

**FIRST ENGROSSMENT  
with Senate Amendments**

Fifty-fifth  
Legislative Assembly  
of North Dakota

**ENGROSSED HOUSE BILL NO. 1019**

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to make an appropriation for the distribution of state aid distribution fund  
2 revenue to political subdivisions of the state of North Dakota; to amend and reenact section  
3 57-39.2-26.1 of the North Dakota Century Code, relating to deposit and allocation of sales tax  
4 revenues in the state aid distribution fund; to repeal sections 54-27-20.2, 54-27-20.3, and  
5 chapter 57-58 of the North Dakota Century Code, relating to state revenue sharing distribution  
6 and personal property tax replacement; and to provide an effective date.

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

8 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the  
9 funds as may be necessary, are hereby appropriated out of any moneys in the state aid  
10 distribution fund in the state treasury, not otherwise appropriated, to the state treasurer of the  
11 state of North Dakota for the purpose of distributing state aid distribution fund revenue to  
12 political subdivisions, for the period beginning July 1, 1997, and ending December 31, 1998, as  
13 follows:

14 Grants	<u>\$ 54,535,700</u>
15 Total state aid distribution fund appropriation	\$ 54,535,700

16 **SECTION 2. AMENDMENT.** Section 57-39.2-26.1 of the North Dakota Century Code  
17 is amended and reenacted as follows:

18 **57-39.2-26.1. Allocation of sales, use, and motor vehicle excise tax revenues to**  
19 **~~revenue sharing and personal property tax replacement among political subdivisions.~~**

20 Notwithstanding any other provision of law, a portion of sales, use, and motor vehicle excise tax  
21 collections equal to ~~sixty~~ forty percent of an amount determined by multiplying the quotient of  
22 one percent divided by the general sales tax rate, that was in effect when the taxes were  
23 collected, times the net sales, use, and motor vehicle excise tax collections under chapters  
24 57-39.2, 57-40.2, and 57-40.3 must be deposited by the state treasurer in the state aid

1 distribution fund. The state tax commissioner shall certify to the state treasurer the portion of  
2 sales, use, and motor vehicle excise tax net revenues that must be deposited in the state aid  
3 distribution fund as determined under this section. The state aid distribution fund must be  
4 allocated, subject to legislative appropriation, as follows:

5 1. ~~Fifty percent of the revenues must be allocated in the first month subsequent to~~  
6 ~~each quarterly period for state revenue sharing as provided in sections 54-27-20.2~~  
7 ~~and 54-27-20.3.~~ Fifty-three and seven-tenths percent of the revenues must be  
8 allocated to counties in the first month after each quarterly period as provided in  
9 this subsection.

10 a. Ten and four-tenths percent of the amount must be allocated among counties  
11 with a population of one hundred thousand or more, based upon the  
12 proportion each such county's population bears to the total population of all  
13 such counties.

14 b. Eighteen percent of the amount must be allocated among counties with a  
15 population of forty thousand or more but fewer than one hundred thousand,  
16 based upon the proportion each such county's population bears to the total  
17 population of all such counties.

18 c. Twelve percent of the amount must be allocated among counties with a  
19 population of twenty thousand or more but fewer than forty thousand, based  
20 upon the proportion each such county's population bears to the total  
21 population of all such counties.

22 d. Fourteen percent of the amount must be allocated among counties with a  
23 population of ten thousand or more but fewer than twenty thousand, based  
24 upon the proportion each such county's population bears to the total  
25 population of all such counties.

26 e. Twenty-three and two-tenths percent of the amount must be allocated among  
27 counties with a population of five thousand or more but fewer than ten  
28 thousand, based upon the proportion each such county's population bears to  
29 the total population of all such counties.

30 f. Eighteen and three-tenths percent of the amount must be allocated among  
31 counties with a population of two thousand five hundred or more but fewer

1 than five thousand, based upon the proportion each such county's population  
2 bears to the total population of all such counties.

- 3 g. Four and one-tenth percent of the amount must be allocated among counties  
4 with a population of fewer than two thousand five hundred, based upon the  
5 proportion each such county's population bears to the total population of all  
6 such counties.

7 A county shall deposit all revenues received under this subsection in the county  
8 general fund. Each county shall reserve a portion of its allocation under this  
9 subsection for further distribution to, or expenditure on behalf of, townships, rural  
10 fire protection districts, rural ambulance districts, soil conservation districts, county  
11 recreation service districts, county hospital districts, the Garrison diversion  
12 conservancy district, the southwest water authority, and other taxing districts within  
13 the county, excluding school districts, cities, and taxing districts within cities. The  
14 share of the county allocation under this subsection to be distributed to a township  
15 must be equal to the percentage of the county share of state aid distribution fund  
16 allocations that township received during calendar year 1996. The governing  
17 boards of the county and township may agree to a different distribution.

- 18 2. ~~Fifty percent of the revenues must be allocated for personal property tax~~  
19 ~~replacement as provided in section 57-58-01.~~ Forty-six and three-tenths percent of  
20 the revenues must be allocated to cities in the first month after each quarterly  
21 period as provided in this subsection.

- 22 a. Fifty-three and nine-tenths percent of the amount must be allocated among  
23 cities with a population of twenty thousand or more, based upon the  
24 proportion each such city's population bears to the total population of all such  
25 cities.

- 26 b. Sixteen percent of the amount must be allocated among cities with a  
27 population of ten thousand or more but fewer than twenty thousand, based  
28 upon the proportion each such city's population bears to the total population  
29 of all such cities.

- 30 c. Four and nine-tenths percent of the amount must be allocated among cities  
31 with a population of five thousand or more but fewer than ten thousand,

1           based upon the proportion each such city's population bears to the total  
2           population of all such cities.

3           d.   Thirteen and one-tenth percent of the amount must be allocated among cities  
4           with a population of one thousand or more but fewer than five thousand,  
5           based upon the proportion each such city's population bears to the total  
6           population of all such cities.

7           e.   Six and four-tenths percent of the amount must be allocated among cities with  
8           a population of five hundred or more but fewer than one thousand, based  
9           upon the proportion each such city's population bears to the total population  
10          of all such cities.

11          f.   Three and five-tenths percent of the amount must be allocated among cities  
12          with a population of two hundred or more but fewer than five hundred, based  
13          upon the proportion each such city's population bears to the total population  
14          of all such cities.

15          g.   Two and two-tenths percent of the amount must be allocated among cities  
16          with a population of fewer than two hundred, based upon the proportion each  
17          such city's population bears to the total population of all such cities.

18          A city shall deposit all revenues received under this subsection in the city general  
19          fund. Each city shall reserve a portion of its allocation under this subsection for  
20          further distribution to, or expenditure on behalf of, park districts and other taxing  
21          districts within the city, excluding school districts. The share of the city allocation  
22          under this subsection to be distributed to a park district must be equal to the  
23          percentage of the city share of state aid distribution fund allocations that park  
24          district received during calendar year 1996, up to a maximum of thirty percent.  
25          The governing boards of the city and park district may agree to a different  
26          distribution.

27          **SECTION 3. REPEAL.** Sections 54-27-20.2 and 54-27-20.3 and chapter 57-58 of the  
28          North Dakota Century Code are repealed.

29          **SECTION 4. EFFECTIVE DATE.** Sections 2 and 3 of this Act are effective on  
30          January 1, 1999.