

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

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

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

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