

**SENATE BILL NO. 2253
with House Amendments
SENATE BILL NO. 2253**

Sixty-second
Legislative Assembly
of North Dakota

Introduced by

Senators Olafson, Andrist, Dotzenrod

Representative Froseth

1 A BILL for an Act to amend and reenact section 57-39.2-26.1 of the North Dakota Century
2 Code, relating to the allocation of funds in the state aid distribution fund; and to provide an
3 effective date.

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

5 **SECTION 1. AMENDMENT.** Section 57-39.2-26.1 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **57-39.2-26.1. Allocation of revenues among political subdivisions.**

8 Notwithstanding any other provision of law, a portion of sales, gross receipts, use, and
9 motor vehicle excise tax collections, equal to forty percent of an amount determined by
10 multiplying the quotient of one percent divided by the general sales tax rate, that was in effect
11 when the taxes were collected, times the net sales, gross receipts, use, and motor vehicle
12 excise tax collections under chapters 57-39.2, 57-39.5, 57-39.6, 57-40.2, and 57-40.3 must be
13 deposited by the state treasurer in the state aid distribution fund. The state tax commissioner
14 shall certify to the state treasurer the portion of sales, gross receipts, use, and motor vehicle
15 excise tax net revenues that must be deposited in the state aid distribution fund as determined
16 under this section. Revenues deposited in the state aid distribution fund are provided as a
17 standing and continuing appropriation and must be allocated as follows:

- 18 1. Fifty-three and seven-tenths percent of the revenues must be allocated to counties in
19 the first month after each quarterly period as provided in this subsection.
- 20 a. Sixty-four percent of the amount must be allocated among the seventeen
21 counties with the greatest population, in the following manner:
 - 22 (1) Thirty-two percent of the amount must be allocated equally among the
23 counties; and

- 1 (2) The remaining amount must be allocated based upon the proportion each
2 such county's population bears to the total population of all such counties.
- 3 b. Thirty-six percent of the amount must be allocated among all counties, excluding
4 the seventeen counties with the greatest population, in the following manner:
- 5 (1) Forty percent of the amount must be allocated equally among the counties;
6 and
- 7 (2) The remaining amount must be allocated based upon the proportion each
8 such county's population bears to the total population of all such counties.

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

- 20 2. Forty-six and three-tenths percent of the revenues must be allocated to cities in the
21 first month after each quarterly period ~~as provided in this subsection~~based upon the
22 proportion each city's population bears to the total population of all cities.
- 23 a. ~~Nineteen and four-tenths percent of the amount must be allocated among cities~~
24 ~~with a population of eighty thousand or more, based upon the proportion each~~
25 ~~city's population bears to the total population of all such cities.~~
- 26 b. ~~Thirty-four and five-tenths percent of the amount must be allocated among cities~~
27 ~~with a population of twenty thousand or more but fewer than eighty thousand,~~
28 ~~based upon the proportion each such city's population bears to the total~~
29 ~~population of all such cities.~~
- 30 e. ~~Sixteen percent of the amount must be allocated among cities with a population~~
31 ~~of ten thousand or more but fewer than twenty thousand, based upon the~~

- 1 proportion each such city's population bears to the total population of all such-
- 2 cities.
- 3 d. Four and nine-tenths percent of the amount must be allocated among cities with-
- 4 a population of five thousand or more but fewer than ten thousand, based upon-
- 5 the proportion each such city's population bears to the total population of all such-
- 6 cities.
- 7 e. Thirteen and one-tenth percent of the amount must be allocated among cities-
- 8 with a population of one thousand or more but fewer than five thousand, based-
- 9 upon the proportion each such city's population bears to the total population of all-
- 10 such cities.
- 11 f. Six and one-tenth percent of the amount must be allocated among cities with a-
- 12 population of five hundred or more but fewer than one thousand, based upon the-
- 13 proportion each such city's population bears to the total population of all such-
- 14 cities.
- 15 g. Three and four-tenths percent of the amount must be allocated among cities with-
- 16 a population of two hundred or more but fewer than five hundred, based upon the-
- 17 proportion each such city's population bears to the total population of all such-
- 18 cities.
- 19 h. Two and six-tenths percent of the amount must be allocated among cities with a-
- 20 population of fewer than two hundred, based upon the proportion each such city's-
- 21 population bears to the total population of all such cities.

22 A city shall deposit all revenues received under this subsection in the city general fund.

23 Each city shall reserve a portion of its allocation under this subsection for further

24 distribution to, or expenditure on behalf of, park districts and other taxing districts

25 within the city, excluding school districts. The share of the city allocation under this

26 subsection to be distributed to a park district must be equal to the percentage of the

27 city share of state aid distribution fund allocations that park district received during

28 calendar year 1996, up to a maximum of thirty percent. The governing boards of the

29 city and park district may agree to a different distribution.

30 **SECTION 2. EFFECTIVE DATE.** This Act becomes effective on July 1, 2011.