Fifty-eighth Legislative Assembly of North Dakota FIRST DRAFT: Prepared by the Legislative Council staff for the Advisory Commission on Intergovernmental Relations August 2002

Introduced by

- 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 allocation of sales, use, and motor vehicle excise tax collections among
- 3 cities.

4 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

7 57-39.2-26.1. (Effective through July 31, 2003) Allocation of revenues among 8 political subdivisions. Notwithstanding any other provision of law, a portion of sales, use, and motor vehicle excise tax collections, equal to forty percent of an amount determined by 9 10 multiplying the quotient of one percent divided by the general sales tax rate, that was in effect 11 when the taxes were collected, times the net sales, use, and motor vehicle excise tax 12 collections under chapters 57-39.2, 57-40.2, and 57-40.3 must be deposited by the state 13 treasurer in the state aid distribution fund. The state tax commissioner shall certify to the state 14 treasurer the portion of sales, use, and motor vehicle excise tax net revenues that must be 15 deposited in the state aid distribution fund as determined under this section. Revenues deposited in the state aid distribution fund are provided as a standing and continuing 16 17 appropriation and must be allocated as follows: 18 Fifty-three and seven-tenths percent of the revenues must be allocated to counties 1. 19 in the first month after each quarterly period as provided in this subsection. 20 a. Ten and four-tenths percent of the amount must be allocated among counties 21 with a population of one hundred thousand or more, based upon the 22 proportion each such county's population bears to the total population of all 23 such counties.

1	b.	Eighteen percent of the amount must be allocated among counties with a
2		population of forty thousand or more but fewer than one hundred thousand,
3		based upon the proportion each such county's population bears to the total
4		population of all such counties.
5	C.	Twelve percent of the amount must be allocated among counties with a
6		population of twenty thousand or more but fewer than forty thousand, based
7		upon the proportion each such county's population bears to the total
8		population of all such counties.
9	d.	Fourteen percent of the amount must be allocated among counties with a
10		population of ten thousand or more but fewer than twenty thousand, based
11		upon the proportion each such county's population bears to the total
12		population of all such counties.
13	e.	Twenty-three and two-tenths percent of the amount must be allocated among
14		counties with a population of five thousand or more but fewer than ten
15		thousand, based upon the proportion each such county's population bears to
16		the total population of all such counties.
17	f.	Eighteen and three-tenths percent of the amount must be allocated among
18		counties with a population of two thousand five hundred or more but fewer
19		than five thousand, based upon the proportion each such county's population
20		bears to the total population of all such counties.
21	g.	Four and one-tenth percent of the amount must be allocated among counties
22		with a population of fewer than two thousand five hundred, based upon the
23		proportion each such county's population bears to the total population of all
24		such counties.
25	A co	ounty shall deposit all revenues received under this subsection in the county
26	gene	eral fund. Each county shall reserve a portion of its allocation under this
27	subs	section for further distribution to, or expenditure on behalf of, townships, rural
28	fire p	protection districts, rural ambulance districts, soil conservation districts, county
29	recre	eation service districts, county hospital districts, the Garrison diversion
30	cons	servancy district, the southwest water authority, and other taxing districts within
31	the o	county, excluding school districts, cities, and taxing districts within cities. The

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1		share of the county allocation under this subsection to be distributed to a township
2		must be equal to the percentage of the county share of state aid distribution fund
3		allocations that township received during calendar year 1996. The governing
4		boards of the county and township may agree to a different distribution.
5	2.	Forty-six and three-tenths percent of the revenues must be allocated to cities in the
6		first month after each quarterly period as provided in this subsection.
7		a. Fifty-three and nine-tenths percent of the amount must be allocated among
8		cities with a population of twenty thousand or more, based upon the
9		proportion each such city's population bears to the total population of all such
10		cities.
11		b. Sixteen percent of the amount must be allocated among cities with a
12		population of ten thousand or more but fewer than twenty thousand, based
13		upon the proportion each such city's population bears to the total population
14		of all such cities.
15		c. Four and nine-tenths percent of the amount must be allocated among cities
16		with a population of five thousand or more but fewer than ten thousand, based
17		upon the proportion each such city's population bears to the total population
18		of all such cities.
19		d. Thirteen and one-tenth percent of the amount must be allocated among cities
20		with a population of one thousand or more but fewer than five thousand,
21		based upon the proportion each such city's population bears to the total
22		population of all such cities.
23		e. Six and four-tenths percent of the amount must be allocated among cities with
24		a population of five hundred or more but fewer than one thousand, based
25		upon the proportion each such city's population bears to the total population
26		of all such cities.
27		f. Three and five-tenths percent of the amount must be allocated among cities
28		with a population of two hundred or more but fewer than five hundred, based
29		upon the proportion each such city's population bears to the total population
30		of all such cities.

1 Two and two-tenths percent of the amount must be allocated among cities q. 2 with a population of fewer than two hundred, based upon the proportion each 3 such city's population bears to the total population of all such cities. 4 A city shall deposit all revenues received under this subsection in the city general 5 fund. Each city shall reserve a portion of its allocation under this subsection for 6 further distribution to, or expenditure on behalf of, park districts and other taxing 7 districts within the city, excluding school districts. The share of the city allocation 8 under this subsection to be distributed to a park district must be equal to the 9 percentage of the city share of state aid distribution fund allocations that park 10 district received during calendar year 1996, up to a maximum of thirty percent. The 11 governing boards of the city and park district may agree to a different distribution. 12 3. The population figures used for the allocation of revenues to counties and cities 13 under subsections 1 and 2 must be the population figures determined by the 1990

federal decennial census unless an official special census was conducted between
the 1990 federal decennial census and January 1, 1997.

