

2011 SENATE GOVERNMENT AND VETERANS AFFAIRS

SB 2253

2011 SENATE STANDING COMMITTEE MINUTES

Senate Government and Veteran's Affairs Committee
Missouri River Room, State Capitol

SB 2253
January 28, 2011
13610

☐ Conference Committee

Committee Clerk Signature

Kathie Oliver

Explanation or reason for introduction of bill/resolution:

Relating to the allocation of revenues among political subdivisions through the aid of state aid distribution fund; to provide an expiration date; and to declare an emergency.

Minutes:

Testimony Attached

Senator Olafson: Senator Curtis Olafson, District 10. SB 2253 allocates funds from the political subdivisions. The census data does not get analyzed before we can use it in this session. The motion is to delay looking at impacts before then. In 2001 we did this for the same reasons and I would defer to the other people testifying.

Senator Nelson: 2010 census will not show the growth of western North Dakota

Senator Olafson: Change an allocation in the formula, that question I think gives more impetus to the bill being here.

Jerry Hjelmstad: See testimony #1.

Chairman Dever: Why don't we draft the bill so it is in the 3rd year following the census.

Jerry Hjelmstad: We were hoping for a formula that was more enduring.

Senator Nelson: Why the strange percentage?

Jerry Hjelmstad: They were done under the old formulas

Terry Traynor: North Dakota Association of Counties. Support this bill. 10 years ago counties came to an agreement to change the formula. It is much more dynamic now, we could live with the data getting plugged in, and the changes are going to be minor. There is a possibility that the cities can do the same thing. It is possible that we can do the work this session and we can

Bill Woken: City Administrator for Bismarck. We would urge the do pass.

Senator Berry: SO the moneys that get allocated are used for 10 years and they get redone once the time is up.

Bill Woken: We are working as we go, at this point. It is an attempt to balance the state fund.

Senator Berry: The hope is to tie ends

Bill Woken: If we could solve this problem once and for all that would be great. If we were able to get the population in line no one would suffer and it would give us time to solve the problems.

Carlee McLeod: Whenever we get the numbers in we update our system. In the past 2 years we have streamlined the tax distribution system. We have not programmed in something to be able to recognize 2 different sets of data. If the numbers come in March we would be able to make it come into change in April.

Jerry Hjelmstad: That is the reason for expiration on July 13, 2011

Shelia Peterson: Director of fiscal management division of OMB. As you know the state level 2010 numbers went out in December 2010. In February 2011 we will have it to the county in March 2011 we will have it down to the city. The question was asked about perhaps a perm solution and one thing that I would bring to your attention. From 2000-2010 we went up 30,000 people. The question regarding western North Dakota and the census, everybody who was perm living in West North Dakota in the summer of 2010 was counted but there are a great number of people who are living in North Dakota and have perm residence other places.

2011 SENATE STANDING COMMITTEE MINUTES

Senate Government and Veteran's Affairs Committee
Missouri River Room, State Capitol

SB 2253
February 11, 2011
14434

☐ Conference Committee

Committee Clerk Signature

Katie Oliver

Explanation or reason for introduction of bill/resolution:

Relating to the allocation of revenues among political subdivisions through the aid of state aid distribution fund; to provide an expiration date; and to declare an emergency.

Minutes:

Chairman Dever opened the floor to discussion on SB 2253. A motion was made by Senator Cook with a second by Senator Nelson. There was no further discussion, roll was taken, the motion passed on a 7-0 vote with Vice Chairman Sorvaag carrying the bill to the floor.

Date:
Roll Call Vote #:

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2253

Senate Government and Veteran's Affairs Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Cook Seconded By Nelson

| Senator | Yes | No | Senator | Yes | No |
|-----------------------|-----|----|--------------------|-----|----|
| Chairman Dever | X | | Senator Marcellais | X | |
| Vice Chairman Sorvaag | X | | Senator Nelson | X | |
| Senator Barry | X | | | | |
| Senator Cook | X | | | | |
| Senator Schaible | X | | | | |
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Total (Yes) 7 No 0

Absent _____

Floor Assignment Sorvaag

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2253: Government and Veterans Affairs Committee (Sen. Dever, Chairman)
recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
SB 2253 was placed on the Eleventh order on the calendar.

2011 HOUSE POLITICAL SUBDIVISIONS

SB 2253

2011 HOUSE STANDING COMMITTEE MINUTES

House Political Subdivisions Committee Prairie Room, State Capitol

SB 2253
March 3, 2011
Job # 14924

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to the allocation of revenues among political subdivisions through the state aid distribution fund; to provide an expiration date; and to declare an emergency.

Minutes:

Testimony 1, 2, 3

Chairman Johnson: Opened the hearing on SB 2253.

Senator Olafson: I do not have any prepared written testimony because there are some real experts coming up to the podium after I set down so I would highly recommend that you defer your questions to them. I will tell you that this has been done in the past and what we are trying to do is continue to use the census figures from the last census because we will be done with our legislative session before we get the census figures in place for our political subdivisions through the state aid distribution formula and the idea here is to delay the implementation of the new census figures until after the next legislative session at which time we can address any possible significant changes in the census figures which may upset the apple cart for some of our cities or counties and this way we have the chance to address those before we have some serious and significant changes that could create problems for our political subdivisions.

Rep. Maragos: What have we been doing since 2000 census?

