

Sixty-second
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1089

Introduced by

Transportation Committee

(At the request of the State Treasurer)

1 A BILL for an Act to amend and reenact section 54-27-19 of the North Dakota Century Code,
2 relating to the highway tax distribution fund.

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

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

6 **54-27-19. Highway tax distribution fund - State treasurer to make allocation to state,**
7 **counties, and cities.**

8 A highway tax distribution fund is created as a special fund in the state treasury into which
9 must be deposited the moneys available by law from collections of motor vehicle registration
10 and related fees, fuels taxes, special fuels taxes, use taxes, and special fuels excise taxes. The
11 state treasurer shall transfer the first five million five hundred thousand dollars per biennium
12 from the highway tax distribution fund to the state highway fund for the purpose of providing
13 administrative assistance to other transferees. After the transfer of the first five million five
14 hundred thousand dollars, any moneys in the highway tax distribution fund must be allocated
15 and transferred monthly by the state treasurer, as follows:

- 16 1. Sixty-one and three-tenths percent must be transferred monthly to the state
17 department of transportation and placed in a state highway fund.
- 18 2. Two and seven-tenths percent must be transferred monthly to the township highway
19 fund.
- 20 3. One and five-tenths percent must be transferred monthly to the public transportation
21 fund.
- 22 4. Thirty-four and five-tenths percent must be allocated to the counties of this state in
23 proportion to the number of vehicle registrations credited to each county. Each county
24 must be credited with the certificates of title of vehicles registered by residents of the

1 county. The state treasurer shall compute and distribute the counties' share monthly
2 after deducting the incorporated cities' share. All the moneys received by the counties
3 from the highway tax distribution fund must be set aside in a separate fund called the
4 "highway tax distribution fund" and must be appropriated and applied solely for
5 highway purposes in accordance with section 11 of article X of the Constitution of
6 North Dakota. The state treasurer shall compute and distribute monthly the sums
7 allocated to the incorporated cities within each county according to the formula in this
8 subsection on the basis of the per capita population of all of the incorporated cities
9 situated within each county as determined by the last official regular or special federal
10 census or the census taken in accordance with the provisions of chapter 40-02 in case
11 of a city incorporated subsequent to the census. ~~However, in~~

12 a. For counties having no cities with a population of ten thousand or more, a
13 statewide per capita average must be used, as determined by calculating
14 twenty-seven percent of the amount allocated to all of the counties under this
15 subsection divided by the total population of all of the incorporated cities in the
16 state. Each city must be paid an amount equal to the product of the statewide per
17 capita and that city's population.

18 b. For each county having a city with a population of ten thousand or more, the
19 amount transferred each month into the county highway tax distribution fund
20 must be the difference between the amount allocated to that county pursuant to
21 this subsection and the total amount allocated and distributed to the incorporated
22 cities in that county as computed according to the following formula:

23 a. (1) A statewide per capita average as determined by calculating twenty-seven
24 percent of the amount allocated to all of the counties under this subsection
25 divided by the total population of all of the incorporated cities in the state.

26 b. (2) The share distributed to each city in the county having a population of less
27 than one thousand must be determined by multiplying the population of that
28 city by the product of 1.50 times the statewide per capita average computed
29 under subdivision a.

30 c. (3) The share distributed to each city in the county having a population of one
31 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. (4) 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.

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