

Sixty-first
Legislative Assembly
of North Dakota

HOUSE BILL NO.

Introduced by

Representative Drovdal

1 A BILL for an Act to amend and reenact subsection 3 of section 57-51-15 of the North Dakota
2 Century Code, relating to allocation of oil and gas gross production tax revenues among
3 political subdivisions; and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Subsection 3 of section 57-51-15 of the North Dakota
6 Century Code is amended and reenacted as follows:

7 3. Forty-five percent of all revenues as may by the legislative assembly be allocated
8 to any county hereunder must be credited by the county treasurer to the county
9 general fund. Thirty-five percent of all revenues allocated to any county must be
10 apportioned by the county treasurer no less than quarterly to school districts within
11 the county on the average daily attendance distribution basis, as certified to the
12 county treasurer by the county superintendent of schools. However, no school
13 district may receive in any single academic year an amount under this subsection
14 greater than the county average per student cost multiplied by seventy percent,
15 then multiplied by the number of students in average daily attendance or the
16 number of children of school age in the school census for the county, whichever is
17 greater. Provided, however, that in any county in which the average daily
18 attendance or the school census, whichever is greater, is fewer than four hundred,
19 the county is entitled to one hundred twenty percent of the county average per
20 student cost multiplied by the number of students in average daily attendance or
21 the number of children of school age in the school census for the county,
22 whichever is greater. Once this level has been reached through distributions under
23 this subsection, all excess funds to which the school district would be entitled as
24 part of its thirty-five percent share must be deposited instead in the county general

1 fund. The county superintendent of schools of each oil-producing county shall
2 certify to the county treasurer by July first of each year the amount to which each
3 school district is limited pursuant to this subsection. As used in this subsection,
4 "average daily attendance" means the average daily attendance for the school year
5 immediately preceding the certification by the county superintendent of schools
6 required by this subsection. Twenty percent of all revenues allocated to any
7 county hereunder must be paid no less than quarterly by the state treasurer to the
8 incorporated cities of the county based upon the population of each incorporated
9 city according to the last official decennial federal census. Once this level has
10 been reached through distributions under this subsection, all excess funds to which
11 any city would be entitled except for this limitation must be deposited instead in
12 that county's general fund. Provided, however, that in determining the population
13 of any city in which total employment increases by more than two hundred percent
14 seasonally due to tourism, the population of that city for purposes of determining
15 the per capita limitation in this section must be increased by adding to the
16 population of the city as determined by the last official decennial federal census a
17 number to be determined as follows:

- 18 a. Seasonal employees of state and federal tourist facilities within five miles
19 [8.05 kilometers] of the city must be included by adding the months all such
20 employees were employed during the prior year and dividing by twelve.
- 21 b. Seasonal employees of all private tourist facilities within the city and seasonal
22 employees employed by the city must be included by adding the months all
23 such employees were employed during the prior year and dividing by twelve.
- 24 c. The number of visitors to the tourist attraction within the city or within five
25 miles [8.05 kilometers] of the city which draws the largest number of visitors
26 annually must be included by taking the smaller of either of the following:
 - 27 (1) The total number of visitors to that tourist attraction the prior year
28 divided by three hundred sixty-five; or
 - 29 (2) Four hundred twenty.

30 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable events occurring after

31 June 30, 2009.