Senator Olafson: This same bill was passed in the 2001 legislative session to delay the implementation for two years. Rep. Froseth was actually the prime sponsor on that bill at that time and I believe it was done once before that.

Rep. Maragos: Should this say 2010 then?

Senator Olafson: No this is effective until 2013 because the 2013 legislative session would be able to address any of the concerns that would result and then those would take effect on August 1, 2013.

Jerry Hjelmstad, ND League of Cities: (See testimony #1).

Rep. Koppelman: This happened ten years ago. Has it ever happened prior to that?

Jerry Hjelmstad: In 2001 session was the first session that the formula was in place where there was a new census so that bill was the first one. Because the formula was just adopted in 1997.

Rep. Koppelman: What happened prior to that or how did distribution happen?

Jerry Hjelmstad: What happened before that was we had actually two formula; we had the state revenue sharing formula which was part of an initiated measure back in 1978 and we had the personal property tax replacement formula which was put into place back in 1969 when personal property tax was repealed they provided some replacement revenue to replace part of that. So in 1987 those were rolled into one and in 1997 they made it a continuing appropriation into the state aid distribution fund.

Rep. Koppelman: Does this take a great deal of study to do? What kind of study is necessary? The census numbers come in and you know what the population is?

Jerry Hjelmstad: The problem that we have is that the cities with the eight population categories and this took place back in 2001. Some of the cities will grow into another category and some will lose population and drop into a category. For example take category D there with three cities; one of those cities will grow into category C, there would now be six cities sharing that revenue where there are five now and there would be only two cities left to share the revenue that three were getting before so some would get a boost and some would get a deterrent. So there would be a shift in categories?

Rep. Koppelman: That is understandable. The question is will be back in regular session in two years however this is a redistricting years so we will be back in session in a few months; could there not be a study in the meantime and figure this out and get it done rather than waiting three years.

Jerry Hjelmstad: If this was an issue they wanted to take up at that time it could be taken up then if that is what they chose to do.

Rep. Koppelman: I represent a city that probably has doubled in population since the last census or something close to that. That is already an issue when it comes to educating kids so to wait an additional two years for state payments so waiting longer may not be the right thing to do.

Rep. Beadle: There have been some areas that have seen some significant growth in the last decade so I am wondering if there might be some kind of a stop gap that we could use so we could address it when we come back for redistricting this fall. 2000 census data for Williston has a population of 12,512 so I think it would be absurd to think they are still at that number so I am sure they have some significant strain on the current systems just like West Fargo has. I know my district has more than doubled in size. Is there something that can be done either using this existing bill, but having the expiration date being this fall so we can have a study done so we can revisit it so when we come back for redistricting or is there desperate data that we can look at in the meantime?

Jerry Hjelmstad: The reason for the 2013 is just in case nothing is done in between time, but it would be possible to do it later on and make the adjustments at that time. What we have now is the city that grows might actually lose revenue without the change in formula because they would shift into a category and share with other cities in that category.

Rep. Maragos: Basically what this is doing is just extending the use of the 2010 census. What would happen if we didn't pass this bill?

Jerry Hjelmstad: When the new census figures became available the treasurer's office would use the most recent up to date census figure that they have.

Rep. Maragos: Basically what you want is an extension to study the effects of it, is that correct?

Jerry Hjelmstad: That is correct.

Rep. Klemin: It looks to me like it is just a mathematical calculation of what cities go into which category in what section of law is being amended. I don't really know what it is to study because unless you are changing all of these categories once a city reaches a certain classification it goes into one of those categories whether it gains population or loses population so I am wondering as an alternative to having an expiration date of 2013; rather to have a delayed implementation date put in the year 2010 on line 9 and have an implementation date of August 1, 2012. That would take care of Rep. Koppelman's concern I think because then you would have the census figures for all of the cities and basically it would be an automatic mathematical calculation as to which cities go into which category and then the state tax commission certifies to the state treasurer the portion that goes into the fund and the state treasurer makes a distribution based on these categories using the 2010 figure starting August 1, 2012. What would be the difference?

Jerry Hjelmstad: With that plan a city may shift into a category and actually lose money by growing in population because they might shift into a category where they are sharing with more cities.

Rep. Klemin: Isn't that the whole point of this whole state aid distribution fund. Not to keep people where they are. If that was the case we would have fixed the figure back in 1997.

Jerry Hjelmstad: When the formula was set up in 1997 it was set up to maintain the funding that these entities had received under two different formulas under state revenue sharing and under personal property tax replacement so we were able to set up a formula that provided so they wouldn't maintain their same level of funding under those formulas.

Rep. Klemin: This doesn't really address Rep. Koppelman's concern about cities with growing populations and I think it also may be unfair to the rest of them have a benefit to some cities that have lost population that should be in the smaller category.

Jerry Hjelmstad: Hopefully during the interim we could come up with a formula that would change these percentages so that cities that did grow would see the benefit of that.

Rep. Klemin: So you are saying to come back in the 2013 session and changing all of these percentages in all of these categories.

Jerry Hjelmstad: That is correct.

Rep. Maragos: Why are we waiting until now to determine what the new percentages will be? We should have probably been an ongoing study as we know the population has been shifting.

Jerry Hjelmstad: the reason is we don't know the effect will be until we have the final census of verified figures for each city's population. We would be taking a guess at it. We won't have the final figures.

