Sixty-fourth Legislative Assembly of North Dakota

HOUSE BILL NO. 1472

Introduced by

Representative Kelsh

- A BILL for an Act amend and reenact section 57-39.2-26.1 of the North Dakota Century Code, relating to increased allocation of sales, gross receipts, use, and motor vehicle excise tax collections to the state aid distribution fund to provide increased allocations to political subdivisions; to provide continuing appropriations; and to provide an effective date; and to
- 5 provide an expiration date.

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6 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

- **SECTION 1. AMENDMENT.** Section 57-39.2-26.1 of the North Dakota Century Code is amended and reenacted as follows:
 - 57-39.2-26.1. Allocation of revenues among political subdivisions.
 - Notwithstanding any other provision of law, a portion of sales, gross receipts, use, and motor vehicle excise tax collections, equal to forty-three and one-half percent of an amount determined by multiplying the quotient of one percent divided by the general sales tax rate, that was in effect when the taxes were collected, times the net sales, gross receipts, use, and motor vehicle excise tax collections under chapters 57-39.2, 57-39.5, 57-39.6, 57-40.2, and 57-40.3 must be deposited by the state treasurer in the state aid distribution fund. The state tax commissioner shall certify to the state treasurer the portion of sales, gross receipts, use, and motor vehicle excise tax net revenues that must be deposited in the state aid distribution fund as determined under this section. Revenues deposited in the state aid distribution fund are provided as a standing and continuing appropriation and must be allocated as follows:
 - 1. The state treasurer shall allocate one-half of the revenues as follows:
 - a. Fifty-three and seven-tenths percent of the revenues must be allocated to counties in the first month after each quarterly period as provided in this subsectionsubdivision.

1		a.	<u>(1)</u>	Sixty-four percent of the amount must be allocated among the seventeen
2				counties with the greatest population, in the following manner:
3				(1)(a) Thirty-two percent of the amount must be allocated equally
4				among the counties; and
5				(2)(b) The remaining amount must be allocated based upon the
6				proportion each such county's population bears to the total population
7				of all such counties.
8		b.	<u>(2)</u>	Thirty-six percent of the amount must be allocated among all counties,
9				excluding the seventeen counties with the greatest population, in the
10				following manner:
11				(1)(a) Forty percent of the amount must be allocated equally among
12				the counties; and
13				(2)(b) The remaining amount must be allocated based upon the
14				proportion each such county's population bears to the total population
15				of all such counties.
16			<u>(3)</u>	A county shall deposit all revenues received under this
17				subsectionsubdivision in the county general fund. Each county shall reserve
18				a portion of its allocation under this subsection for further distribution to, or
19				expenditure on behalf of, townships, rural fire protection districts, rural
20				ambulance districts, soil conservation districts, county recreation service
21				districts, county hospital districts, the Garrison Diversion Conservancy
22				District, the southwest water authority, and other taxing districts within the
23				county, excluding school districts, cities, and taxing districts within cities.
24				The share of the county allocation under this subsection to be distributed to
25				a township must be equal to the percentage of the county share of state aid
26				distribution fund allocations that township received during calendar year
27				1996. The governing boards of the county and township may agree to a
28				different distribution.
29	2.	<u>b.</u>	Fort	ty-six and three-tenths percent of the revenues must be allocated to cities in
30			the	first month after each quarterly period based upon the proportion each city's
31			pop	ulation bears to the total population of all cities.

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1		A city shall deposit all revenues received under this subsectionsubdivision in
2		the city general fund. Each city shall reserve a portion of its allocation under this
3		subsectionsubdivision for further distribution to, or expenditure on behalf of, park
4		districts and other taxing districts within the city, excluding school districts. The
5		share of the city allocation under this subsectionsubdivision to be distributed to a
6		park district must be equal to the percentage of the city share of state aid
7		distribution fund allocations that park district received during calendar year 1996,
8		up to a maximum of thirty percent. The governing boards of the city and park
9		district may agree to a different distribution.
10	<u>2.</u>	The state treasurer shall allocate one-half of the revenues among counties in
11		proportion to the share each county receives of all allocations among counties under
12		subsection 1. All revenue received by each county under this subsection may be
13		expended by the county only for county infrastructure projects.

SECTION 2. EFFECTIVE DATE - **EXPIRATION DATE**. This Act is effective for taxable events occurring after June 30, 2015, and before July 1, 2017, and is thereafter ineffective.