

Sixty-first  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1407

Introduced by

Representatives Weisz, Nelson, Ruby

Senators O'Connell, Oehlke

1 A BILL for an Act to create and enact a new section to chapter 24-02 of the North Dakota  
2 Century Code, relating to an economic development transportation fund; amend and reenact  
3 sections 39-04-19, 39-04-39, 54-27-19, 54-27-19.1, 57-39.2-26.1, and 57-40.3-10 of the North  
4 Dakota Century Code, relating to the collection and distribution of highway funds; to repeal  
5 section 39-04.2-03 of the North Dakota Century Code, relating to the registration fee for the  
6 public transportation fund; to provide an appropriation; and to provide a continuing  
7 appropriation.

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

9 **SECTION 1.** A new section to chapter 24-02 of the North Dakota Century Code is  
10 created and enacted as follows:

11 **Economic development transportation fund - Continuing appropriation.** The  
12 economic development transportation fund is created as a special fund in the state treasury.  
13 Moneys in the fund are appropriated on a continuing basis to the director to provide matching  
14 grants to political subdivisions in amounts determined by the director; however, the match  
15 provided by a political subdivision must be at least ten percent of the total amount of the  
16 project. The director shall provide matching grants for transportation-related projects that  
17 promote economic development by improving the transportation infrastructure of this state.

18 **SECTION 2. AMENDMENT.** Section 39-04-19 of the North Dakota Century Code is  
19 amended and reenacted as follows:

20 **39-04-19. Motor vehicle registration fees and mile tax.** Motor vehicles required to  
21 pay registration fees or a mile tax shall pay the following fees:

22 1. Nonresidents electing to pay mile tax in lieu of registration, when authorized to do  
23 so by the department, shall pay a fee of twenty dollars for a trip permit which is

valid for a period of seventy-two hours. All fees collected under the provisions of this subsection must be credited to the highway construction fund.

2. Motor vehicles required to be registered in this state must be furnished license plates upon the payment of the following annual fees; however, if a motor vehicle, including a motorcycle or trailer, first becomes subject to registration other than at the beginning of the registration period, such fees must be prorated on a monthly basis. The minimum fee charged hereunder must be five dollars:

- a. Passenger motor vehicles:

YEARS REGISTERED

	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th, 8th, and 9th Years	10th, 11th, and 12th Years	13th and Subsequent Years
Gross Weights				
Less than 3,200	<del>\$70</del> <u>\$73</u>	<del>\$62</del> <u>\$65</u>	<del>\$54</del> <u>\$57</u>	<del>\$46</del> <u>\$49</u>
3,200 - 4,499	<del>90</del> <u>93</u>	<del>78</del> <u>81</u>	<del>66</del> <u>69</u>	<del>54</del> <u>57</u>
4,500 - 4,999	<del>108</del> <u>111</u>	<del>94</del> <u>94</u>	<del>76</del> <u>79</u>	<del>60</del> <u>63</u>
5,000 - 5,999	<del>139</del> <u>142</u>	<del>117</del> <u>120</u>	<del>95</del> <u>98</u>	<del>73</del> <u>76</u>
6,000 - 6,999	<del>172</del> <u>175</u>	<del>143</del> <u>146</u>	<del>114</del> <u>117</u>	<del>86</del> <u>89</u>
7,000 - 7,999	<del>205</del> <u>208</u>	<del>169</del> <u>172</u>	<del>134</del> <u>137</u>	<del>99</del> <u>102</u>
8,000 - 8,999	<del>238</del> <u>241</u>	<del>196</del> <u>199</u>	<del>154</del> <u>157</u>	<del>112</del> <u>115</u>
9,000 and over	<del>274</del> <u>274</u>	<del>222</del> <u>225</u>	<del>174</del> <u>177</u>	<del>125</del> <u>128</u>

A house car is subject to registration at the rates prescribed for other vehicles under this subdivision modified by using the weight applicable to a vehicle whose weight is forty percent of that of the house car, but not using a weight of less than four thousand pounds [1814.35 kilograms].

