

Sixty-first
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1526

Introduced by

Representatives J. Kelsh, Conrad, Kilichowski, Wall

Senators Dotzenrod, O'Connell

1 A BILL for an Act to amend and reenact sections 54-27-19, 57-40.3-10, and 57-40.4-03 of the
2 North Dakota Century Code, relating to allocation of motor vehicle excise tax revenues to the
3 highway tax distribution fund; and to provide an effective date.

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

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

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

- 13 1. Sixty-three percent of such moneys must be transferred monthly to the state
14 department of transportation and placed in a state highway fund.
- 15 2. Thirty-seven percent of such moneys must be allocated to the counties of this state
16 in proportion to the number of motor vehicle registrations credited to each county.
17 Each county must be credited with the certificates of title of all motor vehicles
18 registered by residents of such county. The state treasurer shall compute and
19 distribute the counties' share monthly after deducting the incorporated cities' share.
20 All the moneys received by the counties from the highway tax distribution fund
21 must be set aside in a separate fund called the "highway tax distribution fund" and
22 must be appropriated and applied solely for highway purposes in accordance with
23 section 11 of article X of the Constitution of North Dakota. The state treasurer shall
24 compute and distribute monthly the sums allocated to the incorporated cities within

each county according to the formula in this subsection on the basis of the per capita population of all of the incorporated cities situated within each county as determined by the last official regular or special federal census or the census taken in accordance with the provisions of chapter 40-02 in case of a city incorporated subsequent to such census. Provided, however, that 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.

1 The moneys allocated to the incorporated cities must be distributed to them monthly by the
2 state treasurer and must be deposited by the cities in a separate fund and may only be used in
3 accordance with section 11 of article X of the Constitution of North Dakota; provided, that any
4 incorporated city may use such fund for the construction, reconstruction, repair, and
5 maintenance of public highways within or outside such city pursuant to an agreement entered
6 into between the city and any other political subdivision as authorized by section 54-40-08.

7 **SECTION 2. AMENDMENT.** Section 57-40.3-10 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **57-40.3-10. (Effective through June 30, 2009) Transfer of revenue.** All moneys
10 collected and received under this chapter after moneys are deposited in the state aid
11 distribution fund under section 57-39.2-26.1 must be transmitted monthly by the director of the
12 department of transportation to the state treasurer to be transferred and credited as follows:

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

15 **(Effective after June 30, 2009) Transfer of revenue.** All moneys collected and
16 received under this chapter must be transmitted monthly by the director of the department of
17 transportation to the state treasurer to be transferred and credited to the general highway tax
18 distribution fund.

19 **SECTION 3. AMENDMENT.** Section 57-40.4-03 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **57-40.4-03. Appropriation.** There is hereby appropriated out of any moneys in the
22 general highway tax distribution fund of the state treasury, not otherwise appropriated, as a
23 standing and continuing appropriation, such sums as may be necessary to provide for motor
24 vehicle excise tax refunds under this chapter; ~~and in addition thereto, there is hereby~~
25 ~~appropriated out of any moneys in the motor vehicle registration fund, not otherwise~~
26 ~~appropriated, as a standing and continuing appropriation, such sums as may be necessary to~~
27 ~~provide for motor vehicle excise tax refunds under this chapter, such appropriations to be made~~
28 ~~from both such funds in equal amounts. Refunds must be made from the moneys appropriated~~
29 ~~out of the general fund of the state treasury, and from the moneys appropriated out of the motor~~
30 ~~vehicle registration fund in the same proportion as the tax was allocated at the time it was~~
31 ~~collected.~~

1 **SECTION 4. EFFECTIVE DATE.** This Act is effective for taxable events occurring after
2 June 30, 2009.