

Sixty-fifth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2206

Introduced by

Senators Bekkedahl, Burckhard, Cook

Representatives Dockter, Nathe, Weisz

1 A BILL ~~for an Act to create and enact chapter 50-34 and a new section to chapter 57-20 of the~~
 2 ~~North Dakota Century Code, relating to the transition of funding responsibility for county social~~
 3 ~~services from the counties to the state and a credit against payments in lieu of taxes paid by~~
 4 ~~centrally assessed companies; to amend and reenact sections 11-23-01, 50-01.2-03.2,~~
 5 ~~50-06-05.8, 50-06.2-04, subsection 3 of section 57-15-01.1, sections 57-15-06 and 57-15-06.7,~~
 6 ~~and subdivision c of subsection 1 of section 57-20-07.1 of the North Dakota Century Code,~~
 7 ~~relating to county and multicounty social service board budgets, county general fund levy~~
 8 ~~limitations, and property tax statements; to repeal chapter 50-03 and sections 50-06-20.1,~~
 9 ~~50-06.2-05, and 57-20-07.2 of the North Dakota Century Code, relating to the county human~~
 10 ~~services fund, the human services grant program, county property tax levy authority for social~~
 11 ~~services, and the state-paid property tax relief credit; and to provide an effective date.~~ for an Act
 12 to provide for the development of an implementation plan for state-funded county social
 13 services; and to provide for a report to the legislative assembly.

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

15 **SECTION 1. AMENDMENT.** ~~Section 11-23-01 of the North Dakota Century Code is~~
 16 ~~amended and reenacted as follows:~~
 17 ~~— 11-23-01. Officers required to furnish commissioners with departmental budget.~~
 18 ~~— 1. Every officer in charge of any institution, office, or undertaking supported wholly or in~~
 19 ~~part by the county shall file with the board of county commissioners a departmental budget that~~
 20 ~~is prescribed by the state auditor. The departmental budget must include an itemized statement~~
 21 ~~of the estimated amount of money that will be required for the maintenance, operation, or~~
 22 ~~improvement of the institution, office, or undertaking for the ensuing year. The board of county~~
 23 ~~commissioners may require additional information to clarify the departmental budget.~~

- 1 ~~2. a. The departmental budget submitted by the county social service board in 2015-~~
2 ~~for the 2016 budget may not exceed an amount determined using the-~~
3 ~~departmental budget submitted in 2014 by the county social service board as a-~~
4 ~~starting point, subtracting the reduction in the county's social service funding-~~
5 ~~responsibility for 2014 derived from transferring the county social service costs-~~
6 ~~identified in this subdivision from the county social service board to the-~~
7 ~~department of human services, and applying to the resulting amount the-~~
8 ~~percentage salary and benefits increase provided by legislative appropriations for-~~
9 ~~state employees for taxable year 2015. For purposes of this subdivision, the-~~
10 ~~reduction in the county's social service funding responsibility derived from-~~
11 ~~transferring the county social service costs identified in this subdivision from the-~~
12 ~~county social service board to the department of human services includes the-~~
13 ~~following:~~
- 14 ~~———— (1) Foster care and subsidized adoption costs that would have been paid by the-~~
15 ~~county after December 31, 2015;~~
- 16 ~~———— (2) The county's share of grant costs for medical assistance in the form of-~~
17 ~~payments for care furnished to recipients of therapeutic foster care services-~~
18 ~~which would have been paid by the county after December 31, 2015;~~
- 19 ~~———— (3) The county's share of the costs for service payments to the elderly and-~~
20 ~~disabled which would have been paid by the county after December 15,~~
21 ~~2015;~~
- 22 ~~———— (4) The county's share of salary and benefits for family preservation services-~~
23 ~~pursuant to section 50-06-05.8 which would have been paid by the county-~~
24 ~~after December 31, 2015;~~
- 25 ~~———— (5) The county's share of the cost of the electronic benefits transfers for the-~~
26 ~~supplemental nutrition assistance program which would have been paid by-~~
27 ~~the county after December 31, 2015; and~~
- 28 ~~———— (6) The computer processing costs which would have been paid by the county-~~
29 ~~after December 31, 2015, which exceed the county's costs of operation of-~~
30 ~~the technical eligibility computer system in calendar year 1995 increased by-~~

1 the increase in the consumer price index for all urban consumers (all items,
2 United States city average) after January 1, 1996.

3 ~~_____ b. The departmental budget submitted by the county social service board in 2016-~~
4 ~~for the 2017 budget may not exceed an amount determined using the 2015-~~
5 ~~departmental budget as a starting point and applying to that amount the~~
6 ~~percentage salary and benefits increase provided by legislative appropriations for~~
7 ~~state employees for 2016.~~

8 ~~_____ c. The budget must include a statement identifying the total savings to the county-~~
9 ~~as shown by a reduction in the amounts that otherwise would have been paid by~~
10 ~~the county to the department of human services for the costs identified in-~~
11 ~~subdivision a. The department of human services shall determine the appropriate-~~
12 ~~amount of what each county's costs would have been to help identify each~~
13 ~~county's total savings.~~

14 ~~_____ The county share of the human service budget must be funded entirely from~~
15 ~~the county's property tax levy for that purpose and the county may not use funds~~
16 ~~from any other source to supplement the human services budget, with the~~
17 ~~exception that the county may make use of the identifiable amount of other~~
18 ~~sources the county has used to supplement its human services budget for 2015-~~
19 ~~and the county may use grant funds that may be available to the county under~~
20 ~~section 50-06-20.1.~~

21 ~~_____ d. The department of human services shall develop a process to review a request-~~
22 ~~from a county social service board for any proposed increase in staff needed as a~~
23 ~~result of significantly increased caseloads for state-funded human services-~~
24 ~~programs, if the increase in staff would result in the county exceeding the budget~~
25 ~~limitation established under this subsection. As part of its review process, the~~
26 ~~department shall review countywide caseload information and consider the option-~~
27 ~~of multicounty sharing of staff. If the department approves a request for a~~
28 ~~proposed increase in staff, the county budget limitation established under~~
29 ~~subdivision b may be increased by the amount determined necessary by the~~
30 ~~department to fund the approved additional staff.~~