A pickup truck is subject to registration at the rates prescribed for other vehicles under this subdivision by applying the shipping weight of the vehicle to the fee schedule. At a minimum, the registered gross weight displayed on the registration card for a pickup truck must be twice the shipping weight of the vehicle. Unless otherwise exempted by this chapter, the owner of a pickup truck shall request the registered gross weight of the pickup truck be increased to ensure the registered gross weight is sufficient to include the

total weight of the vehicle and any load transported on or by the vehicle. For purposes of this subdivision, a pickup truck is a motor vehicle with a manufacturer's gross vehicle weight rating of less than eleven thousand five hundred pounds [5216.31 kilograms], with an unladen weight of less than eight thousand pounds [3628.74 kilograms], and which is equipped with an open box-type bed not exceeding nine feet [2.74 meters] in length.

- b. Schoolbuses, buses for hire, buses owned and operated by religious, charitable, or nonprofit organizations and used exclusively for religious, charitable, or other public nonprofit purposes, and trucks or combination trucks and trailers, including commercial and noncommercial trucks, except those trucks or combinations of trucks and trailers which qualify for registration under this subsection or subsection 5:

#### YEARS REGISTERED

	1st	7th	10th	13th	20th and
Gross	Through	Through	Through	Through	Subsequent
Weights	6th Years	9th Years	12th Years	19th Years	Years
Not over 4,000	<del>\$68</del> <u>\$71</u>	<del>\$55</del> <u>\$58</u>	<del>\$50</del> <u>\$53</u>	<del>\$47</del> <u>\$50</u>	<del>\$46</del> <u>\$49</u>
4,001 - 6,000	<del>73</del> <u>76</u>	<del>60</del> <u>63</u>	<del>54</del> <u>57</u>	<del>48</del> <u>51</u>	<del>47</del> <u>50</u>
6,001 - 8,000	<del>78</del> <u>81</u>	<del>65</del> <u>68</u>	<del>58</del> <u>61</u>	<del>49</del> <u>52</u>	<del>48</del> <u>51</u>
8,001 - 10,000	<del>83</del> <u>86</u>	<del>70</del> <u>73</u>	<del>62</del> <u>65</u>	<del>54</del> <u>54</u>	<del>50</del> <u>53</u>
10,001 - 12,000	<del>88</del> <u>91</u>	<del>75</del> <u>78</u>	<del>66</del> <u>69</u>	<del>53</del> <u>56</u>	<del>52</del> <u>55</u>
12,001 - 14,000	<del>93</del> <u>96</u>	<del>80</del> <u>83</u>	<del>70</del> <u>73</u>	<del>56</del> <u>59</u>	<del>55</del> <u>58</u>
14,001 - 16,000	<del>98</del> <u>101</u>	<del>85</del> <u>88</u>	<del>74</del> <u>77</u>	<del>59</del> <u>62</u>	<del>58</del> <u>61</u>
16,001 - 18,000	<del>103</del> <u>106</u>	<del>90</del> <u>93</u>	<del>78</del> <u>81</u>	<del>64</del> <u>64</u>	<del>60</del> <u>63</u>
18,001 - 20,000	<del>106</del> <u>109</u>	<del>93</del> <u>96</u>	<del>80</del> <u>83</u>	<del>62</del> <u>65</u>	<del>64</del> <u>64</u>

#### YEARS REGISTERED

	1st, 2nd, 3rd,	8th, 9th, 10th,	13th and
Gross	4th, 5th, 6th,	11th, and	Subsequent
Weights	and 7th Years	12th Years	Years
20,001 - 22,000	<del>\$136</del> <u>\$139</u>	<del>\$110</del> <u>\$113</u>	<del>\$97</del> <u>\$100</u>
22,001 - 26,000	<del>188</del> <u>191</u>	<del>158</del> <u>161</u>	<del>142</del> <u>145</u>

