

Sixty-second
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2047

Introduced by

Legislative Management

(Taxation Committee)

A BILL for an Act to amend and reenact section 21-06-10 and subsections 3 and 4 of section 57-51-15 of the North Dakota Century Code, relating to allocation of revenues from the leasing of federal flood control lands and oil and gas gross production tax allocations to school districts; to provide an effective date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

~~SECTION 1. AMENDMENT. Section 21-06-10 of the North Dakota Century Code is amended and reenacted as follows:~~

~~21-06-10. Moneys received through leasing of lands acquired by United States for flood control distributed through grants to counties for schools and roads, school districts, and townships.~~

~~The state treasurer shall pay transfer the moneys allocated to the state under 33 U.S.C. 701(c)(3) to the oil and gas impact grant fund, to be held in a special account within that fund and made available through grants by the energy development impact office only for the benefit of oil and gas development impacted townships, school districts, or county government in the counties entitled to receive them in proportion to the area of the land in the county in which land has been acquired by the United States for which compensation is being provided under 33 U.S.C. 701(c)(3) as that area bears to the total of these federal lands in the state. A county receiving an allocation under this section shall disburse the moneys received as follows:~~

~~1. One-half must be paid to the school districts in the county which have lost land subject to taxation because of the acquisition of lands by the United States for which compensation is being provided under 33 U.S.C. 701(c)(3) in proportion to the area of these federal lands in each district as that area bears to the total of such lands in all of the school districts in the county. If, however, all of the land in a district has been acquired by the United States, that district's proportionate share of the funds allocated~~

under this subsection must be paid into the county tuition fund and expended according to the law governing that fund.

~~2. One quarter must be paid to the county for road purposes to be expended as the county commissioners shall determine.~~

~~3. The final quarter must be allocated among the organized townships, if any, which have lost land subject to taxation because of land acquisitions by the United States for which compensation is being provided under 33 U.S.C. 701(c)(3) and the county for road purposes in proportion to the area of these lands in each township as that area bears to the total area of these federal lands in the county. The county must be allocated a similar proportionate share based on the area of these lands in the county not within an organized township.~~

~~This section applies to all funds heretofore received or to be received by the counties entitled thereto.~~

SECTION 1. AMENDMENT. Section 21-06-10 of the North Dakota Century Code is amended and reenacted as follows:

21-06-10. Moneys received through leasing of lands acquired by United States for flood control distributed to counties for schools and roads.

The state treasurer shall pay the moneys allocated to the state under 33 U.S.C. 701(c)(3) to the counties entitled to receive them in proportion to the area of the land in the county acquired by the United States for which compensation is being provided under 33 U.S.C. 701(c)(3) as that area bears to the total of these federal lands in the state. A county receiving an allocation under this section shall disburse the moneys received as follows:

1. One-half must be paid to the school districts in the county which have lost land subject to taxation because of the acquisition of lands by the United States for which compensation is being provided under 33 U.S.C. 701(c)(3) in proportion to the area of these federal lands in each district as that area bears to the total of such lands in all of the school districts in the county. If, however, all of the land in a district has been acquired by the United States, that district's proportionate share of the funds allocated under this subsection must be paid into the county tuition fund and expended according to the law governing that fund.

2. ~~One-quarter~~One-half must be paid to the county for road purposes to be expended as the board of county commissioners shall determine. One-half of the amount retained by the county under this subsection must be expended as directed by the board of county commissioners for infrastructure projects by or on behalf of organized or unorganized townships.

~~3. The final quarter must be allocated among the organized townships, if any, which have lost land subject to taxation because of land acquisitions by the United States for which compensation is being provided under 33 U.S.C. 701(c)(3) and the county for road purposes in proportion to the area of these lands in each township as that area bears to the total area of these federal lands in the county. The county must be allocated a similar proportionate share based on the area of these lands in the county not within an organized township.~~

~~This section applies to all funds heretofore received or to be received by the counties entitled thereto.~~

SECTION 2. AMENDMENT. Subsections 3 and 4 of section 57-51-15 of the North Dakota Century Code are amended and reenacted as follows:

3. The amount to which each county is entitled under subsection 2 must be allocated within the county ~~so the first five million three hundred fifty thousand dollars is allocated~~ under subsection 4 for each fiscal year ~~and any~~for the first time three million nine hundred thousand dollars for a county with a population of fewer than three thousand, four million one hundred thousand dollars for a county with a population of three thousand to six thousand, and four million six hundred thousand dollars for a county with a population of more than six thousand. Any amount received by a county exceeding ~~five million three hundred fifty thousand dollars is credited~~the amount to be allocated under subsection 4 must be allocated by the county treasurer ~~to the county infrastructure fund and allocated~~ under subsection 5.