1 ~~— **SECTION 2. AMENDMENT.** Section 50-01.2-03.2 of the North Dakota Century Code is~~
2 ~~amended and reenacted as follows:~~

3 ~~— **50-01.2-03.2. County duties – Financing in exceptional circumstances.**~~

4 ~~— 1. Each county social service board shall administer, under the direction and supervision of~~
5 ~~the department:~~

6 ~~— a.1. Locally administered economic assistance and social service programs;~~

7 ~~— b.2. Replacement programs with substantially similar goals, benefits, or objectives; and~~

8 ~~— c.3. When necessary, experimental, pilot, or transitional programs with substantially similar~~
9 ~~goals, benefits, or objectives.~~

10 ~~— 2. From the abstract of tax list prepared pursuant to section 57-20-04, each county shall~~
11 ~~annually provide the department of human services a report of the total mills levied for~~
12 ~~human service purposes pursuant to sections 50-03-01, 50-03-06, and 50-06.2-05,~~
13 ~~and the countywide value of a mill in each county. Upon receipt of reports from all~~
14 ~~counties, the department shall determine the statewide average of the mill levies and~~
15 ~~identify each county that levied ten mills more than that average. Each identified~~
16 ~~county is entitled to a share of funds appropriated for distribution under this~~
17 ~~subsection. Each identified county's share is determined by:~~

18 ~~— a. Reducing its mill levy necessary to meet the costs of providing human services~~
19 ~~required under this title by the statewide average mill levy determined under this~~
20 ~~subsection plus ten mills;~~

21 ~~— b. Determining the amount that could have been raised in that county and year~~
22 ~~through a mill levy in the amount calculated under subdivision a;~~

23 ~~— c. Totaling the amounts determined under subdivision b for all counties entitled to a~~
24 ~~distribution;~~

25 ~~— d. Calculating a decimal fraction equal to each identified county's proportionate~~
26 ~~share of the total determined under subdivision c; and~~

27 ~~— e. Multiplying that decimal fraction times one-half of the biennial appropriation.~~

28 ~~— 3. Notwithstanding any other provisions of law, the department shall reimburse county~~
29 ~~social service boards for expenses of locally administered economic assistance~~
30 ~~programs in counties in which the percentage of that county's average total~~
31 ~~supplemental nutrition assistance program caseload for the previous fiscal year which~~

1 reside on federally recognized Indian reservation lands is ten percent or more. The
2 reimbursement must be such that:

3 ~~a. An affected county's actual direct costs and indirect costs allocated based on a~~
4 ~~percentage of each county's direct economic assistance and social services~~
5 ~~costs for locally administered economic assistance programs will be reimbursed~~
6 ~~at the percentage of that county's average total supplemental nutrition assistance~~
7 ~~program caseload for the previous state fiscal year which reside on federally~~
8 ~~recognized Indian reservation land not to exceed ninety percent;~~

9 ~~b. The affected counties will receive quarterly payments based on the actual county~~
10 ~~direct and indirect costs, as provided in subdivision a, for the previous state fiscal~~
11 ~~year;~~

12 ~~c. At the end of each fiscal year the actual quarterly payments paid must be~~
13 ~~reconciled to the current year of calculation of actual direct and indirect costs as~~
14 ~~provided in subdivision a and supplemental nutrition assistance program~~
15 ~~caseload and counties must be compensated accordingly in the first quarter of~~
16 ~~the new fiscal year; and~~

17 ~~d. The reimbursement will be calculated for each county and reported to the county~~
18 ~~social service board prior to September first.~~

19 ~~**SECTION 3. AMENDMENT.** Section 50-06-05.8 of the North Dakota Century Code is~~
20 ~~amended and reenacted as follows:~~

21 ~~**50-06-05.8. Department to assume certain costs of certain economic assistance and**~~
22 ~~**social service programs.**~~

23 ~~Notwithstanding section 50-06.2-05, or any other provision in title 50 to the contrary, and in~~
24 ~~addition to the programs identified in section 50-06-20, the~~The ~~department of human services~~
25 ~~shall pay the local~~each service area's ~~expenses of administration incurred by a county for~~
26 ~~administering economic assistance and social service programs for calendar years after~~
27 ~~December 31, 2015, for family preservation programs; a county's share of the cost of the~~
28 ~~electronic benefits transfers for the supplemental nutrition assistance program incurred after~~
29 ~~December 31, 2015; and the computer processing costs incurred by the county after December~~
30 ~~31, 2015, which exceed the county's costs of operation of the technical eligibility computer~~
31 ~~system in calendar year 1995 increased by the increase in the consumer price index for all~~

1 ~~urban consumers (all items, United States city average) after January 1, 19962017, based on-~~
2 ~~the formula payment amount calculated for each service area under chapter 50-34.~~

3 ~~— **SECTION 4. AMENDMENT.** Section 50-06.2-04 of the North Dakota Century Code is-~~
4 ~~amended and reenacted as follows:~~

5 ~~— **50-06.2-04. Powers and duties of county agencies.**~~

6 ~~— Each county agency has the following powers and duties under this chapter:~~

7 ~~— 1. To administer comprehensive human services programs for individuals and families at~~
8 ~~the county level in conformity with state and federal requirements under the direction-~~
9 ~~and supervision of the state agency.~~

10 ~~— 2. To publish and provide to the state agency a county human services plan which must~~
11 ~~include the following:~~

12 ~~— a. A statement of the goals of county human services programs in the county.~~

13 ~~— b. Methods used to identify persons in need of services and the social problems to~~
14 ~~be addressed by the county human services programs.~~

