

**HOUSE BILL NO. 1472**

Introduced by

Representative Kelsh

1 A BILL for an Act amend and reenact section 57-39.2-26.1 of the North Dakota Century Code,  
2 relating to increased allocation of sales, gross receipts, use, and motor vehicle excise tax  
3 collections to the state aid distribution fund to provide increased allocations to political  
4 subdivisions; to provide continuing appropriations; and to provide an effective date.

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

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

8 **57-39.2-26.1. Allocation of revenues among political subdivisions.**

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

19 1. The state treasurer shall allocate one-half of the revenues as follows:

20 a. Fifty-three and seven-tenths percent of the revenues must be allocated to  
21 counties in the first month after each quarterly period as provided in this  
22 subsectionsubdivision.

23 a. (1) Sixty-four percent of the amount must be allocated among the seventeen  
24 counties with the greatest population, in the following manner:

1                   (1)(a) Thirty-two percent of the amount must be allocated equally  
2                   among the counties; and

3                   (2)(b) The remaining amount must be allocated based upon the  
4                   proportion each such county's population bears to the total population  
5                   of all such counties.

6           b. (2) Thirty-six percent of the amount must be allocated among all counties,  
7           excluding the seventeen counties with the greatest population, in the  
8           following manner:

9                   (1)(a) Forty percent of the amount must be allocated equally among  
10                  the counties; and

11                  (2)(b) The remaining amount must be allocated based upon the  
12                  proportion each such county's population bears to the total population  
13                  of all such counties.

14           (3) A county shall deposit all revenues received under this  
15           ~~subsection~~subdivision in the county general fund. Each county shall reserve  
16           a portion of its allocation under this subsection for further distribution to, or  
17           expenditure on behalf of, townships, rural fire protection districts, rural  
18           ambulance districts, soil conservation districts, county recreation service  
19           districts, county hospital districts, the Garrison Diversion Conservancy  
20           District, the southwest water authority, and other taxing districts within the  
21           county, excluding school districts, cities, and taxing districts within cities.  
22           The share of the county allocation under this subsection to be distributed to  
23           a township must be equal to the percentage of the county share of state aid  
24           distribution fund allocations that township received during calendar year  
25           1996. The governing boards of the county and township may agree to a  
26           different distribution.

27           2. b. Forty-six and three-tenths percent of the revenues must be allocated to cities in  
28           the first month after each quarterly period based upon the proportion each city's  
29           population bears to the total population of all cities.

30                   A city shall deposit all revenues received under this ~~subsection~~subdivision in  
31           the city general fund. Each city shall reserve a portion of its allocation under this

1                    ~~subsection~~subdivision for further distribution to, or expenditure on behalf of, park  
2                    districts and other taxing districts within the city, excluding school districts. The  
3                    share of the city allocation under this ~~subsection~~subdivision to be distributed to a  
4                    park district must be equal to the percentage of the city share of state aid  
5                    distribution fund allocations that park district received during calendar year 1996,  
6                    up to a maximum of thirty percent. The governing boards of the city and park  
7                    district may agree to a different distribution.

8                    2. The state treasurer shall allocate one-half of the revenues among counties in  
9                    proportion to the share each county receives of all allocations among counties under  
10                   subsection 1. All revenue received by each county under this subsection may be  
11                   expended by the county only for county infrastructure projects.

12                   **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable events occurring after  
13                   June 30, 2015.