

SENATE BILL NO. 2329

Introduced by

Senators Wanzek, Myrdal, Weber

Representatives Brandenburg, Headland, Thomas

1 A BILL for an Act to amend and reenact sections 54-27-19.1 and 57-40.3-10 of the North
2 Dakota Century Code, relating to allocations to non-oil-producing townships from the township
3 highway aid fund and an allocation of motor vehicle excise tax collections to the township
4 highway aid fund; and to provide an effective date.

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

6 **SECTION 1. AMENDMENT.** Section 54-27-19.1 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **54-27-19.1. Township highway aid fund - Distribution.**

- 9 1. a. From the moneys allocated from the motor vehicle excise tax under section
10 57-40.3-10, the state treasurer, at least quarterly, shall allocate the moneys to
11 non-oil-producing counties based on the length of township roads in each county
12 compared to the length of all township roads in all the non-oil-producing counties.
13 The county treasurer shall allocate the funds received to the organized townships
14 in the county based on the length of township roads in each organized township
15 compared to the length of all township roads in the county. The funds received
16 must be deposited in the township road and bridge fund and used for highway
17 and bridge purposes. If a county does not have organized townships, or has
18 some organized and some unorganized townships, the county shall retain a pro
19 rata portion of the funds received based on the length of roads in unorganized
20 townships compared to the length of township roads in organized townships in
21 the county. Moneys retained by a county for the benefit of unorganized townships
22 under this subsection must be deposited in the county road and bridge fund.
- 23 b. If an organized township is not levying at least eighteen mills for general
24 purposes, the tax commissioner shall direct the state treasurer to withhold a

1 portion of the organized township's allocation under this subsection until the tax
2 commissioner certifies to the state treasurer that the organized township is
3 levying at least eighteen mills for general purposes. The portion to be withheld
4 must be proportional to the difference between eighteen mills and the number of
5 mills levied by the organized township relative to eighteen mills. The amount
6 withheld must be retained in the township highway aid fund and must be paid to
7 the organized township after the tax commissioner certifies that the organized
8 township is levying at least eighteen mills for general purposes.

9 c. For purposes of this subsection, "non-oil-producing county" means a county that
10 received no allocation of funding or a total allocation of less than five million
11 dollars under subsection 2 of section 57-51-15 in the most recently completed
12 even-numbered fiscal year before the start of each biennium.

13 2. From the moneys transferred from the highway tax distribution fund under section
14 54-27-19, the state treasurer, at least quarterly, shall no less than quarterly allocate
15 and distribute all the moneys in the township highway aid fund to the counties of the
16 state based on the length of township roads in each county compared to the length of
17 all township roads in the state. To receive any funds under this section subsection,
18 organized townships must provide fifty percent matching funds. The county treasurer
19 shall allocate the funds received to the organized townships in the county which
20 provide fifty percent matching funds based on the length of township roads in each of
21 those organized townships compared to the length of all township roads in the county.
22 The funds received must be deposited in the township road and bridge fund and used
23 for highway and bridge purposes. If a county does not have organized townships, or
24 has some organized and some unorganized townships, the county shall retain a pro
25 rata portion of the funds received based on the length of roads in unorganized
26 townships compared to the length of township roads in organized townships in the
27 county. Moneys retained by a county for the benefit of unorganized townships under
28 this section subsection must be deposited in the county road and bridge fund. Moneys
29 retained by the county treasurer due to the failure of organized townships to provide
30 required matching funds must be returned to the state treasurer who shall deposit the
31 funds in the highway tax distribution fund.

1 3. The board of county commissioners shall certify to the state treasurer any change in
2 township road mileage when a change occurs and shall, by July first of each
3 even-numbered year, certify the total number of township road mileage in each of the
4 county's organized and unorganized townships. The state treasurer shall prescribe the
5 form and manner by which the certification is made.

6 **SECTION 2. AMENDMENT.** Section 57-40.3-10 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **57-40.3-10. Transfer of revenue.**

9 All moneys collected and received under this chapter must be transmitted monthly by the
10 director of the department of transportation to the state treasurer ~~to be transferred and credited~~
11 ~~to, and the state treasurer shall allocate twenty-five percent to the township highway aid fund~~
12 under section 54-27-19.1 and seventy-five percent to the general fund.

13 **SECTION 3. EFFECTIVE DATE.** This Act is effective for motor vehicle excise tax
14 collections transmitted to the state treasurer after July 31, 2023.