Sixty-first  
Legislative Assembly

1	26,001 - 30,000	<del>249</del> <u>252</u>	<del>207</del> <u>210</u>	<del>185</del> <u>188</u>
2	30,001 - 34,000	<del>315</del> <u>318</u>	<del>260</del> <u>263</u>	<del>232</del> <u>235</u>
3	34,001 - 38,000	<del>376</del> <u>379</u>	<del>309</del> <u>312</u>	<del>275</del> <u>278</u>
4	38,001 - 42,000	<del>437</del> <u>440</u>	<del>358</del> <u>361</u>	<del>317</del> <u>320</u>
5	42,001 - 46,000	<del>498</del> <u>501</u>	<del>406</del> <u>409</u>	<del>360</del> <u>363</u>
6	46,001 - 50,000	<del>559</del> <u>562</u>	<del>455</del> <u>458</u>	<del>403</del> <u>406</u>
7	50,001 - 54,000	<del>629</del> <u>632</u>	<del>513</del> <u>516</u>	<del>454</del> <u>457</u>
8	54,001 - 58,000	<del>690</del> <u>693</u>	<del>562</del> <u>565</u>	<del>497</del> <u>500</u>
9	58,001 - 62,000	<del>752</del> <u>755</u>	<del>614</del> <u>614</u>	<del>540</del> <u>543</u>
10	62,001 - 66,000	<del>812</del> <u>815</u>	<del>659</del> <u>662</u>	<del>583</del> <u>586</u>
11	66,001 - 70,000	<del>873</del> <u>876</u>	<del>708</del> <u>711</u>	<del>625</del> <u>628</u>
12	70,001 - 74,000	<del>934</del> <u>937</u>	<del>757</del> <u>760</u>	<del>668</del> <u>671</u>
13	74,001 - 78,000	<del>995</del> <u>998</u>	<del>806</del> <u>809</u>	<del>711</del> <u>714</u>
14	78,001 - 82,000	<del>1,056</del> <u>1,059</u>	<del>855</del> <u>858</u>	<del>754</del> <u>757</u>
15	82,001 - 86,000	<del>1,179</del> <u>1,182</u>	<del>960</del> <u>963</u>	<del>841</del> <u>844</u>
16	86,001 - 90,000	<del>1,301</del> <u>1,304</u>	<del>1,064</del> <u>1,067</u>	<del>928</del> <u>931</u>
17	90,001 - 94,000	<del>1,423</del> <u>1,426</u>	<del>1,169</del> <u>1,172</u>	<del>1,015</del> <u>1,018</u>
18	94,001 - 98,000	<del>1,545</del> <u>1,548</u>	<del>1,274</del> <u>1,277</u>	<del>1,103</del> <u>1,106</u>
19	98,001 - 102,000	<del>1,667</del> <u>1,670</u>	<del>1,378</del> <u>1,381</u>	<del>1,190</del> <u>1,193</u>
20	102,001 - 105,500	<del>1,789</del> <u>1,792</u>	<del>1,483</del> <u>1,486</u>	<del>1,277</del> <u>1,280</u>

c. ~~Notwithstanding the fees provided by subdivision a of subsection 2, only one half of the increase in registration fees, rounded up to the nearest dollar, resulting from the reclassification of pickup trucks in 2005 from subdivision b of subsection 2 to subdivision a of subsection 2 is effective from July 1, 2005, through June 30, 2007.~~

d. Motorcycles, fifteen dollars.

3. Motor vehicles acquired by disabled veterans under the provisions of Public Law 79-663 [38 U.S.C. 3901] are exempt from the payment of state sales or use tax and, if paid, such veterans are entitled to a refund. This exemption also applies to any passenger motor vehicle or pickup truck not exceeding ten thousand pounds

[4535.92 kilograms] gross weight but shall apply to no more than two such motor vehicles owned by a disabled veteran at any one time.