4. a. Forty-five percent of all revenues allocated to any county for allocation under this subsection must be credited by the county treasurer to the county general fund. However, the allocation to a county under this subdivision must be credited to the state general fund if during that fiscal year the county does not levy a total of at

1 least ten mills for combined levies for county road and bridge, farm-to-market and
2 federal-aid road, and county road purposes.

3 b. Thirty-five percent of all revenues allocated to any county for allocation under this
4 subsection must be apportioned by the county treasurer no less than quarterly to
5 school districts within the county on the average daily attendance distribution
6 basis, as certified to the county treasurer by the ~~county superintendent of~~
7 ~~schools~~superintendent of public instruction. However, no school district may
8 receive in any single academic year an amount under this subsection greater
9 than the county average per student cost multiplied by seventy percent, then
10 multiplied by the number of students in average daily attendance or the number
11 of children of school age in the school census for the county, whichever is
12 greater. Provided, however, that in any county in which the average daily
13 attendance or the school census, whichever is greater, is fewer than four
14 hundred, the county is entitled to one hundred twenty percent of the county
15 average per student cost 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. Once this level has been reached through
18 distributions under this subsection, all excess funds to which the school district
19 would be entitled as part of its thirty-five percent share must be deposited instead
20 in the county general fund. The ~~county superintendent of schools of each~~
21 ~~oil-producing county~~superintendent of public instruction shall certify to the county
22 treasurer of each oil-producing county by July first of each year the amount to
23 which each school district is limited pursuant to this subsection. As used in this
24 subsection, "average daily attendance" means the average daily attendance for
25 the school year immediately preceding the certification by the ~~county-~~
26 ~~superintendent of schools~~superintendent of public instruction required by this
27 subsection.

28 ~~—The countywide allocation to school districts under this subdivision is subject~~
29 ~~to the following:~~

30 ~~—(1) The first three hundred fifty thousand dollars is apportioned entirely among~~
31 ~~school districts in the county.~~

~~(2) The next three hundred fifty thousand dollars is apportioned seventy-five percent among school districts in the county and twenty-five percent to the county infrastructure fund.~~

~~(3) The next two hundred sixty-two thousand five hundred dollars is apportioned two-thirds among school districts in the county and one-third to the county infrastructure fund.~~

~~(4) The next one hundred seventy-five thousand dollars is apportioned fifty percent among school districts in the county and fifty percent to the county infrastructure fund.~~

~~(5) Any remaining amount is apportioned to the county infrastructure fund except from that remaining amount the following amounts are apportioned among school districts in the county:~~

~~(a) Four hundred ninety thousand dollars, for counties having a population of three thousand or fewer.~~

~~(b) Five hundred sixty thousand dollars, for counties having a population of more than three thousand and fewer than six thousand.~~

~~(c) Seven hundred thirty-five thousand dollars, for counties having a population of six thousand or more.~~

- c. Twenty percent of all revenues allocated to any county for allocation under this subsection must be apportioned no less than quarterly by the state treasurer to the incorporated cities of the county. Apportionment among cities under this subsection must be based upon the population of each incorporated city according to the last official decennial federal census. A city may not receive an allocation for a fiscal year under this subsection and subsection 5 which totals more than seven hundred fifty dollars per capita. Once this level has been reached through distributions under this subsection, all excess funds to which any city would be entitled except for this limitation must be deposited instead in that county's general fund. In determining the population of any city in which total employment increases by more than two hundred percent seasonally due to tourism, the population of that city for purposes of this subdivision must be increased by eight hundred percent. If a city receives a direct allocation under

subsection 1, the allocation to that city under this subsection is limited to sixty percent of the amount otherwise determined for that city under this subsection and the amount exceeding this limitation must be reallocated among the other cities in the county.

SECTION 3. EFFECTIVE DATE. Section 1 of this Act is effective for revenue allocated to the state under 33 U.S.C. 701(c)(3) on or after July 31, 2011 the first day of the first month after this Act is filed with the secretary of state. Section 2 of this Act becomes effective ~~August~~ July 1, 2011.

SECTION 4. EMERGENCY. This Act is declared to be an emergency measure.