

SENATE BILL NO. 2080

Introduced by

Finance and Taxation 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 allocation of 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**
7 **state, counties, and cities.** A highway tax distribution fund is hereby created as a special fund
8 in the state treasury into which must be deposited the moneys available by law from collections
9 of motor vehicle registration and related fees, fuels taxes, special fuels taxes, use taxes, and
10 special fuels excise taxes. Any moneys in the highway tax distribution fund must be allocated
11 and transferred monthly by the state treasurer, as follows:

- 12 1. Sixty-three percent of such moneys must be transferred monthly to the state
13 department of transportation and placed in a state highway fund.
- 14 2. Thirty-seven percent of such moneys must be allocated to the counties of this state
15 in proportion to the number of motor vehicle registrations credited to each county.
16 Each county must be credited with the certificates of title of all motor vehicles
17 registered by residents of such county. The state treasurer shall compute and
18 distribute the counties' share monthly after deducting the incorporated cities' share.
19 All the moneys received by the counties from the highway tax distribution fund
20 must be set aside in a separate fund called the "highway tax distribution fund" and
21 must be appropriated and applied solely for highway purposes in accordance with
22 section 11 of article X of the Constitution of North Dakota. The state treasurer shall
23 compute and distribute monthly ~~twenty-seven percent of~~ the sums allocated to
24 ~~each county to~~ the incorporated cities within ~~such~~ each county according to the

1 formula in this subsection on the basis of the per capita population of all of the
2 incorporated cities situated within ~~such~~ each county as determined by the last
3 official regular or special federal census or the census taken in accordance with the
4 provisions of chapter 40-02 in case of a city incorporated subsequent to such
5 census. Provided, however, that in each county having a city with a population of
6 ten thousand or more, the amount transferred each month into the county highway
7 tax distribution fund must be the difference between the amount allocated to that
8 county pursuant to this subsection and the total amount allocated and distributed to
9 the incorporated cities in that county as computed according to the following
10 formula:

- 11 a. ~~Twenty-seven~~ A statewide per capita average as determined by calculating
12 twenty-seven percent of the amount allocated to all of the counties under this
13 subsection ~~must be the incorporated cities' share and must be~~ divided by the
14 total population of all of the incorporated cities in the state ~~to determine the~~
15 ~~statewide per capita average.~~
- 16 b. The share distributed to each city in the county having a population of less
17 than one thousand must be determined by multiplying the population of that
18 city by the product of 1.50 times the statewide per capita average computed
19 under subdivision a.
- 20 c. The share distributed to each city in the county having a population of one
21 thousand to four thousand nine hundred ninety-nine, inclusive, must be
22 determined by multiplying the population of that city by the product of 1.25
23 times the statewide per capita average computed under subdivision a.
- 24 d. The share distributed to each city in the county having a population of five
25 thousand or more must be determined by multiplying the population of that
26 city by the statewide per capita average for all such cities, which per capita
27 average must be computed as follows: the total of the shares computed
28 under subdivisions b and c for all cities in the state having a population of less
29 than five thousand must be subtracted from the total incorporated cities' share
30 in the state as computed under subdivision a and the balance remaining must

1 then be divided by the total population of all cities of five thousand or more in
2 the state.

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