

**FIRST ENGROSSMENT
with Senate Amendments**Fifty-fifth
Legislative Assembly
of North Dakota**ENGROSSED HOUSE BILL NO. 1019**

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to make an appropriation for the distribution of state aid distribution fund
2 revenue to political subdivisions of the state of North Dakota; to amend and reenact section
3 57-39.2-26.1 of the North Dakota Century Code, relating to deposit and allocation of sales tax
4 revenues in the state aid distribution fund; to repeal sections 54-27-20.2, 54-27-20.3, and
5 chapter 57-58 of the North Dakota Century Code, relating to state revenue sharing distribution
6 and personal property tax replacement; and to provide an effective date.

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

8 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the
9 funds as may be necessary, are hereby appropriated out of any moneys in the state aid
10 distribution fund in the state treasury, not otherwise appropriated, to the state treasurer of the
11 state of North Dakota for the purpose of distributing state aid distribution fund revenue to
12 political subdivisions, for the period beginning July 1, 1997, and ending December 31, 1998, as
13 follows:

14 Grants	<u>\$ 54,535,700</u>
15 Total state aid distribution fund appropriation	\$ 54,535,700

16 **SECTION 2. AMENDMENT.** Section 57-39.2-26.1 of the North Dakota Century Code
17 is amended and reenacted as follows:

18 **57-39.2-26.1. Allocation of sales, use, and motor vehicle excise tax revenues to**
19 **~~revenue sharing and personal property tax replacement among political subdivisions.~~**

20 Notwithstanding any other provision of law, a portion of sales, use, and motor vehicle excise tax
21 collections equal to ~~sixty~~ forty percent of an amount determined by multiplying the quotient of
22 one percent divided by the general sales tax rate, that was in effect when the taxes were
23 collected, times the net sales, use, and motor vehicle excise tax collections under chapters
24 57-39.2, 57-40.2, and 57-40.3 must be deposited by the state treasurer in the state aid

1 distribution fund. The state tax commissioner shall certify to the state treasurer the portion of
2 sales, use, and motor vehicle excise tax net revenues that must be deposited in the state aid
3 distribution fund as determined under this section. The state aid distribution fund must be
4 allocated, subject to legislative appropriation, as follows:

- 5 1. ~~Fifty percent of the revenues must be allocated in the first month subsequent to~~
6 ~~each quarterly period for state revenue sharing as provided in sections 54-27-20.2~~
7 ~~and 54-27-20.3.~~ Fifty-three and seven-tenths percent of the revenues must be
8 allocated to counties in the first month after each quarterly period as provided in
9 this subsection.
 - 10 a. Ten and four-tenths percent of the amount must be allocated among counties
11 with a population of one hundred thousand or more, based upon the
12 proportion each such county's population bears to the total population of all
13 such counties.
 - 14 b. Eighteen percent of the amount must be allocated among counties with a
15 population of forty thousand or more but fewer than one hundred thousand,
16 based upon the proportion each such county's population bears to the total
17 population of all such counties.
 - 18 c. Twelve percent of the amount must be allocated among counties with a
19 population of twenty thousand or more but fewer than forty thousand, based
20 upon the proportion each such county's population bears to the total
21 population of all such counties.
 - 22 d. Fourteen percent of the amount must be allocated among counties with a
23 population of ten thousand or more but fewer than twenty thousand, based
24 upon the proportion each such county's population bears to the total
25 population of all such counties.
 - 26 e. Twenty-three and two-tenths percent of the amount must be allocated among
27 counties with a population of five thousand or more but fewer than ten
28 thousand, based upon the proportion each such county's population bears to
29 the total population of all such counties.
 - 30 f. Eighteen and three-tenths percent of the amount must be allocated among
31 counties with a population of two thousand five hundred or more but fewer

1 than five thousand, based upon the proportion each such county's population
2 bears to the total population of all such counties.

- 3 g. Four and one-tenth percent of the amount must be allocated among counties
4 with a population of fewer than two thousand five hundred, based upon the
5 proportion each such county's population bears to the total population of all
6 such counties.

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

- 18 2. ~~Fifty percent of the revenues must be allocated for personal property tax~~
19 ~~replacement as provided in section 57-58-01.~~ Forty-six and three-tenths percent of
20 the revenues must be allocated to cities in the first month after each quarterly
21 period as provided in this subsection.

- 22 a. Fifty-three and nine-tenths percent of the amount must be allocated among
23 cities with a population of twenty thousand or more, based upon the
24 proportion each such city's population bears to the total population of all such
25 cities.

- 26 b. Sixteen percent of the amount must be allocated among cities with a
27 population of ten thousand or more but fewer than twenty thousand, based
28 upon the proportion each such city's population bears to the total population
29 of all such cities.

- 30 c. Four and nine-tenths percent of the amount must be allocated among cities
31 with a population of five thousand or more but fewer than ten thousand,

1 based upon the proportion each such city's population bears to the total
2 population of all such cities.

3 d. Thirteen and one-tenth percent of the amount must be allocated among cities
4 with a population of one thousand or more but fewer than five thousand,
5 based upon the proportion each such city's population bears to the total
6 population of all such cities.

7 e. Six and four-tenths percent of the amount must be allocated among cities with
8 a population of five hundred or more but fewer than one thousand, based
9 upon the proportion each such city's population bears to the total population
10 of all such cities.

11 f. Three and five-tenths percent of the amount must be allocated among cities
12 with a population of two hundred or more but fewer than five hundred, based
13 upon the proportion each such city's population bears to the total population
14 of all such cities.

15 g. Two and two-tenths percent of the amount must be allocated among cities
16 with a population of fewer than two hundred, based upon the proportion each
17 such city's population bears to the total population of all such cities.

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

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

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