

Sixty-first  
Legislative Assembly  
of North Dakota

## HOUSE BILL NO.

Introduced by

Representative Weisz

1 A BILL for an Act to amend and reenact sections 39-04-19, 39-04-39, 54-27-19, 54-27-19.1,  
2 57-39.2-26.1, 57-40.3-10, and 57-43.1-28 of the North Dakota Century Code, relating to the  
3 collection and distribution of highway funds; and to repeal section 39-04.2-03 of the North  
4 Dakota Century Code, relating to the registration fee for the public transportation fund.

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

6 **SECTION 1. AMENDMENT.** Section 39-04-19 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **39-04-19. Motor vehicle registration fees and mile tax.** Motor vehicles required to  
9 pay registration fees or a mile tax shall pay the following fees:

10 1. Nonresidents electing to pay mile tax in lieu of registration, when authorized to do  
11 so by the department, shall pay a fee of twenty dollars for a trip permit which is  
12 valid for a period of seventy-two hours. All fees collected under the provisions of  
13 this subsection must be credited to the highway construction fund.

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

19 a. Passenger motor vehicles:

20 YEARS REGISTERED

21		1st, 2nd,	7th, 8th,	10th, 11th,	13th and
22	Gross	3rd, 4th, 5th,	and 9th	and 12th	Subsequent
23	Weights	and 6th Years	Years	Years	Years

1	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>
2	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>
3	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>
4	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>
5	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>
6	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>
7	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>
8	9,000 and over	<del>274</del> <u>273</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:

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1	YEARS REGISTERED					
2		1st	7th	10th	13th	20th and
3	Gross	Through	Through	Through	Through	Subsequent
4	Weights	6th Years	9th Years	12th Years	19th Years	Years
5	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>
6	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>
7	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	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>
9	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>
10	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>
11	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>
12	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>
13	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>

14	YEARS REGISTERED			
15		1st, 2nd, 3rd,	8th, 9th, 10th,	13th and
16	Gross	4th, 5th, 6th,	11th, and	Subsequent
17	Weights	and 7th Years	12th Years	Years
18	20,001 - 22,000	<del>\$136</del> <u>\$139</u>	<del>\$110</del> <u>\$113</u>	<del>\$97</del> <u>\$100</u>
19	22,001 - 26,000	<del>188</del> <u>191</u>	<del>158</del> <u>161</u>	<del>142</del> <u>145</u>
20	26,001 - 30,000	<del>249</del> <u>252</u>	<del>207</del> <u>210</u>	<del>185</del> <u>188</u>
21	30,001 - 34,000	<del>315</del> <u>318</u>	<del>260</del> <u>263</u>	<del>232</del> <u>235</u>
22	34,001 - 38,000	<del>376</del> <u>379</u>	<del>309</del> <u>312</u>	<del>275</del> <u>279</u>
23	38,001 - 42,000	<del>437</del> <u>440</u>	<del>358</del> <u>361</u>	<del>317</del> <u>320</u>
24	42,001 - 46,000	<del>498</del> <u>501</u>	<del>406</del> <u>409</u>	<del>360</del> <u>363</u>
25	46,001 - 50,000	<del>559</del> <u>561</u>	<del>455</del> <u>458</u>	<del>403</del> <u>406</u>
26	50,001 - 54,000	<del>629</del> <u>632</u>	<del>513</del> <u>516</u>	<del>454</del> <u>457</u>
27	54,001 - 58,000	<del>690</del> <u>693</u>	<del>562</del> <u>565</u>	<del>497</del> <u>500</u>
28	58,001 - 62,000	<del>752</del> <u>755</u>	<del>611</del> <u>614</u>	<del>540</del> <u>543</u>
29	62,001 - 66,000	<del>812</del> <u>815</u>	<del>659</del> <u>662</u>	<del>583</del> <u>586</u>
30	66,001 - 70,000	<del>873</del> <u>876</u>	<del>708</del> <u>711</u>	<del>625</del> <u>628</u>
31	70,001 - 74,000	<del>934</del> <u>937</u>	<del>757</del> <u>760</u>	<del>668</del> <u>671</u>