4. Every trailer, semitrailer, and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate.

5. Trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] which are used as farm vehicles only, are entitled to registration under the following fee schedule and the provisions of this subsection. Farm vehicles are considered, for the purpose of this subsection, as trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] owned, or leased for at least one year by a bona fide resident farmer who uses the vehicles exclusively for transporting the farmer's own property or other property on a farm work exchange basis with other farmers between farms and the usual local trading places but not in connection with any commercial retail or wholesale business being conducted from those farms, nor otherwise for hire. In addition to the penalty provided in section 39-04-41, any person violating this subsection shall license for the entire license period the farm vehicle at the higher commercial vehicle rate in accordance with the weight carried by the farm vehicle at the time of the violation.

YEARS REGISTERED

	1st, 2nd,	7th and	9th and	11th and
Gross	3rd, 4th, 5th,	8th	10th	Subsequent

Sixty-first  
Legislative Assembly

1	Weights	and 6th Years	Years	Years	Years
2	20,001 - 22,000	<del>\$108</del> <u>\$111</u>	<del>\$94</del> <u>\$97</u>	<del>\$80</del> <u>\$83</u>	<del>\$62</del> <u>\$65</u>
3	22,001 - 24,000	<del>113</del> <u>116</u>	<del>98</del> <u>101</u>	<del>83</del> <u>86</u>	<del>64</del> <u>67</u>
4	24,001 - 26,000	<del>124</del> <u>124</u>	<del>104</del> <u>107</u>	<del>87</del> <u>90</u>	<del>66</del> <u>69</u>
5	26,001 - 28,000	<del>132</del> <u>135</u>	<del>112</del> <u>115</u>	<del>93</del> <u>96</u>	<del>70</del> <u>73</u>
6	28,001 - 30,000	<del>144</del> <u>144</u>	<del>120</del> <u>123</u>	<del>99</del> <u>102</u>	<del>74</del> <u>77</u>
7	30,001 - 32,000	<del>156</del> <u>159</u>	<del>133</del> <u>136</u>	<del>110</del> <u>113</u>	<del>83</del> <u>86</u>
8	32,001 - 34,000	<del>166</del> <u>169</u>	<del>144</del> <u>144</u>	<del>116</del> <u>119</u>	<del>87</del> <u>90</u>
9	34,001 - 36,000	<del>176</del> <u>179</u>	<del>149</del> <u>152</u>	<del>122</del> <u>125</u>	<del>91</del> <u>94</u>
10	36,001 - 38,000	<del>186</del> <u>189</u>	<del>157</del> <u>160</u>	<del>128</del> <u>131</u>	<del>95</del> <u>98</u>
11	38,001 - 40,000	<del>196</del> <u>199</u>	<del>165</del> <u>168</u>	<del>134</del> <u>137</u>	<del>99</del> <u>102</u>
12	40,001 - 42,000	<del>206</del> <u>209</u>	<del>173</del> <u>176</u>	<del>140</del> <u>143</u>	<del>103</del> <u>106</u>
13	42,001 - 44,000	<del>216</del> <u>219</u>	<del>184</del> <u>184</u>	<del>146</del> <u>149</u>	<del>107</del> <u>110</u>
14	44,001 - 46,000	<del>226</del> <u>229</u>	<del>189</del> <u>192</u>	<del>152</del> <u>155</u>	<del>111</del> <u>114</u>
15	46,001 - 48,000	<del>236</del> <u>239</u>	<del>197</del> <u>200</u>	<del>158</del> <u>161</u>	<del>115</del> <u>118</u>
16	48,001 - 50,000	<del>246</del> <u>249</u>	<del>205</del> <u>208</u>	<del>164</del> <u>167</u>	<del>119</del> <u>122</u>
17	50,001 - 52,000	<del>266</del> <u>269</u>	<del>223</del> <u>226</u>	<del>180</del> <u>183</u>	<del>133</del> <u>136</u>
18	52,001 - 54,000	<del>276</del> <u>279</u>	<del>234</del> <u>234</u>	<del>186</del> <u>189</u>	<del>137</del> <u>140</u>
19	54,001 - 56,000	<del>286</del> <u>289</u>	<del>239</del> <u>242</u>	<del>192</del> <u>195</u>	<del>141</del> <u>144</u>
20	56,001 - 58,000	<del>296</del> <u>299</u>	<del>247</del> <u>250</u>	<del>198</del> <u>201</u>	<del>145</del> <u>148</u>
21	58,001 - 60,000	<del>306</del> <u>309</u>	<del>255</del> <u>258</u>	<del>204</del> <u>207</u>	<del>149</del> <u>152</u>
22	60,001 - 62,000	<del>316</del> <u>319</u>	<del>263</del> <u>266</u>	<del>210</del> <u>213</u>	<del>153</del> <u>156</u>
23	62,001 - 64,000	<del>326</del> <u>329</u>	<del>274</del> <u>274</u>	<del>216</del> <u>219</u>	<del>157</del> <u>160</u>
24	64,001 - 66,000	<del>336</del> <u>339</u>	<del>279</del> <u>282</u>	<del>222</del> <u>225</u>	<del>161</del> <u>164</u>
25	66,001 - 68,000	<del>346</del> <u>349</u>	<del>287</del> <u>290</u>	<del>228</del> <u>231</u>	<del>165</del> <u>168</u>
26	68,001 - 70,000	<del>356</del> <u>359</u>	<del>295</del> <u>298</u>	<del>234</del> <u>237</u>	<del>169</del> <u>172</u>
27	70,001 - 72,000	<del>366</del> <u>369</u>	<del>303</del> <u>306</u>	<del>240</del> <u>243</u>	<del>173</del> <u>176</u>
28	72,001 - 74,000	<del>376</del> <u>379</u>	<del>314</del> <u>314</u>	<del>246</del> <u>249</u>	<del>177</del> <u>180</u>
29	74,001 - 76,000	<del>386</del> <u>389</u>	<del>319</del> <u>322</u>	<del>252</del> <u>255</u>	<del>181</del> <u>184</u>
30	76,001 - 78,000	<del>396</del> <u>399</u>	<del>327</del> <u>330</u>	<del>258</del> <u>261</u>	<del>185</del> <u>188</u>
31	78,001 - 80,000	<del>406</del> <u>409</u>	<del>335</del> <u>338</u>	<del>264</del> <u>267</u>	<del>189</del> <u>192</u>

