

**HOUSE BILL NO. 1089**

Introduced by

Transportation Committee

(At the request of the State Treasurer)

1 A BILL for an Act to create and enact a new section to chapter 54-27 of the North Dakota  
2 Century Code, relating to effective dates of federal census data for use in tax distributions made  
3 by the state treasurer; to amend and reenact section 54-27-19 of the North Dakota Century  
4 Code, relating to the highway tax distribution fund; to provide for retroactive application; and to  
5 declare an emergency.

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

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

9 **54-27-19. Highway tax distribution fund - State treasurer to make allocation to state,**  
10 **counties, and cities.**

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

- 19 1. Sixty-one and three-tenths percent must be transferred monthly to the state  
20 department of transportation and placed in a state highway fund.
- 21 2. Two and seven-tenths percent must be transferred monthly to the township highway  
22 fund.
- 23 3. One and five-tenths percent must be transferred monthly to the public transportation  
24 fund.

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

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

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

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

29          b- (2) The share distributed to each city in the county having a population of less  
30               than one thousand must be determined by multiplying the population of that

1 city by the product of 1.50 times the statewide per capita average computed  
2 under subdivision a.

3 e. (3) The share distributed to each city in the county having a population of one  
4 thousand to four thousand nine hundred ninety-nine, inclusive, must be  
5 determined by multiplying the population of that city by the product of 1.25  
6 times the statewide per capita average computed under subdivision a.

7 e. (4) The share distributed to each city in the county having a population of five  
8 thousand or more must be determined by multiplying the population of that  
9 city by the statewide per capita average for all such cities, which per capita  
10 average must be computed as follows: the total of the shares computed  
11 under subdivisions b and c for all cities in the state having a population of  
12 less than five thousand must be subtracted from the total incorporated cities'  
13 share in the state as computed under subdivision a and the balance  
14 remaining must then be divided by the total population of all cities of five  
15 thousand or more in the state.

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

23 **SECTION 2.** A new section to chapter 54-27 of the North Dakota Century Code is created  
24 and enacted as follows:

25 **Effective date of census data - Tax distributions.**

26 Unless otherwise provided by this code, the effective date for federal decennial census data  
27 on any population-based tax distributions made by the state treasurer is July first following the  
28 release of the federal decennial census data.

29 **SECTION 3. RETROACTIVE APPLICATION.** Section 2 of this Act is retroactive in  
30 application to March 1, 2011.

31 **SECTION 4. EMERGENCY.** This Act is declared to be an emergency measure.