Rep. Zaiser: You indicated the Treasurer's office would use their figures anyway so I am not sure if you could tell me a good reason why were doing this study because the operative word is whatever category they go into and you said the Treasurer's office would put them into that category regardless; based on the actual numbers so what needs to be studies?

Jerry Hjelmstad: The Treasurer's office will use the most recent verified figures that they have so without a change in this formula it could be a dramatic shift for some of these cities as to the amount they receive. So we need the time during the intern to make the adjustment to the formula and make recommendations to how the formula should be adjusted so cities can maintain their level of funding and counties as well.

Rep. Koppelman: The bill doesn't call for a study. You talked about studying; is that something the League of Cities does or how is this handled last time?

Jerry Hjelmstad: Last time the League of Cities and Association of Counties worked together to come in with a proposal to the legislature for how the formula should be adjusted and they took it from there.

Rep. Koppelman: There was no legislative committee that was assigned this study and they worked with you. It was strictly your folks getting together and coming back?

Jerry Hjelmstad: I don't believe there was a committee.

Rep. Hatelstad: If we take a look at page 2 at the bottom and city 1 which was getting all the money in that category suddenly had two cities move up into their category; now gets a third of the money so would get a significant drop?

Jerry Hjelmstad: Yes

Rep. Hatelstad: So in B the city that remained would get all of the money. So if we saw the shifting in numbers then we would need to adjust all of the figures so that they would even out.

Jerry Hjelmstad: Some of the cities obviously are going to grow in funding if their population has gone up, but we want to make sure they don't lose money by getting an increase in population.

Chairman Johnson: Do you recall when this last formula was put together how long it took the cities and counties to come to an agreement to how that should work. Did you do it individually; the counties just take their percentage and work on it and the cities take their percentage and work on it?

Jerry Hjelmstad: I think that is pretty much how we did it. The two organizations worked on their half of the formula and tried to come up with the correct figures.

Chairman Johnson: How long did that take to come up with those figures in your organization?

Jerry Hjelmstad: Once we have the figures in placed with the final figures we will work on some possibilities and present it to our executive board and then they will present it to our annual conference for their approval. So it would be a six month process.

Rep. Shirley Meyer: When is the official data available?

Jerry Hjelmstad: We anticipated March, but now I heard it could be later before we get the final figures for cities. They are rolling it out in stages.

Rep. Beadle: I checked on it and the census office in Fargo their goal was March but they anticipated there could be a three month delay for a lot of the areas to actually get the data so some of the areas of our state might not have the actual data finalized and put together until about June.

Rep. Klemin: Why should a city that over the last twenty years has had a significant drop in population still is entitled to the same amount of money?

Jerry Hjelmstad: I don't think we are able to do that but we want to make for sure nobody is penalized by growing into a different category by shifting within the categories. If populations are dropping per capita average is probably going to go down for that particular city. So it is a combination of trying to recognize the growth and loss.

Rep. Klemin: Why can't this all be done automatically by the state officials to calculate this when those figures become available? The result would be the same. We will have to have those figures this fall for redistricting and that could all be done automatically.

Jerry Hjelmstad: These percentages are all in state law now so they would have the authority to change that.

Rep. Klemin: We could say that because it is just a mathematical thing if you ask me.

Jerry Hjelmstad: The reason we have these categories initially is because we were combining two formulas and they weren't necessarily just population based. They were also based on their level of personal property tax that they levied at the time etc.

Rep. Maragos: I fully expect you will see the percentages changing then. You are going to make recommendations to change the percentage. What is it the idea of the League of Cities and the Association of Counties to decouple from what we have now which was based on the two formulas and just popping over to a simple formula?

Jerry Hjelmstad: That would be one possibility. To try to simply it.

Rep. Maragos: If we decouple from the old personal property tax that we have been protecting someone are going to get gored. I suppose we were wealthier and received more in personal property tax and now that has to be shoved aside in favor of one person one vote ratio to population.

Jerry Hjelmstad: There will be some entities that will take a decrease with changes in population. The one thing that could save us a little bit is the State sales tax has been growing so we may be able to maintain the funding for those and see the other see the benefit of the increases.

Rep. Koppelman: We have not had property tax in this state for my adult lifetime and many of us heard stories about it but don't remember ever paying it. Why are we hanging onto that? I am sure some cities and counties are wealthier; maybe personal property taxes were higher some places than others, but if we did away with it why haven't we done away with it. Why not just have a per capita calculation and say if you are cities this big you get this much and if it is that big you get that much or your county?

Jerry Hjelmstad: That would be a possibility. Personal property tax formula was one thing the state. One was set up partly on population and partly on local tax effort so that those who were willing to tax themselves more received more from the state revenue sharing formula so when the legislature set up this formula in 1997 they combined those in these categories.

Rep. Maragos: What did you mean by local entities taxing themselves more would receive more?

Jerry Hjelmstad: Under the state revenue formula there were two parts; the distribution portion was the per capita distribution. Part of it was based on local tax effort so if they weren't levying anything locally they didn't get as much from the state revenue sharing program either.

Chairman Johnson: When you said the League of Cities would vote; did you mean their membership would vote on distribution formula?

Jerry Hjelmstad: We have an Executive Board that is elected by the membership, a 15 member board, and they would make a recommendation to the annual conference.

Chairman Johnson: When is the annual conference?

Jerry Hjelmstad: September of each year.

