

**SECOND ENGROSSMENT
with House Amendments**

Fifty-sixth
Legislative Assembly
of North Dakota

REENGROSSED 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.

	TAX COMMISSIONER
17 Salaries and wages	\$11,761,828
18 Operating expenses	4,678,051
19 Equipment	343,500
20 City tax administration fees	50,000
21 Motor fuels federal grant	<u>293,729</u>
22 Total all funds	\$17,127,108
23 Less estimated income	<u>293,729</u>
24 Total general fund appropriation	\$16,833,379

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	\$21,374,192
6 Grand total special funds appropriation S.B. 2006	\$293,729
7 Grand total all funds appropriation S.B. 2006	\$21,667,921

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

13 **SECTION 3. EXEMPTION.** The appropriation contained in section 1 of chapter 6 of
14 the 1997 Session Laws is not subject to the provisions of section 54-44.1-11 for an amount of
15 up to \$60,000 and this amount may be spent for continued development of "Project 2001", the
16 department's new tax processing system, for the biennium beginning July 1, 1999, and ending
17 June 30, 2001.

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

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

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

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

1 fuels, importer for use, aviation fuel, motor vehicle excise, income, or
2 business and corporation privilege tax, including penalties and interest
3 actually collected.

4 b. All funds collected, ~~less the fees for collection services, as provided in the~~
5 ~~contract, by the collection or credit agency~~ must be remitted to the tax
6 commissioner monthly from the date of collection from a taxpayer. Forms to
7 be used for the remittances must be prescribed by the tax commissioner.
8 The tax commissioner shall transfer the funds to the state treasurer for
9 deposit in the state general fund. An amount equal to the amount of fees for
10 services, reimbursement, or any other remuneration to the collection or credit
11 agency as set forth in the contract authorized by this section is appropriated
12 as a standing and continuing appropriation to the tax commissioner for
13 payment of fees due under the contract.

14 c. Before entering into a contract, the tax commissioner shall require a bond
15 from the collection or credit agency not in excess of ten thousand dollars,
16 guaranteeing compliance with the terms of the contract.

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