15 ~~— c. A description of each county human service proposed and identification of the~~
16 ~~agency or person proposed to provide the service.~~

17 ~~— d. The amount of money proposed to be allocated to each service.~~

18 ~~— e. An agreement to make available those human services required by state law and~~
19 ~~by federal law or regulation as a condition for the receipt of federal financial-~~
20 ~~participation in programs administered by county agencies under the provisions-~~
21 ~~of this title.~~

22 ~~The date of submission of the county human services plan to the state agency must~~
23 ~~be determined so that the plan is coordinated with the proposed and final~~
24 ~~comprehensive human services plan.~~

25 ~~— 3. To make available the human services detailed in the comprehensive human services-~~
26 ~~plan which the county agency has included in the approved county plan and to provide~~
27 ~~such other human services as the county agency determines essential in effectuating-~~
28 ~~the purposes of this chapter within the county. To the extent funding is available under~~
29 ~~section 50-06.2-03 and chapter 50-24.1, the county plan must include the services-~~
30 ~~enumerated in those sections. The county agency shall make these services available~~
31 ~~to any individual requesting service and determined eligible on the basis of a~~

1 ~~functional assessment conducted in accordance with state and federal laws and~~
2 ~~regulations. The individual shall pay for the services in accordance with a fee scale~~
3 ~~based on family size and income. The county agency may contract with any qualified~~
4 ~~service provider in its provision of those enumerated services.~~

5 ~~4. To submit annually to the board of county commissioners a budget containing an~~
6 ~~estimate and supporting data, setting forth the county funds needed to carry out the~~
7 ~~provisions of this chapter.~~

8 ~~**SECTION 5.** Chapter 50-34 of the North Dakota Century Code is created and enacted as~~
9 ~~follows:~~

10 ~~**50-34-01. Definitions.**~~

11 ~~As used in this chapter, unless the context otherwise requires:~~

12 ~~1. "Base year" means calendar year 2015.~~

13 ~~2. "Case month" means the provision of economic assistance or social services to one~~
14 ~~individual for the period of one month or the provision of energy assistance through~~
15 ~~the low income home energy assistance program for the period beginning October first~~
16 ~~of each year and ending May thirty-first of the following year.~~

17 ~~3. "Director" means the executive director of the department of human services or the~~
18 ~~executive director's designee.~~

19 ~~4. "Economic assistance adjusted base year gross expenditures" means an amount~~
20 ~~calculated by increasing the service area's base year economic assistance gross~~
21 ~~expenditures by five percent per year in calendar years 2016 and 2017.~~

22 ~~5. "Service area" means a county or consolidated group of counties administering~~
23 ~~economic assistance and social service programs within a designated area.~~

24 ~~6. "Social service adjusted base year gross expenditures" means an amount calculated~~
25 ~~by increasing the service area's base year social service gross expenditures by five~~
26 ~~percent per year in calendar years 2016 and 2017.~~

27 ~~**50-34-02. Formula payments to service areas – Distributions by the director.**~~

28 ~~1. The director shall calculate the total formula payment for each service area pursuant~~
29 ~~to section 50-34-07 for each calendar year based on each service area's most recently~~
30 ~~available case month data. The director shall notify each service area of the amount of~~
31 ~~its formula payment for calendar year 2018 on or before August 15, 2017. Beginning~~

~~June 1, 2018, and on or before June first of each year thereafter, the director shall notify each service area of its formula payment for the subsequent calendar year.~~

~~2. The director shall distribute fifty percent of the amount of each service area's formula payment determined under subsection 1, within the limits of legislative appropriation, on or before January tenth.~~

~~3. a. By June first of each year, the director shall recalculate the total formula payment for each service area pursuant to section 50-34-07 for the current calendar year based on each service area's most recently available case-month data.~~

~~b. If the recalculated formula payment results in an increase of five percent or less as compared to the formula payment determined under subsection 1, the director shall distribute fifty percent of the amount of each service area's formula payment determined under subsection 1, within the limits of legislative appropriation, on or before June fifteenth.~~

~~c. If the recalculated formula payment results in an increase of more than five percent as compared to the formula payment determined under subsection 1, the director shall calculate the remainder of each service area's formula payment by subtracting the amount distributed under subsection 2 from the amount determined under subdivision a. The director shall distribute the remainder of each service area's formula payment, within the limits of legislative appropriation, on or before June fifteenth.~~

~~4. For payments disbursed after calendar year 2018, the director shall subtract from a service area's June fifteenth disbursement any amount exceeding the limitation under section 50-34-08.~~

~~**50-34-03. State-paid property tax relief credit replacement - Distributions by the director.**~~

~~1. On or before October first of each year, the director shall calculate the amount payable to each county in the ensuing budget year as a result of the state-paid property tax relief credit replacement. A county's state-paid property tax relief credit replacement payment must be calculated as follows:~~

~~a. For a county located in a service area that encompasses only one county, subtract the county's service area formula payment determined under~~

1 ~~subsection 1 of section 50-34-02 from the sum of the amount the county received~~
2 ~~in calendar year 2017 pursuant to section 57-20-07.2 and fifty percent of the~~
3 ~~amount the county received in fiscal year 2015 for specified state distributions.~~

4 ~~b. For a county located in a service area that encompasses more than one county,~~
5 ~~subtract the county's share of the formula payment determined for each service~~
6 ~~area under subsection 1 of section 50-34-02 from the sum of the amount the~~
7 ~~county received in calendar year 2017 pursuant to section 57-20-07.2 and fifty~~
8 ~~percent of the county's share of specified state distributions in fiscal year 2015.~~
9 ~~The county's share of the formula payment and specified state distributions is~~
10 ~~calculated as the amount the county received in calendar year 2017 pursuant to~~
11 ~~section 57-20-07.2 proportional to the combined total amounts that all the~~
12 ~~counties in the service area received in calendar year 2017 pursuant to section~~
13 ~~57-20-07.2.~~

