

Introduced by

Representatives Sukut, Hatlestad

Senator Lyson

1 A BILL for an Act to amend and reenact section 57-39.2-26.1 of the North Dakota Century
2 Code, relating to the share of state sales, gross receipts, use, and motor vehicle excise tax
3 deposited in the state aid distribution fund and allocation of that fund among political
4 subdivisions; to provide an effective date; and to provide an expiration date.

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

6 **SECTION 1. AMENDMENT.** Section 57-39.2-26.1 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **57-39.2-26.1. Allocation of revenues among political subdivisions.**

9 Notwithstanding any other provision of law, a portion of sales, gross receipts, use, and
10 motor vehicle excise tax collections, equal to ~~forty~~^{fifty} percent of an amount determined by
11 multiplying the quotient of one percent divided by the general sales tax rate, that was in effect
12 when the taxes were collected, times the net sales, gross receipts, use, and motor vehicle
13 excise tax collections under chapters 57-39.2, 57-39.5, 57-39.6, 57-40.2, and 57-40.3 must be
14 deposited by the state treasurer in the state aid distribution fund. The state tax commissioner
15 shall certify to the state treasurer the portion of sales, gross receipts, use, and motor vehicle
16 excise tax net revenues that must be deposited in the state aid distribution fund as determined
17 under this section. Revenues deposited in the state aid distribution fund are provided as a
18 standing and continuing appropriation and must be allocated as ~~follows:~~provided in this section.

19 1. Eighty-five percent of the state aid distribution fund must be allocated by the state
20 treasurer as provided in this subsection.

21 a. Fifty-three and seven-tenths percent of the revenues under this subsection must
22 be allocated to counties in the first month after each quarterly period as provided
23 in this ~~subsection~~subdivision.

- 1 a-(1) Sixty-four percent of the ~~amount~~revenues under this subdivision must be
2 allocated among the seventeen counties with the greatest population, in the
3 following manner:
- 4 (1) (a) Thirty-two percent of the ~~amount~~revenues under this paragraph must
5 be allocated equally among the counties; and
- 6 (2) (b) The remaining ~~amount~~revenues under this paragraph must be
7 allocated based upon the proportion each such county's population
8 bears to the total population of all such counties.
- 9 b-(2) Thirty-six percent of the ~~amount~~revenues under this subdivision must be
10 allocated among all counties, excluding the seventeen counties with the
11 greatest population, in the following manner:
- 12 (1) (a) Forty percent of the ~~amount~~ revenues under this paragraph must be
13 allocated equally among the counties; and
- 14 (2) (b) The remaining ~~amount~~revenues under this paragraph must be
15 allocated based upon the proportion each such county's population
16 bears to the total population of all such counties.
- 17 (3) A county shall deposit all revenues received under this
18 ~~subsection~~subdivision in the county general fund. Each county shall reserve
19 a portion of its allocation under this ~~subsection~~subdivision for further
20 distribution to, or expenditure on behalf of, townships, rural fire protection
21 districts, rural ambulance districts, soil conservation districts, county
22 recreation service districts, county hospital districts, the Garrison Diversion
23 Conservancy District, the southwest water authority, and other taxing
24 districts within the county, excluding school districts, cities, and taxing
25 districts within cities. The share of the county allocation under this
26 subsection to be distributed to a township must be equal to the percentage
27 of the county share of state aid distribution fund allocations that township
28 received during calendar year 1996. The governing boards of the county
29 and township may agree to a different distribution.

1 2-b. Forty-six and three-tenths percent of the revenues under this subsection must be
2 allocated to cities in the first month after each quarterly period based upon the
3 proportion each city's population bears to the total population of all cities.

4 A city shall deposit all revenues received under this ~~subsection~~subdivision in
5 the city general fund. Each city shall reserve a portion of its allocation under this
6 ~~subsection~~subdivision for further distribution to, or expenditure on behalf of, park
7 districts and other taxing districts within the city, excluding school districts. The
8 share of the city allocation under this subsection to be distributed to a park district
9 must be equal to the percentage of the city share of state aid distribution fund
10 allocations that park district received during calendar year 1996, up to a
11 maximum of thirty percent. The governing boards of the city and park district may
12 agree to a different distribution.

13 2. Fifteen percent of the state aid distribution fund must be allocated by the state
14 treasurer as provided in this subsection.

15 a. Funds must be allocated under this subsection on a calendar quarterly basis
16 among cities with a population exceeding ten thousand. During each state
17 biennium, each eligible city shall receive a percentage of each quarterly
18 allocation under this subsection equal to its percentage of taxable sales and
19 purchases as a share of all taxable sales and purchases in all cities with a
20 population exceeding ten thousand. For purposes of this subdivision, taxable
21 sales and purchases data must be used from the most recently completed
22 calendar year preceding the biennium in which allocations are made.

23 b. A city shall deposit all revenues received under this subdivision in the city general
24 fund.

25 c. The tax commissioner shall certify to the state treasurer the percentage of
26 revenues to be allocated under this subsection to each eligible city in each
27 calendar quarterly period.

28 **SECTION 2. EFFECTIVE DATE - EXPIRATION DATE.** This Act is effective for state aid
29 distribution fund allocations after June 30, 2013, and before July 1, 2019, and is thereafter
30 ineffective.