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1	74,001 - 78,000	<del>995</del> <u>998</u>	<del>806</del> <u>809</u>	<del>744</del> <u>714</u>
2	78,001 - 82,000	<del>1,056</del> <u>1,059</u>	<del>855</del> <u>858</u>	<del>754</del> <u>757</u>
3	82,001 - 86,000	<del>1,179</del> <u>1,182</u>	<del>960</del> <u>963</u>	<del>844</del> <u>844</u>
4	86,001 - 90,000	<del>1,304</del> <u>1,304</u>	<del>1,064</del> <u>1,067</u>	<del>928</del> <u>931</u>
5	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>
6	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>
7	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>
8	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
Weights	and 6th Years	Years	Years	Years
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>
22,001 - 24,000	<del>443</del> <u>116</u>	<del>98</del> <u>101</u>	<del>83</del> <u>86</u>	<del>64</del> <u>67</u>
24,001 - 26,000	<del>424</del> <u>124</u>	<del>104</del> <u>107</u>	<del>87</del> <u>90</u>	<del>66</del> <u>69</u>
26,001 - 28,000	<del>432</del> <u>135</u>	<del>112</del> <u>115</u>	<del>93</del> <u>96</u>	<del>70</del> <u>73</u>
28,001 - 30,000	<del>444</del> <u>144</u>	<del>120</del> <u>123</u>	<del>99</del> <u>102</u>	<del>74</del> <u>77</u>
30,001 - 32,000	<del>456</del> <u>159</u>	<del>133</del> <u>136</u>	<del>110</del> <u>113</u>	<del>83</del> <u>86</u>
32,001 - 34,000	<del>466</del> <u>169</u>	<del>144</del> <u>144</u>	<del>116</del> <u>119</u>	<del>87</del> <u>90</u>
34,001 - 36,000	<del>476</del> <u>179</u>	<del>149</del> <u>152</u>	<del>122</del> <u>125</u>	<del>94</del> <u>94</u>
36,001 - 38,000	<del>486</del> <u>189</u>	<del>157</del> <u>160</u>	<del>128</del> <u>131</u>	<del>95</del> <u>98</u>
38,001 - 40,000	<del>496</del> <u>199</u>	<del>165</del> <u>168</u>	<del>134</del> <u>137</u>	<del>99</del> <u>102</u>
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>
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>
44,001 - 46,000	<del>226</del> <u>229</u>	<del>189</del> <u>192</u>	<del>152</del> <u>155</u>	<del>114</del> <u>114</u>

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1	46,001 - 48,000	<del>236</del> <u>239</u>	<del>497</del> <u>200</u>	<del>458</del> <u>161</u>	<del>445</del> <u>118</u>
2	48,001 - 50,000	<del>246</del> <u>249</u>	<del>205</del> <u>208</u>	<del>464</del> <u>167</u>	<del>449</del> <u>122</u>
3	50,001 - 52,000	<del>266</del> <u>269</u>	<del>223</del> <u>226</u>	<del>480</del> <u>183</u>	<del>433</del> <u>136</u>
4	52,001 - 54,000	<del>276</del> <u>279</u>	<del>234</del> <u>234</u>	<del>486</del> <u>189</u>	<del>437</del> <u>140</u>
5	54,001 - 56,000	<del>286</del> <u>289</u>	<del>239</del> <u>242</u>	<del>492</del> <u>195</u>	<del>444</del> <u>144</u>
6	56,001 - 58,000	<del>296</del> <u>299</u>	<del>247</del> <u>250</u>	<del>498</del> <u>201</u>	<del>445</del> <u>148</u>
7	58,001 - 60,000	<del>306</del> <u>309</u>	<del>255</del> <u>258</u>	<del>204</del> <u>207</u>	<del>449</del> <u>152</u>
8	60,001 - 62,000	<del>316</del> <u>319</u>	<del>263</del> <u>266</u>	<del>210</del> <u>213</u>	<del>453</del> <u>156</u>
9	62,001 - 64,000	<del>326</del> <u>329</u>	<del>274</del> <u>274</u>	<del>216</del> <u>219</u>	<del>457</del> <u>160</u>
10	64,001 - 66,000	<del>336</del> <u>339</u>	<del>279</del> <u>282</u>	<del>222</del> <u>225</u>	<del>464</del> <u>164</u>
11	66,001 - 68,000	<del>346</del> <u>349</u>	<del>287</del> <u>290</u>	<del>228</del> <u>231</u>	<del>465</del> <u>168</u>
12	68,001 - 70,000	<del>356</del> <u>359</u>	<del>295</del> <u>298</u>	<del>234</del> <u>237</u>	<del>469</del> <u>172</u>
13	70,001 - 72,000	<del>366</del> <u>369</u>	<del>303</del> <u>306</u>	<del>240</del> <u>243</u>	<del>473</del> <u>176</u>
14	72,001 - 74,000	<del>376</del> <u>379</u>	<del>311</del> <u>314</u>	<del>246</del> <u>249</u>	<del>477</del> <u>180</u>
15	74,001 - 76,000	<del>386</del> <u>389</u>	<del>319</del> <u>322</u>	<del>252</del> <u>255</u>	<del>484</del> <u>184</u>
16	76,001 - 78,000	<del>396</del> <u>399</u>	<del>327</del> <u>330</u>	<del>258</del> <u>261</u>	<del>485</del> <u>188</u>
17	78,001 - 80,000	<del>406</del> <u>409</u>	<del>335</del> <u>338</u>	<del>264</del> <u>267</u>	<del>489</del> <u>192</u>
18	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>
19	82,001 - 84,000	<del>426</del> <u>428</u>	<del>365</del> <u>368</u>	<del>313</del> <u>316</u>	<del>269</del> <u>272</u>
20	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>
21	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>
22	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>
23	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>
24	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>
25	94,001 - 96,000	<del>546</del> <u>549</u>	<del>467</del> <u>470</u>	<del>397</del> <u>400</u>	<del>344</del> <u>344</u>
26	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>
27	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>
28	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>
29	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>
30	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>