14 ~~2. The director shall distribute the amount of each county's state-paid property tax relief~~
15 ~~credit replacement payment determined under subsection 1, within the limits of~~
16 ~~legislative appropriation, on or before January thirty-first of each year. The amount~~
17 ~~calculated for distribution to a county under this section must be applied to reduce a~~
18 ~~county's general fund levy in accordance with subsection 3.~~

19 ~~3. On or before October fifteenth of each year, the tax commissioner shall notify each~~
20 ~~county of the amount calculated for distribution to the county under subsection 2. The~~
21 ~~county auditor shall calculate a county's required mill levy reduction by dividing the~~
22 ~~amount calculated for distribution to a county under subsection 2 by the county's~~
23 ~~current year taxable value. If the amount of a county's general fund mill levy is not~~
24 ~~sufficient to account for the entire required reduction, the county must reduce an~~
25 ~~additional county-wide levy to account for the remainder of the required reduction.~~

26 ~~4. For purposes of this section, "specified state distributions" means the amount of state~~
27 ~~and federal funding a county received in fiscal year 2015 for day care licensing, family~~
28 ~~preservation programs, child abuse and neglect services, Indian county services, and~~
29 ~~county administration.~~

~~50-34-04. Baseline funding amounts.~~

~~1. The director shall calculate each service area's base year case-month totals and direct gross expenditures. A service area's direct gross expenditures include the actual amount expended within a service area in the base year for staffing and administrative costs related to the administration of economic assistance and social service programs as well as eligible federally allowable indirect costs. For purposes of this subsection, "eligible federally allowable indirect costs" means twenty-five percent of the average of the federally allowable indirect costs allocated to each service area in calendar years 2012, 2013, and 2014.~~

~~2. The director shall calculate each service area's base rate per economic assistance case-month by dividing the service area's economic assistance net expenditures by the economic assistance case-months reported for the service area in the base year.~~

~~a. For purposes of this subsection, "economic assistance net expenditures" means the amount calculated by subtracting the amount paid to the service area in the base year for services reimbursed by medical assistance from the service area's economic assistance adjusted base year gross expenditures.~~

~~b. For calendar year 2018 formula payment calculations, the base rate per economic assistance case-month is equal to twenty-two dollars and seventy-eight cents. For calendar year 2019 formula payment calculations, the base rate per economic assistance case-month is equal to twenty-three dollars and ninety-two cents.~~

~~3. The director shall calculate each service area's base rate per social service case-month by dividing the service area's social service net expenditures by the social service case-months reported for the service area in the base year.~~

~~a. For purposes of this subsection, "social service net expenditures" means the amount calculated by subtracting the amount paid to the service area in the base year for services reimbursed by medical assistance from the service area's social service adjusted base year gross expenditures.~~

~~b. For calendar year 2018 formula payment calculations, the base rate per social service case-month is equal to five hundred sixty-eight dollars and seventy-eight cents. For calendar year 2019 formula payment calculations, the base rate per~~

~~social service case month is equal to five hundred ninety seven dollars and
twenty two cents;~~

~~**50-34-05. Economic assistance caseload weighting factor - Determination.**~~

~~1. The director shall assign an economic assistance caseload weighting factor of:~~

~~a. 1.00 to each service area with a yearly economic assistance case month count of
at least 250,000;~~

~~b. 1.60 to each service area with a yearly economic assistance case month count of
fewer than 250,000 but at least 45,000;~~

~~c. 1.75 to each service area with a yearly economic assistance case month count of
fewer than 45,000 but at least 22,000;~~

~~d. 2.00 to each service area with a yearly economic assistance case month count of
fewer than 22,000 but at least 8,000;~~

~~e. 2.20 to each service area with a yearly economic assistance case month count of
fewer than 8,000 but at least 5,000; and~~

~~f. 2.35 to each service area with a yearly economic assistance case month count of
fewer than 5,000.~~

~~2. The weighted rate per economic assistance case month must be determined by
multiplying the weighting factor assigned to each service area under this section by
the base rate per economic assistance case month.~~

~~**50-34-06. Social service caseload weighting factor - Determination.**~~

~~1. The director shall assign a social service caseload weighting factor of:~~

~~a. 1.00 to each service area with a yearly social service case month count of at
least 10,000;~~

~~b. 1.35 to each service area with a yearly social service case month count of fewer
than 10,000 but at least 1,800;~~

~~c. 1.50 to each service area with a yearly social service case month count of fewer
than 1,800 but at least 900;~~

~~d. 1.60 to each service area with a yearly social service case month count of fewer
than 900 but at least 210;~~

~~e. 2.00 to each service area with a yearly social service case month count of fewer
than 210 but at least 145; and~~

1 ~~f. 2.50 to each service area with a yearly social service case-month count of fewer~~
2 ~~than 145.~~

3 ~~2. The weighted rate per social service case-month must be determined by multiplying~~
4 ~~the weighting factor assigned to each service area under this section by the base rate~~
5 ~~per social service case-month.~~

6 ~~**50-34-07. Calculation of formula payment - Minimum and maximum allowable**~~
7 ~~**increases.**~~

8 ~~1. The director shall calculate the total formula payment by summing the following:~~

9 ~~a. The product of the service area's weighted rate per economic assistance~~
10 ~~case-month and the service area's most recently available economic assistance~~
11 ~~caseload data.~~

12 ~~b. The product of the service area's weighted rate per social service case-month~~
13 ~~and the service area's most recently available social service caseload data.~~

14 ~~2. The director shall adjust the total formula payment as calculated in subsection 1 for~~
15 ~~minimum and maximum allowable increases as follows:~~

