authorized by this section is appropriated
9 as a standing and continuing appropriation to the tax commissioner for
10 payment of fees due under the contract.
- 11 c. Before entering into a contract, the tax commissioner shall require a bond
12 from the collection or credit agency not in excess of ten thousand dollars,
13 guaranteeing compliance with the terms of the contract.

14 **SECTION 6. CONTINGENT EXPIRATION DATE.** Section 5 of this Act is effective until
15 such time as section 12 of article X of the Constitution of North Dakota is effectively amended
16 to provide for the retention of public money by a nongovernmental entity as fees for services
17 rendered to the state of North Dakota.