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

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

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

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

**SECTION 3. AMENDMENT.** Section 54-27-19 of the North Dakota Century Code is amended and reenacted as follows:

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

1. ~~Sixty-three~~ Sixty-one and forty-five hundredths of one percent of such moneys must be transferred monthly to the state department of transportation and placed in a state highway fund.
2. Two and eighty hundredths of one percent of such moneys must be transferred monthly to the township highway fund.

1           3. One and fifty hundredths of one percent of such moneys must be transferred  
2           monthly to the public transportation fund.

3           ~~2. Thirty-seven~~

4           4. Thirty-four and twenty-five hundredths of one percent of such moneys must be  
5           allocated to the counties of this state in proportion to the number of motor vehicle  
6           registrations credited to each county. Each county must be credited with the  
7           certificates of title of all motor vehicles registered by residents of such county. The  
8           state treasurer shall compute and distribute the counties' share monthly after  
9           deducting the incorporated cities' share. All the moneys received by the counties  
10          from the highway tax distribution fund must be set aside in a separate fund called  
11          the "highway tax distribution fund" and must be appropriated and applied solely for  
12          highway purposes in accordance with section 11 of article X of the Constitution of  
13          North Dakota. The state treasurer shall compute and distribute monthly the sums  
14          allocated to the incorporated cities within each county according to the formula in  
15          this subsection on the basis of the per capita population of all of the incorporated  
16          cities situated within each county as determined by the last official regular or  
17          special federal census or the census taken in accordance with the provisions of  
18          chapter 40-02 in case of a city incorporated subsequent to such census. Provided,  
19          however, that in each county having a city with a population of ten thousand or  
20          more, the amount transferred each month into the county highway tax distribution  
21          fund must be the difference between the amount allocated to that county pursuant  
22          to this subsection and the total amount allocated and distributed to the  
23          incorporated cities in that county as computed according to the following formula:

- 24          a. A statewide per capita average as determined by calculating twenty-seven  
25             percent of the amount allocated to all of the counties under this subsection  
26             divided by the total population of all of the incorporated cities in the state.  
27          b. The share distributed to each city in the county having a population of less  
28             than one thousand must be determined by multiplying the population of that  
29             city by the product of 1.50 times the statewide per capita average computed  
30             under subdivision a.



- 1           c.    The share distributed to each city in the county having a population of one  
2               thousand to four thousand nine hundred ninety-nine, inclusive, must be  
3               determined by multiplying the population of that city by the product of 1.25  
4               times the statewide per capita average computed under subdivision a.
- 5           d.    The share distributed to each city in the county having a population of five  
6               thousand or more must be determined by multiplying the population of that  
7               city by the statewide per capita average for all such cities, which per capita  
8               average must be computed as follows: the total of the shares computed  
9               under subdivisions b and c for all cities in the state having a population of less  
10              than five thousand must be subtracted from the total incorporated cities' share  
11              in the state as computed under subdivision a and the balance remaining must  
12              then be divided by the total population of all cities of five thousand or more in  
13              the state.

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

20           **SECTION 4. AMENDMENT.** Section 54-27-19.1 of the North Dakota Century Code is  
21   amended and reenacted as follows:

22           **54-27-19.1. Township highway aid fund - Distribution.** ~~Notwithstanding any other~~  
23   ~~provision of law, one cent per gallon [3.79 liters] of the tax imposed by sections 57-43.1-02 and~~  
24   ~~57-43.2-02 may not be refunded and the proceeds must be distributed as provided in this~~  
25   ~~section. The tax commissioner shall transfer the proceeds of one cent per gallon [3.79 liters] of~~  
26   ~~the tax imposed by sections 57-43.1-02 and 57-43.2-02 to the state treasurer who shall deposit~~  
27   ~~the proceeds in a township highway aid fund in the state treasury. The state treasurer shall no~~  
28   less than quarterly allocate and distribute all moneys in the township highway aid fund to the  
29   counties of the state based on the length of township roads in each county compared to the  
30   length of all township roads in the state. To receive any funds under this section, organized  
31   townships shall provide fifty percent matching funds. The county treasurer shall allocate the