16 ~~a. For calendar year 2018 formula payment calculations, the formula payment must~~
17 ~~be at least one hundred two percent but no more than one hundred ten percent~~
18 ~~of the service area's combined economic assistance adjusted base year gross~~
19 ~~expenditures and social services adjusted base year gross expenditures.~~
20 ~~However, if the case-month totals in the service area's most recently available~~
21 ~~case-month data have increased by more than five percent compared to the~~
22 ~~service area's case-month totals reported in the previous year for either~~
23 ~~economic assistance cases or social service cases, the formula payment may~~
24 ~~exceed one hundred ten percent of the service area's combined economic~~
25 ~~assistance adjusted base year gross expenditures and social services adjusted~~
26 ~~base year gross expenditures by the amounts calculated in subdivisions c and d~~
27 ~~of this subsection.~~

28 ~~b. For calendar year 2019 formula payment calculations, the formula payment must~~
29 ~~be at least one hundred four percent but no more than one hundred twenty~~
30 ~~percent of the service area's combined economic assistance adjusted base year~~
31 ~~gross expenditures and social services adjusted base year gross expenditures.~~

1 ~~However, if the case-month totals in the service area's most recently available~~
2 ~~case-month data have increased by more than five percent compared to the~~
3 ~~service area's case-month totals reported in the previous year for either~~
4 ~~economic assistance cases or social service cases, the formula payment may~~
5 ~~exceed one hundred twenty percent of the service area's combined economic~~
6 ~~assistance adjusted base year gross expenditures and social services adjusted~~
7 ~~base year gross expenditures by the amounts calculated in subdivisions c and d~~
8 ~~of this subsection.~~

9 ~~c. If the economic assistance case-month totals in the service area's most recently~~
10 ~~available case-month data have increased by more than five percent compared~~
11 ~~to the service area's economic assistance case-month totals reported in the~~
12 ~~previous year, the formula payment may be increased by the amount resulting~~
13 ~~from multiplying the service area's weighted rate per economic assistance~~
14 ~~case-month by the number of economic assistance case-months that exceed one~~
15 ~~hundred and five percent of the economic assistance case-month totals reported~~
16 ~~in the previous year.~~

17 ~~d. If the social service case-month totals in the service area's most recently~~
18 ~~available case-month data have increased by more than five percent compared~~
19 ~~to the service area's social service case-month totals reported in the previous~~
20 ~~year, the formula payment may be increased by the amount resulting from~~
21 ~~multiplying the service area's weighted rate per social service case-month by the~~
22 ~~number of social service case-months that exceed one hundred and five percent~~
23 ~~of the social service case-month totals reported in the previous year.~~

24 ~~3. The director shall adjust the total formula payment as calculated in subsection 2 for~~
25 ~~reimbursements as follows:~~

26 ~~a. The services reimbursed by medical assistance, service payments for the elderly~~
27 ~~and disabled, and expanded service payments for the elderly and disabled to the~~
28 ~~service area in the base year must be subtracted from the total formula payment~~
29 ~~as calculated in subsection 2.~~

30 ~~b. The first ten thousand dollars of services reimbursed by medical assistance,~~
31 ~~service payments for the elderly and disabled, and expanded service payments~~

1 ~~for the elderly and disabled to the service area, based on the most recently-~~
2 ~~reported reimbursement data, must be added to the total formula payment as-~~
3 ~~calculated in subdivision a of this subsection.~~

4 ~~— c. Twenty five percent of the remaining amount of services reimbursed by medical-~~
5 ~~assistance, service payments for the elderly and disabled, and expanded service-~~
6 ~~payments for the elderly and disabled to the service area must be added to the-~~
7 ~~total formula payment as calculated in subdivision b of this subsection.~~

8 ~~— **50-34-08. Service area human services fund - Establishment - Fund balance**~~
9 ~~**limitations.**~~

10 ~~— Each service area in this state shall maintain a fund to be known as the service area human-~~
11 ~~services fund. All expenditures by the service area for the relief of the needy must be paid from-~~
12 ~~the service area human services fund. If, due to unforeseen or other extenuating-~~
13 ~~circumstances, a service area's formula distribution payment is not sufficient to meet the-~~
14 ~~expenses of that service area, the board of county commissioners may approve a transfer from-~~
15 ~~the county's general fund to the service area human services fund upon a majority vote of all-~~
16 ~~members. The balance of moneys in the fund on January first of each year may not exceed-~~
17 ~~thirty five percent of the annual budget for the service area in the previous year or one hundred-~~
18 ~~thousand dollars, whichever is greater.~~

19 ~~— **50-34-09. Service area human services fund - Transfer.**~~

20 ~~— If on January 1, 2018, the balance of a service area human services fund exceeds the-~~
21 ~~limitations in section 50-34-08, the county treasurer shall transfer the amount exceeding the-~~
22 ~~limitations in section 50-34-08 to the designated county general fund within that service area. A-~~
23 ~~county receiving a transfer shall reduce its county general fund mill levy for taxable year 2018-~~
24 ~~by an equivalent amount. If the amount of a county's general fund mill levy is not sufficient to-~~
25 ~~account for the entire required reduction, the county shall reduce an additional county-wide mill-~~
26 ~~levy for taxable year 2018 to account for the remainder of the required reduction. If on-~~
27 ~~January 1, 2019, and on January first of each year thereafter, the balance of a service area-~~
28 ~~human services fund exceeds the limitations in section 50-34-08, the director shall reduce the-~~
29 ~~service area's formula payment as directed in subsection 4 of section 50-34-02.~~

~~50-34-10. Service area consolidations -- Caseload weighting factor adjustments --~~