Chairman Johnson: I am looking at the time lines.

Jerry Hjelmstad: If we had the figures available in June we would start working on a formula and our executive board would probably present it to our membership in September.

Chairman Johnson: If we come back in November would that be ready to put the new formula in place earlier than a full year and a half later. We need to check with counties to see if that timeline worked for them also.

Terry Traynor, Association of Counties: We are in support of the bill. Ten years ago when we had this issue before you the counties also had six categories and they were able to in that analysis get down to two, which includes a base and population figure for each so our challenges with the new census data are not going to be anywhere as great as the cities so we just have two counties on the upper end of one category and the lower end of the other that could possible flip flop or something like that. It would be nice to know what those figures are before it rolls into there. Every year that the NDSU census data center puts out a projection we have plugged those in and looked at what those do and it doesn't look like it is going to be a very serious thing at the county level. I like the idea if there would be room in the special session to slip this correction through; that would be a wonderful timing for us.

Rep. Zaiser: Explain the tangible benefits of this process.

Terry Traynor: If this bill doesn't pass the census data when it becomes available will be plugged into the formula and the number of cities in each category are going to change and as was pointed out if West Fargo and Williston jump up into a higher category because those percentages of the money that they get are fixed in law; they are going to be sharing the same pot of money so their amount of money would be less.

Rep. Zaiser: Could not the cities and counties themselves make these adjustments once those numbers come in and adjust the categories accordingly?

Terry Traynor: The categories are in law so we are stuck with those unless the League of Cities wants to have total charge of the numbers. I certainly would not want to be responsible for the county numbers.

Rep. Klemin: It seems to me it is time to update this thing so that those percentages that are agreed upon that are in this now; the 53% and 46% it would be very simple to have those two different pools shared on a per capita basis amongst all the cities and counties as soon as the census figures become known and that could be done automatically and you wouldn't have to do this every ten years.

Terry Traynor: speaking just from the county standpoint if you went to strictly per capita you would devastate this Sioux and Slope counties because their population is so little compared to Cass and Burleigh and Grand Forks. That is why the base was put in there as Jerry pointed out this is replacing property tax and property tax is more based on geography than population and this money is used to plow roads and provide social services and law enforcement and things like that. It isn't necessarily based totally on population. That is why we tried to maintain some of the history and keep people from going backwards because it is replacing personal property tax.

Rep. Klemin: Personnel property goes down with population.

Carlee McLeod, Deputy Treasurer, Office of State Treasurer: (Handed out testimony #2 from Sheila Peterson from OMB) (See testimony #3) I am in a neutral position, but I noticed you don't offer that so I jumped up. I think Sheila's testimony should come first since she is part of the ND Census Committee and serves on the ND Complete Count Committee for the 2010 Census. She wants you to know that according to federal statute these numbers have to be available by April 1. We will have some sort of numbers for cities and county population within the next four weeks. We heard a lot of questions from your committee about the timing and the benefit of using older population data versus new and the fairness issue. We should have some numbers within the next four weeks and it might be sooner our office would propose that you maybe wait on this bill for a little bit longer; so if those numbers are available, maybe the parties could come together and purpose something before this session is over. Rep. Klemin is right. This is a formula and this is just numbers. This isn't a really difficult thing to try to put together and we believe that after we actually have the data we could set down and come up with a decent proposal.

Rep. Klemin: I thought the deadline for bills to be out of these committee was something like April 8 and there is no fiscal note on this bill so we could just hold this and we would know what the census figures are before the bill had to be out of committee.

Chairman Johnson: That is true. So we could hold it until April 8th at the latest. That may or may not give time for the cities to put a formula together to use those numbers but if the report came in the next month we would be ok.

Rep. Koppelman: Ms. McLeod is you saying that your office could create a formula based on those numbers?

Carlee McLeod: We probably could, but understanding that it is not our formula. We would prefer that the cities come together and we would assist them with whatever we could.

Chairman Johnson: To reprogram it you would need to reprogram it as soon as you get the census data or to reprogram it using the information from this session. Is that when you program it?

Carlee McLeod: We don't need to reprogram it just to bring in new population numbers. The way that it is set up currently is to recognize that say the city of Fargo has a certain population. It only has one population. If this bill passes Fargo will technically have two

populations. It will have the population for 2000 and the population for 2010. Our system is not set to be able to understand how a city would have two different populations because we use that population in so many of our tax distributions that we would need to reprogram our system in order to handle two different populations for the same city. ITD has told us it will take about a month or two to program in if that change has to occur. We only need to start that program. Of course they could do that faster if there is a rush, but the only time we would need to do that is if you passed this bill using historical populations when we have already uploaded the current populations which would not happen until July.

Rep. Koppelman: What other distributions do your office sent out and they are based on population from the day you get the new population numbers I gather?

Carlee McLeod: We do roughly thirty tax distributions in our office. Quite a few of them have a population factor built in. For instance, oil and gas, the city distribution is based on population. Highway tax distribution is based on a city population.

Rep. Koppelman: So if this bill were to pass, in addition to the programming issues, all the money going out to the cities, counties, whoever will be based on the new population numbers as soon as we have them? But this distribution will be held in antiquity for two years and we would really have a disconnect in terms of equity, wouldn't we?

Carlee McLeod: Yes I believe that is true. We would be using two different populations. One actual and current; one historical, and it is a dispersed type situation.