Sixty-first  
Legislative Assembly

1	80,001 - 82,000	<del>416</del> <u>419</u>	<del>343</del> <u>346</u>	<del>270</del> <u>273</u>	<del>493</del> <u>196</u>
2	82,001 - 84,000	<del>426</del> <u>429</u>	<del>365</del> <u>368</u>	<del>313</del> <u>316</u>	<del>269</del> <u>272</u>
3	84,001 - 86,000	<del>446</del> <u>449</u>	<del>382</del> <u>385</u>	<del>327</del> <u>330</u>	<del>284</del> <u>284</u>
4	86,001 - 88,000	<del>466</del> <u>469</u>	<del>399</del> <u>402</u>	<del>344</del> <u>344</u>	<del>293</del> <u>296</u>
5	88,001 - 90,000	<del>486</del> <u>489</u>	<del>416</del> <u>419</u>	<del>355</del> <u>358</u>	<del>305</del> <u>308</u>
6	90,001 - 92,000	<del>506</del> <u>509</u>	<del>433</del> <u>436</u>	<del>369</del> <u>372</u>	<del>317</del> <u>320</u>
7	92,001 - 94,000	<del>526</del> <u>529</u>	<del>450</del> <u>453</u>	<del>383</del> <u>386</u>	<del>329</del> <u>332</u>
8	94,001 - 96,000	<del>546</del> <u>549</u>	<del>467</del> <u>470</u>	<del>397</del> <u>400</u>	<del>341</del> <u>344</u>
9	96,001 - 98,000	<del>566</del> <u>569</u>	<del>484</del> <u>487</u>	<del>414</del> <u>414</u>	<del>353</del> <u>356</u>
10	98,001 - 100,000	<del>586</del> <u>589</u>	<del>504</del> <u>504</u>	<del>425</del> <u>428</u>	<del>365</del> <u>368</u>
11	100,001 - 102,000	<del>606</del> <u>609</u>	<del>518</del> <u>521</u>	<del>439</del> <u>442</u>	<del>377</del> <u>380</u>
12	102,001 - 104,000	<del>626</del> <u>629</u>	<del>535</del> <u>538</u>	<del>453</del> <u>456</u>	<del>389</del> <u>392</u>
13	104,001 - 105,500	<del>646</del> <u>649</u>	<del>552</del> <u>555</u>	<del>467</del> <u>470</u>	<del>404</del> <u>404</u>