~~Transition:~~

- ~~1. The director shall create and assign a separate caseload weighting factor to any group of service areas that consolidate after December 31, 2017, for the purpose of administering economic assistance and social service programs.~~
- ~~2. For purposes of this section, a "consolidated service area" means two or more service areas that combine for the purpose of administering economic assistance and social service programs and operate under a single board and a single director and make payments from a merged annual budget and one pool of funds. Consolidations under this section are subject to the procedures provided for multicounty social service districts under chapter 50-01.1.~~
- ~~3. For the first taxable year following the consolidation, the director shall calculate a combined weighting factor to allow the consolidated service area to receive a weighted rate equivalent to that which each separate service area would have received had the consolidation not taken place.~~
- ~~4. For the second taxable year following the consolidation, the director shall calculate a combined weighting factor to allow the consolidated service area to receive a weighted rate equal to ninety percent of the difference between the weighting factor calculated in subsection 3 and the weighted rate that would otherwise be applicable to the consolidated service area based on the combined caseloads.~~
- ~~5. For the third taxable year following the consolidation, the director shall calculate a combined weighting factor to allow the consolidated service area to receive a payment rate equal to eighty percent of the difference between the factor calculated in subsection 3 and the weighted rate that would otherwise be applicable to the consolidated service area based on the combined caseloads.~~
- ~~6. For the fourth taxable year following the consolidation, the director shall calculate a combined weighting factor to allow the consolidated service area to receive a weighted rate equal to seventy percent of the difference between the factor calculated in subsection 3 and the rate that would otherwise be applicable to the consolidated service area based on the combined caseloads.~~

1 ~~7. For the fifth taxable year following the consolidation, the director shall calculate a~~
2 ~~combined weighting factor to allow the consolidated service area to receive a weighted~~
3 ~~rate equal to sixty percent of the difference between the factor calculated in~~
4 ~~subsection 3 and the weighted rate that would otherwise be applicable to the~~
5 ~~consolidated service area based on the combined caseloads.~~

6 ~~8. For the sixth taxable year following the consolidation and all future taxable years in~~
7 ~~which the consolidation continues, the director shall calculate a combined weighting~~
8 ~~factor to allow the consolidated service area to receive a weighted rate equal to fifty~~
9 ~~percent of the difference between the factor calculated in subsection 3 and the~~
10 ~~weighted rate that would otherwise be applicable to the consolidated service area~~
11 ~~based on the combined caseloads.~~

12 ~~**50-34-11. Authority to withhold funding.**~~

13 ~~Notwithstanding subsection 2 of section 50-01.2-06, if a service area fails to perform duties~~
14 ~~directed or assigned and supervised by the department of human services, the department of~~
15 ~~human services may withhold funding from the service area. The amount withheld may not~~
16 ~~exceed double the actual cost of the duty that was not performed, the per activity amount from~~
17 ~~the formula, the cost to the department of human services, or the amount of a federal penalty~~
18 ~~imposed as a result of the duty that was not performed.~~

19 ~~**SECTION 6. AMENDMENT.** Subsection 3 of section 57-15-01.1 of the North Dakota~~
20 ~~Century Code is amended and reenacted as follows:—~~

21 ~~3. A taxing district may elect to levy the amount levied in dollars in the base year. Any~~
22 ~~levy under this section must be specifically approved by a resolution approved by the~~
23 ~~governing body of the taxing district. Before determining the levy limitation under this~~
24 ~~section, the dollar amount levied in the base year must be:~~

25 ~~a. Reduced by an amount equal to the sum determined by application of the base~~
26 ~~year's calculated mill rate for that taxing district to the final base year taxable~~
27 ~~valuation of any taxable property and property exempt by local discretion or~~
28 ~~charitable status which is not included in the taxing district for the budget year but~~
29 ~~was included in the taxing district for the base year.~~

30 ~~b. Increased by an amount equal to the sum determined by the application of the~~
31 ~~base year's calculated mill rate for that taxing district to the final budget year~~

1 taxable valuation of any taxable property or property exempt by local discretion or
2 charitable status which was not included in the taxing district for the base year
3 but which is included in the taxing district for the budget year.

4 ~~_____ c. Reduced to reflect expired temporary mill levy increases authorized by the~~
5 ~~electors of the taxing district. For purposes of this subdivision, an expired~~
6 ~~temporary mill levy increase does not include a school district general fund mill~~
7 ~~rate exceeding one hundred ten mills which has expired or has not received~~
8 ~~approval of electors for an extension under subsection 2 of section 57-64-03.~~

9 ~~_____ d. If the base year is a taxable year before 2013, reduced~~Reduced ~~by the amount of~~
10 ~~state aid under chapter 15-1-27, which is determined by multiplying the budget~~
11 ~~year taxable valuation of the school district by the lesser of:~~

12 ~~_____ (1) The the base year mill rate of the school district minus sixty mills; or~~

13 ~~_____ (2) Fifty fifty mills, if the base year is a taxable year before 2013.~~

14 ~~_____ e. If~~Reduced by the base year human services county levy in dollars ~~if the base~~
15 ~~year is a taxable year before 2016,~~2017 ~~the base year human services county~~
16 ~~levy in dollars must be reduced to the amount of the county social service board~~
17 ~~budget levy for the budget year as determined under section 11-23-01.~~

18 ~~_____ **SECTION 7. AMENDMENT.** Section 57-15-06 of the North Dakota Century Code is~~
19 ~~amended and reenacted as follows:~~

20 ~~_____ **57-15-06. County general fund levy.**~~

21 ~~_____ The board of county commissioners may levy property taxes for county general fund~~
22 ~~purposes at a tax rate not exceeding sixty mills per dollar of taxable valuation of property in the~~
23 ~~county.~~

24 ~~_____ A county that levied more than sixty mills for taxable year 2015 for the combined number of~~
25 ~~mills levied for general fund purposes plus the number of mills levied for purposes consolidated~~
26 ~~into the general fund levy by this Act may levy for general fund purposes for taxable year 2016~~
27 ~~the same number of mills that was levied for those purposes for taxable year 2015. A county~~
28 ~~may levy for general fund purposes for taxable year 2017 sixty mills plus seventy five percent of~~
29 ~~the combined number of mills exceeding sixty that was levied for those purposes for taxable~~
30 ~~year 2015. A county may levy for general fund purposes for taxable year 2018 sixty mills plus~~
31 ~~fifty percent of the combined number of mills exceeding sixty that was levied for those purposes~~

1 for taxable year 2015. A county may levy for general fund purposes for taxable year 2019 sixty-
2 mills plus twenty-five percent of the combined number of mills exceeding sixty that was levied
3 for those purposes for taxable year 2015.