Rep. Beadle: Assuming that we would be able when we come back into a special session this fall; assuming we would be able to have an agreement between the counties and cities as far as a new formula to use for the population data. Would it be possible to; if we address that during a special session to have that formula plugged in by the time that the distributions are given out; say first quarter of 2012? How long does it take for the new formula to be addressed into the system?

Carlee McLeod: If it is just a matter of changing the percentage numbers we could do that in a day or two. Then we would have to adjust the reports to reflect that and it would be within a week or two. If they come in and they completely redo the formula to be something else we would need to run it through ITD it would be under that two month window.

Rep. Beadle: You would have it done before the 2013 legislative session. Sometime before the beginning of 2012. If we chose not to pass this bill the data will be plugged in the system for the new population in July so that the distribution will be affected essentially from July to whenever we end up addressing it. Whether it is the 2013 session or this fall so that is where the data would be squid if we used the current formula and changed the population so there would be a discrepancy there so we would be if we can address it this fall six months or so that we would have a discrepancy as far as the distribution of the counties so if we pass this with an expiration date beginning of 2011 or so that we have time to come up with a new distribution formula and get that done before this is effectively killed we could have everything rectified at that point or if we don't pass this, then we have significant issues to address at that point.

Carlee McLeod: Yes

Chairman Johnson: I don't really see a way that we don't have to have two systems for awhile. Do you see a way we could get around not having two systems?

Carlee McLeod: If the data comes in within the next couple of weeks and there is an agreement to make sure how that the formula would be fair and equitable and we can make the changes to the formula prior to the end of the session then we will not have to have two different systems.

Chairman Johnson: That will not go into place until August 1?

Carlee McLeod: There is an emergency clause on this bill and I would hope you would keep that on there so that as soon as the formula changes and made we would put it into affect. The next distribution for this is the first or second week of April and that is before we are putting any of the population numbers in so if you make a change after that the emergency clause won't affect the tax distribution until July.

Rep. Hatelstad: If we go ahead and let the new figures go into effect and for at least one quarter we would have a messed up distribution. Then came back and made the formula changes, then we could go on from there as smooth as silk.

Carlee McLeod: Yes we could.

Chairman Johnson: That would depend on whether we could get it legislatively approved and that wouldn't be until November if we can get it on the special session. So we would have two distributions that would go out under the new system.

Rep. Klemin: Our bill that we had for redistricting had two purposes in it; one was redistricting and one was health care so I don't know that we could just do anything else when we are here too without amending that other bill?

Rep. Shirley Meyer: You can bring anything into a special session if you have the votes. If we get the numbers it was my understanding that until June the numbers that are coming will they be the final certain numbers or just the preliminary numbers and there is in June a more accurate count?

Carlee McLeod: I am not sure what will be coming in June. What Sheila Peterson told me is that by federal statues April 1 they have to have our numbers.

Rep. Beadle: That might be accurate. The political subdivisions that I was talking to would be willing to release that data. Federal statue might be different.

Carlee McLeod: We understand the inequity that could happen by using the current numbers we also understand what could happen by using the older numbers. We are just here to offer whatever assistance we can for the solution and let you know the programming change that will be needed if you pass this bill in its current form.

Chairman Johnson: If we can get the numbers by April 1 is it possible to have a formula ready before the end of session?

Jerry Hjelmstad: I am sure we can probably get a formula. The question would be getting the information out to all the cities as to how they feel about the new formula we would do our best.

Rep. Koppelman: If you were to do that and you would want some input so you could represent your constituents, but if you were to do that and we were to adopt something that was reasonable at the end of this session, would there be anything preventing the legislature two years from now from changing that if there was some volume of information that indicated it was unfair or there was some problem with it versus just waiting for two years to do anything?

Jerry Hjelmstad: No I am sure they could change and make those adjustments at that time.

Hearing recessed.

Discussion:

Chairman Johnson: I am going to hold this one and talk to leadership. If we can in a reasonable amount of time get the numbers I think we might want to try to work through to have something to do into effect, but if the numbers aren't coming soon we may have to figure out another program.

Rep. Shirley Meyer: Could our intern check to see how that all is rolled over into the state aid distribution fund. If there would be a history of that if that could be provided to the committee.

Rep. Mock: This bill was introduced to delay the effective date for the 2010 census figures for this purpose for the distribution and that hadn't had a hearing in the Senate or House. Is it possible if the numbers did come in would it be possible to do a delayed bill and give that an opportunity to change the formula if the numbers come in? I don't know if hanging onto this for the purpose of getting new figures and a new formula is the best solution; course time is on our side on that.

Rep. Koppelman: One way to accomplish that is rather than adjourning the hearing now we could recess it and you could open it again a month from now and it would still be a public hearing and people would be able to come and testify and so on, rather than just the committee doing committee work.

Chairman Johnson: I am going to set on 2253 and I think we got more discussion and information we need to gather on that. We will recess it so that way if we can get information and we need to come back and have more people talk about it we can do that. So we will recess the hearing on 2253.

2011 HOUSE STANDING COMMITTEE MINUTES

House Political Subdivisions Committee Prairie Room, State Capitol

SB 2253
March 31, 2011
Job # 16219

☐ Conference Committee

Committee Clerk Signature



Minutes:

Handout #1, #3; Proposed amendment #2

Chairman Johnson: Reconvened the hearing on SB 2253.