14           6.    A motor vehicle registered in subsection 5 may be used for custom combining  
15                   operations by displaying identification issued by the department and upon payment  
16                   of a fee of twenty-five dollars.

17           ~~7.    Thirteen dollars of each registration fee collected under subsections 2 and 5 must~~  
18                   ~~be deposited in the state highway fund.~~

19           **SECTION 3. AMENDMENT.** Section 39-04-39 of the North Dakota Century Code is  
20 amended and reenacted as follows:

21           **39-04-39. Distribution of registration fees collected.** Any moneys in the registration  
22 fund accruing from license fees or from other like sources, in excess of the amount required to  
23 pay salaries and other necessary expenses; in accordance with the legislative assembly's  
24 appropriation for ~~such~~ these purposes, must be promptly deposited in the highway tax  
25 distribution fund ~~which must be distributed in the manner as prescribed by law. The state~~  
26 ~~treasurer shall transfer annually from the highway tax distribution fund to the ethanol production~~  
27 ~~incentive fund an amount equal to forty percent of all sums collected for the registration of farm~~  
28 ~~vehicles under subsection 5 of section 39-04-19 except that no transfer may be made in an~~  
29 ~~amount that would result in the balance of the ethanol production incentive fund exceeding~~  
30 ~~seven million five hundred thousand dollars.~~

1           **SECTION 4. AMENDMENT.** Section 54-27-19 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3           **54-27-19. Highway tax distribution fund - State treasurer to make allocation to**  
4 **state, counties, and cities.** A highway tax distribution fund is created as a special fund in the  
5 state treasury into which must be deposited the moneys available by law from collections of  
6 motor vehicle registration and related fees, fuels taxes, special fuels taxes, use taxes, and  
7 special fuels excise taxes. Any moneys in the highway tax distribution fund must be allocated  
8 and transferred monthly by the state treasurer, as follows:

- 9           1. ~~Sixty-three and twenty-eight hundredths percent of such moneys~~ must be  
10 transferred monthly to the state department of transportation and placed in a state  
11 highway fund.
- 12           2. ~~Thirty-seven~~ Two and seventy-four hundredths percent must be transferred  
13 monthly to the township highway fund.
- 14           3. One and fifty-three hundredths percent must be transferred monthly to the public  
15 transportation fund.
- 16           4. ~~Thirty-two and forty-five hundredths percent of such moneys~~ must be allocated to  
17 the counties of this state in proportion to the number of motor vehicle registrations  
18 credited to each county. Each county must be credited with the certificates of title  
19 of all motor vehicles registered by residents of ~~such~~ the county. The state  
20 treasurer shall compute and distribute the counties' share monthly after deducting  
21 the incorporated cities' share. All the moneys received by the counties from the  
22 highway tax distribution fund must be set aside in a separate fund called the  
23 "highway tax distribution fund" and must be appropriated and applied solely for  
24 highway purposes in accordance with section 11 of article X of the Constitution of  
25 North Dakota. The state treasurer shall compute and distribute monthly the sums  
26 allocated to the incorporated cities within each county according to the formula in  
27 this subsection on the basis of the per capita population of all of the incorporated  
28 cities situated within each county as determined by the last official regular or  
29 special federal census or the census taken in accordance with the provisions of  
30 chapter 40-02 in case of a city incorporated subsequent to ~~such~~ the census.
- 31 ~~Provided, however, that~~ However, in each county having a city with a population of