4 ~~— For taxable years after 2016, the maximum county mill levy for general fund purposes~~
5 ~~determined under this section or section 57-15-01.1 must be reduced by the number of mills~~
6 ~~determined pursuant to the calculation under section 50-34-03. If the amount of a county's mill~~
7 ~~levy for general fund purposes is not sufficient to account for the entire reduction required under~~
8 ~~section 50-34-03, the county must reduce an additional county-wide mill levy to account for the~~
9 ~~remainder of the required reduction.~~

10 ~~— Unless a specific exception is provided by statute, the county general fund levy limitation~~
11 ~~under this section applies to all property taxes the board of county commissioners is authorized~~
12 ~~to levy for general county purposes.~~

13 ~~— **SECTION 8. AMENDMENT.** Section 57-15-06.7 of the North Dakota Century Code is~~
14 ~~amended and reenacted as follows:~~

15 ~~— **57-15-06.7. Additional levies – Exceptions to tax levy limitations in counties.**~~

16 ~~— The tax levy limitations specified in section 57-15-06 do not apply to the following mill~~
17 ~~levies, which are expressed in mills per dollar of taxable valuation of property in the county:~~

18 ~~— 1. A county supporting an airport or airport authority may levy a tax not exceeding four~~
19 ~~mills in accordance with section 2-06-15.~~

20 ~~— 2. A county levying a tax for extension work as provided in section 4-08-15 may levy a~~
21 ~~tax not exceeding two mills and if a majority of the electors of the county have~~
22 ~~approved additional levy authority under section 4-08-15, the county may levy a~~
23 ~~voter-approved tax not exceeding an additional tax of two mills.~~

24 ~~— 3. A county levying a tax for historical works in accordance with section 11-11-53 may~~
25 ~~levy a tax not exceeding one-quarter of one mill, except that if sixty percent of the~~
26 ~~qualified electors voting on the question of a levy limit increase as provided in section~~
27 ~~11-11-53 shall approve, the tax levy limitation may be increased to not exceeding~~
28 ~~three-quarters of one mill.~~

29 ~~— 4. A county levying a tax for a county or community hospital association as provided in~~
30 ~~section 23-18-01 may levy a tax for not more than five years not exceeding eight mills~~

- 1 in any one year or, in the alternative, for not more than ten years at a mill rate not
2 exceeding five mills.
- 3 ~~5. A county levying a tax for county roads and bridges as provided in section 24-05-01~~
4 may levy a tax at a tax rate not exceeding ten mills. When authorized by a majority of
5 the qualified electors voting upon the question at a primary or general election in the
6 county, the county commissioners may levy and collect an additional tax for road and
7 bridge purposes as provided in section 24-05-01, not exceeding a combined additional
8 tax rate of twenty mills.
- 9 ~~6. A county levying a tax to establish and maintain a public library service as provided in~~
10 section 40-38-02 may levy a tax not exceeding four mills.
- 11 ~~7. A county levying a tax for a county veterans' service officer's salary, traveling, and~~
12 office expenses in accordance with section 57-15-06.4 may levy a tax not exceeding
13 two mills.
- 14 ~~8. A county levying a tax for capital projects under section 57-15-06.6 may levy a tax not~~
15 exceeding ten mills. When authorized by a majority of the qualified electors voting
16 upon the question of a specific capital project or projects at a primary or general
17 election in the county, the county commissioners may levy and collect an additional
18 voter approved tax for capital projects under section 57-15-06.6 not exceeding a tax
19 rate of ten mills per dollar of the taxable valuation of property in the county. After
20 January 1, 2015, approval or re-authorization by electors of increased levy authority
21 under this subsection may not be effective for more than ten taxable years. Any
22 voter approved levy in excess of ten mills for the purposes specified in section
23 57-15-06.6 approved by the electors before January 1, 2015, remains effective
24 through 2024 or the period of time for which it was approved by the electors,
25 whichever is less, under the provisions of law in effect at the time it was approved.
- 26 ~~9. A county levying a tax for emergency purposes as provided in section 57-15-28 may~~
27 levy a tax not exceeding two mills in a county with a population of thirty thousand or
28 more, four mills in a county with a population under thirty thousand but more than five
29 thousand, or six mills in a county with a population of five thousand or fewer.
- 30 ~~10. A county levying a tax for county emergency medical service according to section~~
31 57-15-50 may levy a tax not exceeding ten mills.

- 1 ~~11.~~ A county levying a tax for weed control as provided in section 4.1-47-14 may levy a tax
2 not exceeding four mills.
- 3 ~~12.~~ A county levying a tax for programs and activities for senior citizens according to
4 section 57-15-56 may levy a tax not exceeding two mills.
- 5 ~~13.~~ Tax levies made for paying the principal and interest on any obligations of the county
6 evidenced by the issuance of bonds.
- 7 ~~14.~~ A county levying a tax for a job development authority as provided in section
8 11-11.1-04 may levy a tax not exceeding four mills on the taxable valuation of property
9 within the county. However, if any city within the county is levying a tax for support of a
10 job development authority and the total of the county and city levies exceeds four
11 mills, the county tax levy within the city levying under subsection 12 of section
12 57-15-10 must be reduced so the total levy in the city does not exceed four mills.
- 13 ~~15.~~ A county levying an annual tax for human services purposes as provided in section
14 50-06.2-05 may levy a tax not exceeding the lesser of twenty mills or the number of
15 mills determined by dividing the county budget limitation in dollars as determined
16 under section 11-23-01 by the taxable valuation of the county.
- 17 ~~16.~~ A levy for an extraordinary expenditure under section 11-11-24 approved by the
18 electors of the county before January 1, 2015, may continue to be levied and collected
19 under provisions of law in effect when the levy was approved and for the term it was
20 approved by the electors. When the levy authority for an extraordinary expenditure
21 ends under this subsection, the fund must be closed out and any unobligated balance
22 in the fund must be transferred to the county general fund.
- 23 ~~17.~~16. Levies dedicated under section 57-15-59 before January 1, 2015, for lease payments
24 may be continued to be levied and collected for the duration of the lease. When the
25 levy authority for lease payments ends under this subsection, the fund must be closed
26 out and any unobligated balance in the fund must be transferred to the county general
27 fund. A lease for county facilities effective after December 31, 2014, is subject to the
28 capital projects levy limitations of section 57-15-06.6.
- 29 Tax levy or mill levy limitations do not apply to any statute which expressly provides that taxes
30 authorized to be levied therein are not subject to mill levy limitations provided by law.