Senator Olafson: I have had a chance to review the amendments this morning. These amendments will deviate a little bit from the original map that they would have laid out I think these are friendly amendments and I would encourage your support of the amendments.

Jerry Hjelmstad, ND League of Cities: I did pass out three pieces of information before the hearing this morning. (See handouts 1, 3 and proposed amendment #2). After the last hearing there was some interest in some information as to what a per capita distribution for cities would look like from the State Aid Distribution Fund so this handout had after the names of the cities has the population from 2003; because there were four cities that dissolved between 2000 and 2003 so these are the 357 cities that have been in existence since 2003. The population from the 2010 census that was just released is in the middle column; the second column on the right is the State Aid Distribution payments for 2010. Those are the actual payments that were distributed under the existing formula. On the right hand column the 2011 per capita; that would be the distribution on a per capita basis based on revenue projections. There was \$26,663 million distributed to the cities under the 2010. The revenue forecast for 2011 will be \$30,400 million so we used those figures for the per capita distribution for 2011. Under the 2011 per capita distribution the only city that increased in population that would lose a little bit of revenue under the per capita distribution would be the city of Grand Forks and they had no objection to formula change. Went over the amendment which is a hog house to the bill. Went over the amendment and explained that it would just be on per capita now. The third handout was the revenue forecast for 2011, 2012 and 2013.

Rep. Koppelman: Are you proposing we adjust these numbers now and you are satisfied that with that one exception it shakes out correctly?

Jerry Hjelmstad: Yes that would be our proposal effective with the July 1. I did visit with John Walstad and he said being this is a continuing appropriation it probably would not need an effective date but he suggested we put July 1 just to catch his attention to make sure it takes effect.

Motion made to move the by Rep. Maragos: Seconded by Rep. Koppelman:

Voice vote carried.

Chairman Johnson: We now have SB 2253 before us as amended. What are the wishes of the committee?

Do Pass As Amended Motion Made by Rep. Koppelman: Seconded by Rep. Beadle

Rep. Kretschmar: Does this bill use the 2010 population numbers?

Chairman Johnson: Yes it would then use the 2010 population numbers effective July 1.

Vote: 14 Yes 0 No 0 Absent Carrier: Rep. Koppelman:

Hearing closed.

March 31, 2011

VR
3/31/11
103

PROPOSED AMENDMENTS TO SENATE BILL NO. 2253

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 57-39.2-26.1 of the North Dakota Century Code, relating to the allocation of funds in the state aid distribution fund; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

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

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

1. Fifty-three and seven-tenths percent of the revenues must be allocated to counties in the first month after each quarterly period as provided in this subsection.
 - a. Sixty-four percent of the amount must be allocated among the seventeen counties with the greatest population, in the following manner:
 - (1) Thirty-two percent of the amount must be allocated equally among the counties; and
 - (2) The remaining amount must be allocated based upon the proportion each such county's population bears to the total population of all such counties.
 - b. Thirty-six percent of the amount must be allocated among all counties, excluding the seventeen counties with the greatest population, in the following manner:
 - (1) Forty percent of the amount must be allocated equally among the counties; and
 - (2) The remaining amount must be allocated based upon the proportion each such county's population bears to the total population of all such counties.

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

2. Forty-six and three-tenths percent of the revenues must be allocated to cities in the first month after each quarterly period as provided in this subsection based upon the proportion each city's population bears to the total population of all cities.
 - a. ~~Nineteen and four-tenths percent of the amount must be allocated among cities with a population of eighty thousand or more, based upon the proportion each city's population bears to the total population of all such cities.~~
 - b. ~~Thirty-four and five-tenths percent of the amount must be allocated among cities with a population of twenty thousand or more but fewer than eighty thousand, based upon the proportion each such city's population bears to the total population of all such cities.~~
 - c. ~~Sixteen percent of the amount must be allocated among cities with a population of ten thousand or more but fewer than twenty thousand, based upon the proportion each such city's population bears to the total population of all such cities.~~
 - d. ~~Four and nine-tenths percent of the amount must be allocated among cities with a population of five thousand or more but fewer than ten thousand, based upon the proportion each such city's population bears to the total population of all such cities.~~
 - e. ~~Thirteen and one-tenth percent of the amount must be allocated among cities with a population of one thousand or more but fewer than five thousand, based upon the proportion each such city's population bears to the total population of all such cities.~~
 - f. ~~Six and one-tenth percent of the amount must be allocated among cities with a population of five hundred or more but fewer than one thousand, based upon the proportion each such city's population bears to the total population of all such cities.~~
 - g. ~~Three and four-tenths percent of the amount must be allocated among cities with a population of two hundred or more but fewer than five hundred, based upon the proportion each such city's population bears to the total population of all such cities.~~
 - h. ~~Two and six-tenths percent of the amount must be allocated among cities with a population of fewer than two hundred, based upon the~~

~~proportion each such city's population bears to the total population of all such cities.~~

A city shall deposit all revenues received under this subsection in the city general fund. Each city shall reserve a portion of its allocation under this subsection for further distribution to, or expenditure on behalf of, park districts and other taxing districts within the city, excluding school districts. The share of the city allocation under this subsection to be distributed to a park district must be equal to the percentage of the city share of state aid distribution fund allocations that park district received during calendar year 1996, up to a maximum of thirty percent. The governing boards of the city and park district may agree to a different distribution.