ten thousand or more, the amount transferred each month into the county highway tax distribution fund must be the difference between the amount allocated to that county pursuant to this subsection and the total amount allocated and distributed to the incorporated cities in that county as computed according to the following formula:

- a. A statewide per capita average as determined by calculating twenty-seven percent of the amount allocated to all of the counties under this subsection divided by the total population of all of the incorporated cities in the state.
- b. The share distributed to each city in the county having a population of less than one thousand must be determined by multiplying the population of that city by the product of 1.50 times the statewide per capita average computed under subdivision a.
- c. The share distributed to each city in the county having a population of one thousand to four thousand nine hundred ninety-nine, inclusive, must be determined by multiplying the population of that city by the product of 1.25 times the statewide per capita average computed under subdivision a.
- d. The share distributed to each city in the county having a population of five thousand or more must be determined by multiplying the population of that city by the statewide per capita average for all such cities, which per capita average must be computed as follows: the total of the shares computed under subdivisions b and c for all cities in the state having a population of less than five thousand must be subtracted from the total incorporated cities' share in the state as computed under subdivision a and the balance remaining must then be divided by the total population of all cities of five thousand or more in the state.

The moneys allocated to the incorporated cities must be distributed to them monthly by the state treasurer and must be deposited by the cities in a separate fund and may only be used in accordance with section 11 of article X of the Constitution of North Dakota; ~~provided, that any~~ and an incorporated city may use ~~such the~~ such the fund for the construction, reconstruction, repair, and maintenance of public highways within or outside ~~such the~~ such the city pursuant to an agreement

entered into between the city and any other political subdivision as authorized by section 54-40-08.

**SECTION 5. AMENDMENT.** Section 54-27-19.1 of the North Dakota Century Code is amended and reenacted as follows:

**54-27-19.1. Township highway aid fund - Distribution.** ~~Notwithstanding any other provision of law, one cent per gallon [3.79 liters] of the tax imposed by sections 57-43.1-02 and 57-43.2-02 may not be refunded and the proceeds must be distributed as provided in this section. The tax commissioner shall transfer the proceeds of one cent per gallon [3.79 liters] of the tax imposed by sections 57-43.1-02 and 57-43.2-02 to the state treasurer who shall deposit the proceeds in a township highway aid fund in the state treasury.~~ The state treasurer shall no less than quarterly allocate and distribute all moneys in the township highway aid fund to the counties of the state based on the length of township roads in each county compared to the length of all township roads in the state. To receive any funds under this section, organized townships ~~shall~~ must provide fifty percent matching funds. The county treasurer shall allocate the funds received to the organized townships in the county which provide fifty percent matching funds based on the length of township roads in each ~~such of those~~ organized township townships compared to the length of all township roads in the county. The funds received must be deposited in the township road and bridge fund and used for highway and bridge purposes. If a county ~~has no~~ does not have organized townships, or has some organized and some unorganized townships, the county shall retain a pro rata portion of the funds received based on the length of roads in unorganized townships compared to the length of township roads in organized townships in the county. Moneys retained by a county for the benefit of unorganized townships under this section must be deposited in the county road and bridge fund. Moneys retained by the county treasurer due to the failure of organized townships to provide required matching funds must be returned to the state treasurer who shall deposit the funds in the highway tax distribution fund. The board of county commissioners shall certify to the state treasurer any change in township road mileage when a change occurs and shall, by July first of each even-numbered year, certify the total number of township road mileage in each of the county's organized and unorganized townships. The state treasurer shall prescribe the form and manner by which the certification is made.

