

SENATE BILL NO. 2334

Introduced by

Senators Bekkedahl, Sorvaag, Wanzek

Representatives Brandenburg, Kempenich

1 A BILL for an Act to create and enact a new section to chapter 57-39.2 of the North Dakota
2 Century Code, relating to a local revenue loss reimbursement fund; to amend and reenact
3 subsection 2 of section 57-39.2-04.15 and section 57-39.2-26 of the North Dakota Century
4 Code, relating to a sales tax exemption for a fertilizer plant; to provide a continuing
5 appropriation; and to provide an effective date.

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

7 **SECTION 1. AMENDMENT.** Subsection 2 of section 57-39.2-04.15 of the North Dakota
8 Century Code is amended and reenacted as follows:

9 2. ~~On or before June 30, 2023, the~~The owner of the fertilizer or chemical processing
10 plant must receive from the department of environmental quality an air quality permit
11 or a notice that the air quality permit application is complete. The owner shall provide
12 this documentation to the tax commissioner to qualify for the exemption under this
13 section. Denial, expiration, or revocation of a permit terminates the exemption under
14 this section.

15 **SECTION 2. AMENDMENT.** Section 57-39.2-26 of the North Dakota Century Code is
16 amended and reenacted as follows:

17 **57-39.2-26. Allocation of revenue.**

18 Except as provided by sections 57-39.2-26.1 ~~and~~, 57-39.2-26.2, and section 3 of this Act, all
19 moneys collected and received under this chapter must be paid into the state treasury and must
20 be credited by the state treasurer to the general fund. Moneys deposited with the commissioner
21 as security for the payment of tax, penalties, or costs due must be deposited and accounted for
22 as provided in subsection 3 of section 57-39.2-12.

23 **SECTION 3.** A new section to chapter 57-39.2 of the North Dakota Century Code is created
24 and enacted as follows:

1 **Local revenue loss reimbursement fund - State treasurer - Continuing appropriation.**

2 1. There is created in the state treasury the local revenue loss reimbursement fund. The
3 fund consists of all moneys transferred to the fund under subsection 2. All moneys in
4 the fund are appropriated to the state treasurer on a continuing basis for the purpose
5 of providing distributions to an eligible county or city.

6 2. Notwithstanding any other provision of law, after the allocations under sections
7 57-29.2-26.1 and 57-39.2-26.2, a portion of sales, gross receipts, and use, tax
8 collections equal to the amount under subsection 3 must be deposited by the state
9 treasurer in the local revenue loss reimbursement fund as needed. The tax
10 commissioner shall calculate the amount needed for distribution under subsection 3
11 and shall certify to the state treasurer the portion of sales, gross receipts, and use tax
12 net revenues that must be deposited in the fund to provide for the distribution.

13 3. The state treasurer shall distribute to a county or city an amount equal to one percent
14 of the estimated value of tangible property used in the construction of new
15 infrastructure if:

16 a. The county or city is levying a local sales tax for infrastructure, public safety, or
17 economic development;

18 b. The estimated total cost for the new infrastructure is at least five hundred million
19 dollars;

20 c. The new infrastructure is within the county or the city limits; and

21 d. The new infrastructure is exempt from sales tax under this chapter or use tax
22 under chapter 57-40.2.

23 4. If the new infrastructure is within city limits, only a city is eligible to receive a
24 distribution under subsection 3.

25 5. The tax commissioner may request information and documentation from the owner of
26 the new infrastructure to determine the estimated value of the tangible property and
27 the estimated total cost of the new infrastructure for calculations under this section.

28 **SECTION 4. EFFECTIVE DATE.** This Act becomes effective on July 1, 2023.