1 ~~SECTION 9. AMENDMENT.~~ Subdivision c of subsection 1 of section 57-20-07.1 of the
2 North Dakota Century Code is amended and reenacted as follows:

3 ~~c.~~ Provide information identifying the property tax savings provided by the state of
4 North Dakota. The tax statement must include a line item that is entitled
5 "legislative tax relief" and identifies the dollar amount of property tax savings
6 realized by the taxpayer under chapter 15.1-27 and under section 57-20-07.2 for
7 taxable years before 2018, and chapter 50-34 for taxable years after 2017.

8 ~~(1)~~ For purposes of this subdivision, legislative tax relief under chapter 15.1-27
9 is determined by multiplying the taxable value for the taxable year for each
10 parcel shown on the tax statement by the number of mills of mill levy
11 reduction grant under chapter 57-64 for the 2012 taxable year plus the
12 number of mills determined by subtracting from the 2012 taxable year mill
13 rate of the school district in which the parcel is located the lesser of:

14 ~~(1) (a)~~ Fifty mills; or

15 ~~(2) (b)~~ The 2012 taxable year mill rate of the school district minus sixty mills.

16 ~~(2)~~ Legislative tax relief under chapter 50-34 is determined by multiplying the
17 taxable value for the taxable year for each parcel shown on the tax
18 statement by the sum of the following:

19 ~~(a)~~ The number of mills determined by dividing the amount calculated in
20 subsection 1 of section 50-34-02 by the taxable value of taxable
21 property in the county for the taxable year; and

22 ~~(b)~~ The number of mills determined by dividing the amount calculated in
23 section 50-34-03 by the taxable value of taxable property in the
24 county for the taxable year.

25 ~~SECTION 10.~~ A new section to chapter 57-20 of the North Dakota Century Code is created
26 and enacted as follows:

27 ~~**Centrally assessed company credit against payments in lieu of taxes.**~~

28 ~~1.~~ The owner, operator, or lessee of transmission lines, for which payments in lieu of
29 property taxes are assessed by the state board of equalization under section
30 57-06-17.3, is entitled to a credit against tax in the amount provided in subsection 3.

~~The credit for each transmission company must be allocated to the counties in the same manner as the tax collected from that company is allocated.~~

~~2. The owner, operator, or lessee of electric transmission or distribution property, for which payments in lieu of property taxes are assessed by the state board of equalization under sections 57-33.2-02 or 57-33.2-03, is entitled to a credit against the transmission or distribution tax in the amount provided in subsection 3. The credit for each transmission or distribution company must be allocated and distributed to counties in the same manner as the tax collected from that company is allocated.~~

~~3. The amount of credit is determined by multiplying the company's assessed tax by a fraction, the numerator of which is the total of all formula payments calculated for the subsequent calendar year under sections 50-34-02 and 50-34-03 and the denominator of which is the total statewide ad valorem property tax levied in the prior taxable year.~~

~~4. The tax commissioner shall annually calculate the amount of credit to which a company is entitled under this section.~~

~~**SECTION 11. REPEAL.** Chapter 50-03 and section 50-06-20.1 of the North Dakota Century Code are repealed.~~

~~**SECTION 12. REPEAL.** Section 50-06.2-05 of the North Dakota Century Code is repealed.~~

~~**SECTION 13. REPEAL.** Section 57-20-07.2 of the North Dakota Century Code is repealed.~~

~~**SECTION 14. EFFECTIVE DATE.** Sections 6, 7, 8, 9, 10, and 13 of this Act are effective for taxable years beginning after December 31, 2016. Sections 3, 4, 5, and 11 of this Act become effective on August 1, 2017. Sections 1, 2, and 12 of this Act are effective for taxable years beginning after December 31, 2017.~~

SECTION 1. DEPARTMENT OF HUMAN SERVICES - DEVELOPMENT OF AN IMPLEMENTATION PLAN FOR STATE-FUNDED COUNTY SOCIAL SERVICES - REPORT TO THE LEGISLATIVE ASSEMBLY. During the 2017-18 interim, the department of human services shall develop an implementation plan for the eventual state funding of county social services and elimination of county human service levy authority under section 57-15-06.7. The plan must be developed in consultation with an advisory committee that must include at least four members of the legislative assembly and additional members selected by the executive director of the department. The development of the plan may include a proposed pilot project and must address the following items: options for efficiencies and aggregation and consolidation

1 of county social services offices and organizations, including the potential reduction in county
2 and other staff; considerations for oversight and chain of command within social services and
3 human services; and recommendations for caseloads and outcomes for social services,
4 designated child welfare services, and economic assistance. The development of the plan must
5 consider the delivery of county social services to ensure appropriate and adequate levels of
6 service continue under the structure proposed in an implementation plan. The implementation
7 plan must be submitted to the sixty-sixth legislative assembly as part of the department of
8 human services budget request and identify the estimated biennial cost of the plan upon full
9 implementation.