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

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

Notwithstanding any other provision of law, a portion of sales, gross receipts, and use, ~~and~~ motor vehicle excise tax collections, equal to forty percent of an amount determined by multiplying the quotient of one percent divided by the general sales tax rate, that was in effect when the taxes were collected, times the net sales, gross receipts, and use, ~~and~~ motor vehicle excise tax collections under chapters 57-39.2, 57-39.5, 57-39.6, and 57-40.2, ~~and 57-40.3~~ must be deposited by the state treasurer in the state aid distribution fund. The state tax commissioner shall certify to the state treasurer the portion of sales, gross receipts, use, and motor vehicle excise tax net revenues that must be 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 appropriation and must be allocated as follows:

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.
  - a. Sixty-four percent of the amount must be allocated among the seventeen counties with the greatest population, in the following manner:
    - (1) Thirty-two percent of the amount must be allocated equally among the counties; and
    - (2) The remaining amount must be allocated based upon the proportion each such county's population bears to the total population of all such counties.
  - b. Thirty-six percent of the amount must be allocated among all counties, excluding the seventeen counties with the greatest population, in the following manner:
    - (1) Forty percent of the amount must be allocated equally among the counties; and
    - (2) The remaining amount must be allocated based upon the proportion each such county's population bears to the total population of all such counties.

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

2. Forty-six and three-tenths percent of the revenues must be allocated to cities in the first month after each quarterly period as provided in this subsection.
  - a. Nineteen and four-tenths percent of the amount must be allocated among cities with a population of eighty thousand or more, based upon the proportion each city's population bears to the total population of all such cities.
  - b. Thirty-four and five-tenths percent of the amount must be allocated among cities with a population of twenty thousand or more but fewer than eighty thousand, based upon the proportion each such city's population bears to the total population of all such cities.
  - c. Sixteen percent of the amount must be allocated among cities with a population of ten thousand or more but fewer than twenty thousand, based upon the proportion each such city's population bears to the total population of all such cities.
  - d. Four and nine-tenths percent of the amount must be allocated among cities with a population of five thousand or more but fewer than ten thousand, based upon the proportion each such city's population bears to the total population of all such cities.
  - e. Thirteen and one-tenth percent of the amount must be allocated among cities with a population of one thousand or more but fewer than five thousand,

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

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

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

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

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

**SECTION 7. AMENDMENT.** Section 57-40.3-10 of the North Dakota Century Code is amended and reenacted as follows:

**57-40.3-10. (Effective through June 30, 2009) Transfer of revenue.** All moneys collected and received under this chapter after moneys are deposited in the state aid distribution fund under section 57-39.2-26.1 must be transmitted monthly by the director of the department of transportation to the state treasurer to be transferred and credited as follows:

1. Ten percent to the highway fund.
2. Ninety percent to the state general fund.

1           **(Effective after June 30, 2009) Transfer of revenue.** All moneys collected and  
2 received under this chapter after moneys are deposited in the state aid distribution fund under  
3 section 57-39.2-26.1 must be transmitted monthly by the director of the department of  
4 transportation to the state treasurer for fifty percent to be transferred and credited to the  
5 general fund and fifty percent to the highway tax distribution fund.

6           **SECTION 8. REPEAL.** Section 39-04.2-03 of the North Dakota Century Code is  
7 repealed.

8           **SECTION 9. APPROPRIATION - TRANSFER.** There is appropriated out of any  
9 moneys in the general fund in the state treasury, not otherwise appropriated, the sum of  
10 \$70,000,000, of which the office of management and budget shall transfer \$50,000,000 to the  
11 highway tax distribution fund to be allocated under section 54-27-19 as amended by the  
12 sixty-first legislative assembly and \$20,000,000 to the economic development transportation  
13 fund for the biennium beginning July 1, 2009, and ending June 30, 2011.