1 funds received to the organized townships in the county which provide fifty percent matching  
2 funds based on the length of township roads in each such organized township compared to the  
3 length of all township roads in the county. The funds received must be deposited in the  
4 township road and bridge fund and used for highway and bridge purposes. If a county has no  
5 organized townships, or has some organized and some unorganized townships, the county  
6 shall retain a pro rata portion of the funds received based on the length of roads in unorganized  
7 townships compared to the length of township roads in organized townships in the county.  
8 Moneys retained by a county for the benefit of unorganized townships under this section must  
9 be deposited in the county road and bridge fund. Moneys retained by the county treasurer due  
10 to the failure of organized townships to provide required matching funds must be returned to the  
11 state treasurer who shall deposit the funds in the highway tax distribution fund. The board of  
12 county commissioners shall certify to the state treasurer any change in township road mileage  
13 when a change occurs and shall, by July first of each even-numbered year, certify the total  
14 number of township road mileage in each of the county's organized and unorganized  
15 townships. The state treasurer shall prescribe the form and manner by which the certification is  
16 made.

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

19 **57-39.2-26.1. Allocation of revenues among political subdivisions.**

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

- 30 1. Fifty-three and seven-tenths percent of the revenues must be allocated to counties  
31 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.

- 1           b.   Thirty-four and five-tenths percent of the amount must be allocated among  
2           cities with a population of twenty thousand or more but fewer than eighty  
3           thousand, based upon the proportion each such city's population bears to the  
4           total population of all such cities.
- 5           c.   Sixteen percent of the amount must be allocated among cities with a  
6           population of ten thousand or more but fewer than twenty thousand, based  
7           upon the proportion each such city's population bears to the total population  
8           of all such cities.
- 9           d.   Four and nine-tenths percent of the amount must be allocated among cities  
10          with a population of five thousand or more but fewer than ten thousand, based  
11          upon the proportion each such city's population bears to the total population  
12          of all such cities.
- 13          e.   Thirteen and one-tenth percent of the amount must be allocated among cities  
14          with a population of one thousand or more but fewer than five thousand,  
15          based upon the proportion each such city's population bears to the total  
16          population of all such cities.
- 17          f.   Six and one-tenth percent of the amount must be allocated among cities with  
18          a population of five hundred or more but fewer than one thousand, based  
19          upon the proportion each such city's population bears to the total population  
20          of all such cities.
- 21          g.   Three and four-tenths percent of the amount must be allocated among cities  
22          with a population of two hundred or more but fewer than five hundred, based  
23          upon the proportion each such city's population bears to the total population  
24          of all such cities.
- 25          h.   Two and six-tenths percent of the amount must be allocated among cities with  
26          a population of fewer than two hundred, based upon the proportion each such  
27          city's population bears to the total population of all such cities.

28          A city shall deposit all revenues received under this subsection in the city general  
29          fund. Each city shall reserve a portion of its allocation under this subsection for  
30          further distribution to, or expenditure on behalf of, park districts and other taxing  
31          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 6. 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.

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

**SECTION 7. AMENDMENT.** Section 57-43.1-28 of the North Dakota Century Code is amended and reenacted as follows:

**57-43.1-28. (~~Contingent expiration date—See note~~) Transfer, deposit, and distribution of funds.** ~~Taxes, license fees, penalties, and interest collected under the provisions of this chapter must be transferred to the state treasurer who shall deposit the moneys collected to the highway tax distribution fund, except the entire proceeds of the tax imposed on E85 fuel under subsection 2 of section 57-43.1-02 must be deposited in the township highway aid fund and allocated as provided in section 54-27-19.1. At the time of each transfer for deposit in the highway tax distribution fund, the tax commissioner shall certify to the state treasurer the number of gallons of E85 fuel sold or used in this state during the time period covered by that transfer and exempt from the tax under subsection 1 of section 57-43.1-02. The department of commerce shall seek approval for the transfer to the state treasurer of twenty cents for each gallon certified by the tax commissioner, from the agricultural products utilization commission funding for deposit in the highway tax distribution fund. The highway tax distribution fund must be distributed in the manner prescribed by section 54-27-19.~~

- 1           ~~(Contingent effective date—See note) Transfer, deposit, and distribution of funds.~~
- 2   Taxes, license fees, penalties, and interest collected under the provisions of this chapter must
- 3   be transferred to the state treasurer who shall deposit the moneys collected to the highway tax
- 4   distribution fund. The highway tax distribution fund must be distributed in the manner
- 5   prescribed by section 54-27-19.
- 6           **SECTION 8. REPEAL.** Section 39-04.2-03 of the North Dakota Century Code is
- 7   repealed.