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

Renumber accordingly

Date: 3/31/11
Roll Call Vote #: 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2253

House Political Subdivisions Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken ☐ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt
Amendment

☐ Rerefer to Appropriations ☐ Reconsider _____

Motion Made By Rep. Maragos Seconded By Rep. Koppelman

| Representatives | Yes | No | Representatives | Yes | No |
|-------------------------|-----|----|--------------------|-----|----|
| Chairman Nancy Johnson | | | Rep. Kilichowski | | |
| Vice Chairman Hatelstad | | | Rep. Shirley Meyer | | |
| Rep. Beadle | | | Rep. Mock | | |
| Rep. Devlin | | | Rep. Zaiser | | |
| Rep. Heilman | | | | | |
| Rep. Klemin | | | | | |
| Rep. Koppelman | | | | | |
| Rep. Kretschmar | | | | | |
| Rep. Maragos | | | | | |
| Rep. Pietsch | | | | | |
| | | | | | |
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| | | | | | |
| | | | | | |

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

*Vote
Carried!*

Date: 3/31/11
Roll Call Vote #: 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2253

House Political Subdivisions Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt
Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Koppelman Seconded By Rep. Beadle

| Representatives | Yes | No | Representatives | Yes | No |
|-------------------------|-----|----|--------------------|-----|----|
| Chairman Nancy Johnson | ✓ | | Rep. Kilichowski | ✓ | |
| Vice Chairman Hatelstad | ✓ | | Rep. Shirley Meyer | ✓ | |
| Rep. Beadle | ✓ | | Rep. Mock | ✓ | |
| Rep. Devlin | ✓ | | Rep. Zaiser | ✓ | |
| Rep. Heilman | ✓ | | | | |
| Rep. Klemin | ✓ | | | | |
| Rep. Koppelman | ✓ | | | | |
| Rep. Kretschmar | ✓ | | | | |
| Rep. Maragos | ✓ | | | | |
| Rep. Pietsch | ✓ | | | | |
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Total (Yes) 14 No 0

Absent 0

Floor Assignment Rep. Koppelman

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2253: Political Subdivisions Committee (Rep. N. Johnson, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2253 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 57-39.2-26.1 of the North Dakota Century Code, relating to the allocation of funds in the state aid distribution fund; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

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 - (2) The remaining amount must be allocated based upon the proportion each such county's population bears to the total population of all such counties.
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2. Forty-six and three-tenths percent of the revenues must be allocated to cities in the first month after each quarterly period ~~as provided in this subsection based upon the proportion each city's population bears to the total population of all cities.~~
 - a. ~~Nineteen and four-tenths percent of the amount must be allocated among cities with a population of eighty thousand or more, based upon the proportion each city's population bears to the total population of all such cities.~~
 - b. ~~Thirty-four and five-tenths percent of the amount must be allocated among cities with a population of twenty thousand or more but fewer than eighty thousand, based upon the proportion each such city's population bears to the total population of all such cities.~~
 - c. ~~Sixteen percent of the amount must be allocated among cities with a population of ten thousand or more but fewer than twenty thousand, based upon the proportion each such city's population bears to the total population of all such cities.~~
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year 1996, up to a maximum of thirty percent. The governing boards of the city and park district may agree to a different distribution.

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

Renumber accordingly

2011 TESTIMONY

SB 2253

To: Senate Government and Veterans Affairs Committee
From: Jerry Hjelmstad, North Dakota League of Cities
Date: January 28, 2011
Re: Senate Bill 2253

Senate Bill 2253 was requested by the North Dakota League of Cities with the agreement of the North Dakota Association of Counties. The bill provides that the population figures currently being used for the state aid distribution fund payments will continue to be used through July 31 of 2013.

During the 1997 legislative session, HB 1019 was passed to accomplish several goals:

1. The State Aid Distribution Fund, funded by 4/10 of one cent of state sales tax, was set aside as a continuing appropriation;
2. A formula was set up providing that 53.7 percent of these funds would go to counties and 46.3 percent would go to cities. These percentages were based upon the amounts that had been going to these political subdivisions and the taxing entities within each under previous revenue sharing and personal property tax replacement formulas; and
3. Within each of these two categories, population categories were set up so that each county or city would continue to receive at least as much as they had received through the previous appropriations.

The new federal decennial census for 2010 is the reason for SB 2253. A similar bill, HB 1211, was passed during the 2001 session to deal with the same issue. Without the new, verified census data, the Legislature has no opportunity to study the effect that population shifts may have on the state aid payments to cities and counties. Shifting of cities to different categories could have a major impact on the distribution formula. The population categories currently being used for the state aid distribution fund are attached. (NDCC 57-39.2-26.1)

If you pass SB 2253, the North Dakota League of Cities and the North Dakota Association of Counties will work over the interim to quantify the population shifts and what impact these shifts would make on the state aid distribution. Any needed changes in the distribution formula could be made during the 2013 legislative session.

We ask that you recommend a "do pass" on Senate Bill 2253.

