

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1019

Page 1, line 2, replace "and to provide a statement of" with "to amend and reenact section 57-39.2-26.1 of the North Dakota Century Code, relating to deposit and allocation of sales tax revenues in the state aid distribution fund; to repeal sections 54-27-20.2, 54-27-20.3, and chapter 57-58 of the North Dakota Century Code, relating to state revenue sharing distribution and personal property tax replacement; and to provide an effective date."

Page 1, remove line 3

Page 1, line 9, replace "biennium" with "period" and replace "June 30, 1999" with "December 31, 1998"

Page 1, line 11, replace "51,500,000" with "38,625,000"

Page 1, line 12, replace "51,500,000" with "38,625,000"

Page 1, replace lines 13 through 19 with:

"SECTION 2. 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 sales, use, and motor vehicle excise tax revenues to revenue sharing and personal property tax replacement among political subdivisions. Notwithstanding any other provision of law, a portion of sales, use, and motor vehicle excise tax collections equal to ~~sixty~~ forty 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, use, and motor vehicle excise tax collections under chapters 57-39.2, 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, use, and motor vehicle excise tax net revenues that must be deposited in the state aid distribution fund as determined under this section. The Revenues deposited in the state aid distribution fund are provided as a standing and continuing appropriation and must be allocated, subject to legislative appropriation, as follows:

1. Fifty percent of the revenues must be allocated in the first month subsequent to each quarterly period for state revenue sharing as provided in sections 54-27-20.2 and 54-27-20.3. 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 subsection.
 - a. Ten and four-tenths percent of the amount must be allocated among counties with a population of one hundred thousand or more, based upon the proportion each such county's population bears to the total population of all such counties.
 - b. Eighteen percent of the amount must be allocated among counties with a population of forty thousand or more but fewer than one hundred thousand, based upon the proportion each such county's population bears to the total population of all such counties.

- c. Twelve percent of the amount must be allocated among counties with a population of twenty thousand or more but fewer than forty thousand, based upon the proportion each such county's population bears to the total population of all such counties.
- d. Fourteen percent of the amount must be allocated among counties with a population of ten thousand or more but fewer than twenty thousand, based upon the proportion each such county's population bears to the total population of all such counties.
- e. Twenty-three and two-tenths percent of the amount must be allocated among counties with a population of five thousand or more but fewer than ten thousand, based upon the proportion each such county's population bears to the total population of all such counties.
- f. Eighteen and three-tenths percent of the amount must be allocated among counties with a population of two thousand five hundred or more but fewer than five thousand, based upon the proportion each such county's population bears to the total population of all such counties.
- g. Four and one-tenth percent of the amount must be allocated among counties with a population of fewer than two thousand five hundred, based upon the proportion each such county's population bears to the total population of all such counties.

A county shall deposit all revenues received under this subsection in the county general fund. Each county shall reserve a portion of its allocation under this subsection for further distribution to, or expenditure on behalf of, townships, rural fire protection districts, rural ambulance districts, soil conservation districts, county recreation service districts, county hospital districts, the Garrison diversion conservancy district, the southwest water authority, and other taxing districts within the county, excluding school districts, cities, and taxing districts within cities. The share of the county allocation under this subsection to be distributed to a township must be equal to the percentage of the county share of state aid distribution fund allocations that township received during calendar year 1996. The governing boards of the county and township may agree to a different distribution.

- 2. Fifty percent of the revenues must be allocated for personal property tax replacement as provided in section 57-58-04. Forty-six and three-tenths percent of the revenues must be allocated to cities in the first month after each quarterly period as provided in this subsection.
 - a. Fifty-three and nine-tenths percent of the amount must be allocated among cities with a population of twenty thousand or more, based upon the proportion each such city's population bears to the total population of all such cities.
 - b. Sixteen percent of the amount must be allocated among cities with a population of ten thousand or more but fewer than twenty thousand, based upon the proportion each such city's population bears to the total population of all such cities.
 - c. Four and nine-tenths percent of the amount must be allocated among cities with a population of five thousand or more but fewer than ten thousand, based upon the proportion each such city's population bears to the total population of all such cities.

- d. Thirteen and one-tenth percent of the amount must be allocated among cities with a population of one thousand or more but fewer than five thousand, based upon the proportion each such city's population bears to the total population of all such cities.
- e. Six and four-tenths percent of the amount must be allocated among cities with a population of five hundred or more but fewer than one thousand, based upon the proportion each such city's population bears to the total population of all such cities.
- f. Three and five-tenths percent of the amount must be allocated among cities with a population of two hundred or more but fewer than five hundred, based upon the proportion each such city's population bears to the total population of all such cities.
- g. Two and two-tenths percent of the amount must be allocated among cities with a population of fewer than two hundred, based upon the proportion each such city's population bears to the total population of all such cities.

A city shall deposit all revenues received under this subsection in the city general fund. Each city shall reserve a portion of its allocation under this subsection for further distribution to, or expenditure on behalf of, park districts and other taxing districts within the city, excluding school districts. The share of the city allocation under this subsection to be distributed to a park district must be equal to the percentage of the city share of state aid distribution fund allocations that park district received during calendar year 1996, up to a maximum of thirty percent. The governing boards of the city and park district may agree to a different distribution.

SECTION 3. REPEAL. Sections 54-27-20.2 and 54-27-20.3 and chapter 57-58 of the North Dakota Century Code are repealed.

SECTION 4. EFFECTIVE DATE. Sections 2 and 3 of this Act are effective on January 1, 1999."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 85 - PAYMENTS TO POLITICAL SUBDIVISIONS

HOUSE - This amendment reduces the amount of funding deposited in the state aid distribution fund from an amount equal to 60 percent of one percent of the net sales, use, and motor vehicle excise tax collections to an amount equal to 40 percent of one percent of the net sales, use, and motor vehicle excise tax collections. In addition the amendment provides that revenues deposited in the state aid distribution fund are appropriated as a continuing appropriation. This change becomes effective January 1, 1999.

The appropriation was reduced to cover the first 18 months of the biennium (the period beginning July 1, 1997, and ending December 31, 1998) after which time the funds are appropriated through a continuing appropriation. The appropriation was thereby reduced from \$51,500,000 to \$38,625,000, a reduction of \$12,875,000. The reduction in the appropriation does not reflect a decrease in the payments to political subdivisions. The \$51,500,000 was decreased proportionately for the time period the appropriation is to cover.