

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1006

Page 1, line 3, after the first semicolon insert "to amend and reenact section 57-01-04 of the North Dakota Century Code, relating to the salary of the state tax commissioner;"

Page 1, replace lines 12 through 22 with:

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|--|----------------------|
| Salaries and wages | \$22,867,956 | (\$525,154) | \$22,342,802 |
| Operating expenses | 7,112,460 | 353,660 | 7,466,120 |
| Capital assets | 6,000 | 0 | 6,000 |
| Homestead tax credit | 15,800,000 | 2,200,000 | 18,000,000 |
| Disabled veterans' tax credit | <u>8,410,200</u> | <u>5,589,800</u> | <u>14,000,000</u> |
| Total all funds | \$54,196,616 | \$7,618,306 | \$61,814,922 |
| Less estimated income | <u>125,000</u> | <u>0</u> | <u>125,000</u> |
| Total general fund | \$54,071,616 | \$7,618,306 | \$61,689,922 |
| Full-time equivalent positions | 123.00 | (5.00) | 118.00" |

Page 2, after line 10, insert:

"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 one hundred ~~seventeen~~twenty-one thousand ~~eighty-seven~~eight hundred fourteen dollars through June 30, ~~2020~~2022, and one hundred ~~twenty~~twenty-three thousand ~~fourteen~~six hundred forty-one dollars thereafter."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

| | <u>Base Budget</u> | <u>House Changes</u> | <u>House Version</u> |
|---------------------------|------------------------|--------------------------|--------------------------|
| Salaries and wages | \$22,867,956 | (\$525,154) | \$22,342,802 |
| Operating expenses | 7,112,460 | 353,660 | 7,466,120 |
| Capital assets | 6,000 | | 6,000 |
| Homestead tax credit | 15,800,000 | 2,200,000 | 18,000,000 |
| Disabled veterans' credit | <u>8,410,200</u> | <u>5,589,800</u> | <u>14,000,000</u> |
| Total all funds | \$54,196,616 | \$7,618,306 | \$61,814,922 |
| Less estimated income | <u>125,000</u> | <u>0</u> | <u>125,000</u> |
| General fund | <u>\$54,071,616</u> | <u>\$7,618,306</u> | <u>\$61,689,922</u> |
| FTE | 123.00 | (5.00) | 118.00 |

Department 127 - State Tax Commissioner - Detail of House Changes

| | Adjusts Funding for Base Payroll Changes¹ | Adds Funding for Salary and Benefit Increases² | Adjusts Funding for Salaries and Wages³ | Adjusts Funding for Operating Expenses⁴ | Increases Funding for Tax Credit Programs⁵ | Total House Changes |
|---------------------------|---|--|---|---|--|--------------------------------|
| Salaries and wages | \$241,271 | \$555,827 | (\$1,322,252) | | | (\$525,154) |
| Operating expenses | | | | \$353,660 | | 353,660 |
| Capital assets | | | | | | |
| Homestead tax credit | | | | | \$2,200,000 | 2,200,000 |
| Disabled veterans' credit | | | | | 5,589,800 | 5,589,800 |
| Total all funds | \$241,271 | \$555,827 | (\$1,322,252) | \$353,660 | \$7,789,800 | \$7,618,306 |
| Less estimated income | 0 | 0 | 0 | 0 | 0 | 0 |
| General fund | \$241,271 | \$555,827 | (\$1,322,252) | \$353,660 | \$7,789,800 | \$7,618,306 |
| FTE | 0.00 | 0.00 | (5.00) | 0.00 | 0.00 | (5.00) |

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2021-23 biennium salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250 for both years, and increases in health insurance premiums from \$1,427 to \$1,429 per month:

| General Fund | |
|---------------------------|------------------|
| Salary increase | \$549,839 |
| Health insurance increase | 5,988 |
| Total | \$555,827 |

³ Salaries and wages funding and FTE positions are adjusted as follows:

| | FTE Positions | General Fund |
|---|----------------------|----------------------|
| Removes undesignated unfunded vacant positions | (5.00) | (\$10) |
| Underfunds salaries and wages for anticipated savings from vacant positions and employee turnover | 0 | (1,322,242) |
| Total | (5.00) | (\$1,322,252) |

⁴ Funding for operating expenses is adjusted as follows:

| General Fund | |
|---|------------------|
| Increases funding for GenTax information technology support | \$294,339 |
| Adds funding for the treasury offset program primarily related to certified mail expenses | 45,000 |
| Increases funding for Microsoft Office 365 licensing expenses | 14,321 |
| Total | \$353,660 |

⁵ Funding is increased for the tax credit programs as follows:

| General Fund | |
|---|--------------------|
| Increases funding for the homestead tax credit program | \$2,200,000 |
| Increases funding for the disabled veterans' tax credit program | 5,589,800 |
| Total | \$7,789,800 |

This amendment also adds a section to provide the statutory changes necessary to increase the Tax Commissioner's salary from the current salary of \$120,014 to \$121,814 (1.5 percent) in fiscal year 2022 and to \$123,641 (1.5 percent) in fiscal year 2023.