16 (Effective after July 31, 2003) Allocation of revenues among political subdivisions. 17 Notwithstanding any other provision of law, a portion of sales, use, and motor vehicle excise tax 18 collections, equal to forty percent of an amount determined by multiplying the quotient of one 19 percent divided by the general sales tax rate, that was in effect when the taxes were collected, 20 times the net sales, use, and motor vehicle excise tax collections under chapters 57-39.2, 21 57-40.2, and 57-40.3 must be deposited by the state treasurer in the state aid distribution fund. 22 The state tax commissioner shall certify to the state treasurer the portion of sales, use, and 23 motor vehicle excise tax net revenues that must be deposited in the state aid distribution fund 24 as determined under this section. Revenues deposited in the state aid distribution fund are 25 provided as a standing and continuing appropriation and must be allocated as follows:

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1.

Fifty-three and seven-tenths percent of the revenues must be allocated to counties in the first month after each quarterly period as provided in this subsection.

28a.Ten and four-tenths percent of the amount must be allocated among counties29with a population of one hundred thousand or more, based upon the30proportion each such county's population bears to the total population of all31such counties.

1	b.	Eighteen percent of the amount must be allocated among counties with a	
2		population of forty thousand or more but fewer than one hundred thousand,	
3		based upon the proportion each such county's population bears to the total	
4		population of all such counties.	
5	C.	Twelve percent of the amount must be allocated among counties with a	
6		population of twenty thousand or more but fewer than forty thousand, based	
7		upon the proportion each such county's population bears to the total	
8		population of all such counties.	
9	d.	Fourteen percent of the amount must be allocated among counties with a	
10		population of ten thousand or more but fewer than twenty thousand, based	
11		upon the proportion each such county's population bears to the total	
12		population of all such counties.	
13	e.	Twenty-three and two-tenths percent of the amount must be allocated among	
14		counties with a population of five thousand or more but fewer than ten	
15		thousand, based upon the proportion each such county's population bears to	
16		the total population of all such counties.	
17	f.	Eighteen and three-tenths percent of the amount must be allocated among	
18		counties with a population of two thousand five hundred or more but fewer	
19		than five thousand, based upon the proportion each such county's population	
20		bears to the total population of all such counties.	
21	g.	Four and one-tenth percent of the amount must be allocated among counties	
22		with a population of fewer than two thousand five hundred, based upon the	
23		proportion each such county's population bears to the total population of all	
24		such counties.	
25	A co	unty shall deposit all revenues received under this subsection in the county	
26	gene	eral fund. Each county shall reserve a portion of its allocation under this	
27	subs	section for further distribution to, or expenditure on behalf of, townships, rural	
28	fire protection districts, rural ambulance districts, soil conservation districts, county		
29	recreation service districts, county hospital districts, the Garrison diversion		
30	cons	servancy district, the southwest water authority, and other taxing districts within	
31	the o	county, excluding school districts, cities, and taxing districts within cities. The	

1		sha	re of the county allocation under this subsection to be distributed to a township
2		mus	st be equal to the percentage of the county share of state aid distribution fund
3		allo	cations that township received during calendar year 1996. The governing
4		boa	rds of the county and township may agree to a different distribution.
5	2.	For	ty-six and three-tenths percent of the revenues must be allocated to cities in the
6		first	month after each quarterly period as provided in this subsection.
7		a.	Nineteen and four-tenths percent of the amount must be allocated among
8			cities with a population of eighty thousand or more, based upon the proportion
9			each city's population bears to the total population of all such cities.
10		<u>b.</u>	Fifty three and nine tenths Thirty-four and five-tenths percent of the amount
11			must be allocated among cities with a population of twenty thousand or more
12			but fewer than eighty thousand, based upon the proportion each such city's
13			population bears to the total population of all such cities.
14	b.	<u>C.</u>	Sixteen percent of the amount must be allocated among cities with a
15			population of ten thousand or more but fewer than twenty thousand, based
16			upon the proportion each such city's population bears to the total population
17			of all such cities.
18	C.	<u>d.</u>	Four and nine-tenths percent of the amount must be allocated among cities
19			with a population of five thousand or more but fewer than ten thousand, based
20			upon the proportion each such city's population bears to the total population
21			of all such cities.
22	d.	<u>e.</u>	Thirteen and one-tenth percent of the amount must be allocated among cities
23			with a population of one thousand or more but fewer than five thousand,
24			based upon the proportion each such city's population bears to the total
25			population of all such cities.
26	e.	<u>f.</u>	Six and four-tenths one-tenth percent of the amount must be allocated among
27			cities with a population of five hundred or more but fewer than one thousand,
28			based upon the proportion each such city's population bears to the total
29			population of all such cities.
30	f .	<u>g.</u>	Three and five-tenths four-tenths percent of the amount must be allocated
31			among cities with a population of two hundred or more but fewer than five

1			hundred, based upon the proportion each such city's population bears to the
2			total population of all such cities.
3	g.	<u>h.</u>	Two and two-tenths six-tenths percent of the amount must be allocated
4			among cities with a population of fewer than two hundred, based upon the
5			proportion each such city's population bears to the total population of all such
6			cities.
7		A ci	ity shall deposit all revenues received under this subsection in the city general
8		fund	d. Each city shall reserve a portion of its allocation under this subsection for
9		furt	her distribution to, or expenditure on behalf of, park districts and other taxing
10		dist	ricts within the city, excluding school districts. The share of the city allocation
11		und	ler this subsection to be distributed to a park district must be equal to the
12		per	centage of the city share of state aid distribution fund allocations that park
13		dist	rict received during calendar year 1996, up to a maximum of thirty percent. The
14		gov	erning boards of the city and park district may agree to a different distribution.