57-39.2-26.1. Allocation of revenues among political subdivisions. Notwithstanding any other provision of law, a portion of sales, gross receipts, use, and motor vehicle excise tax collections, equal to forty percent of an amount determined by multiplying the quotient of one percent divided by the general sales tax rate, that was in effect when the taxes were collected, times the net sales, gross receipts, use, and motor vehicle excise tax collections under chapters 57-39.2, 57-39.5, 57-39.6, 57-40.2, and 57-40.3 must be deposited by the state treasurer in the state aid distribution fund. The state tax commissioner shall certify to the state treasurer the portion of sales, gross receipts, use, and motor vehicle excise tax net revenues that must be deposited in the state aid distribution fund as determined under this section. Revenues deposited in the state aid distribution fund are provided as a standing and continuing appropriation and must be allocated as follows:

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2. Forty-six and three-tenths percent of the revenues must be allocated to cities in the first month after each quarterly period as provided in this subsection.
 - a. Nineteen and four-tenths percent of the amount must be allocated among cities with a population of eighty thousand or more, based upon the proportion each city's population bears to the total population of all such cities. 1
 - b. Thirty-four and five-tenths percent of the amount must be allocated among cities with a population of twenty thousand or more but fewer than eighty thousand, based upon the proportion each such city's population bears to the total population of all such cities. 3

- c. Sixteen percent of the amount must be allocated among cities with a population of ten thousand or more but fewer than twenty thousand, based upon the proportion each such city's population bears to the total population of all such cities. 5
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 - f. Six and one-tenth percent of the amount must be allocated among cities with a population of five hundred or more but fewer than one thousand, based upon the proportion each such city's population bears to the total population of all such cities. 47
 - g. Three and four-tenths percent of the amount must be allocated among cities with a population of two hundred or more but fewer than five hundred, based upon the proportion each such city's population bears to the total population of all such cities. 72
 - h. Two and six-tenths percent of the amount must be allocated among cities with a population of fewer than two hundred, based upon the proportion each such city's population bears to the total population of all such cities. 186
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- 357

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#1

To: House Political Subdivisions Committee
From: Jerry Hjelmstad, North Dakota League of Cities
Date: March 3, 2011
Re: Senate Bill 2253

Senate Bill 2253 was requested by the North Dakota League of Cities with the agreement of the North Dakota Association of Counties. The bill provides that the population figures currently being used for the state aid distribution fund payments will continue to be used through July 31 of 2013.

During the 1997 legislative session, HB 1019 was passed to accomplish several goals:

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2. A formula was set up providing that 53.7 percent of these funds would go to counties and 46.3 percent would go to cities. These percentages were based upon the amounts that had been going to these political subdivisions and the taxing entities within each under previous revenue sharing and personal property tax replacement formulas; and
3. Within each of these two categories, population categories were set up so that each county or city would continue to receive at least as much as they had received through the previous appropriations.

The new federal decennial census for 2010 is the reason for SB 2253. A similar bill, HB 1211, was passed during the 2001 session to deal with the same issue. Without the new, verified census data, the Legislature has no opportunity to study the effect that population shifts may have on the state aid payments to cities and counties. Shifting of cities to different categories could have a major impact on the distribution formula. The population categories currently being used for the state aid distribution fund are attached. (NDCC 57-39.2-26.1)

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2

Testimony of Sheila Peterson
Informational Only – Neutral Position
SB 2253

Sheila Peterson is the Director of the Fiscal Management Division of OMB. Sheila also serves on the ND Census Committee and served on North Dakota's Complete Count Committee for the 2010 Census.

By federal statute, the U.S. Census Bureau must have all the decennial census data to the states by April 1, 2011. The Census Bureau is rolling out that data one state at a time. To date, they have provided the county and city data to 26 states. We will not know when it is our turn until one week in advance of them releasing North Dakota's data, but we do know it will be by April 1.

You may recall in December of 2010, the state wide totals were released. North Dakota added 30,000 in population since 2000. This is a significant increase for our state and you may want to consider factoring in those citizens into the State Aid Distribution Formula earlier than 2013.

Finally, I would reinforce the need of the State Treasurer's office for programming dollars should SB 2253 pass in its current form.



Kelly L. Schmidt
State Treasurer

STATE OF NORTH DAKOTA

OFFICE OF STATE TREASURER

STATE CAPITOL, 600 E. BOULEVARD AVE., DEPT 120, BISMARCK, NORTH DAKOTA 58505-0600

701-328-2643 FAX 701-328-3002

<http://www.treasurer.nd.gov>

#2

**Senate Bill 2253
Neutral Testimony
Committee: House Political Subdivisions
Date: March 3, 2011
Carlee McLeod
Deputy Treasurer**

Madam Chair, members of the committee:

For the record, I am Carlee McLeod, Deputy Treasurer for the Office of State Treasurer.

The State Treasurer's Office will update statewide population based on the 2010 Census for tax distributions starting July 1, 2011. The first state aid distribution after the population update will occur in July, 2011.

Currently, a variety of data for each political subdivision receiving tax distributions is programmed into the TDOC (Tax Distribution Outstanding Check) system in the Office of State Treasurer. Our office uses that data to feed all tax distributions processed through TDOC. The system is not programmed to use different data for the same field. So for instance, TDOC uses the same population for a city for all the distributions it receives.

This bill will require a reprogramming to allow different data for the same field. ITD estimates that the change will take one month to complete, and the cost will be approximately \$5,000. If this bill is passed, we will be requesting that additional amount be added to our budget.

Testimony during the Senate hearing on this bill indicated that the counties and cities might be amenable to amending this bill with a new state aid formula after the populations are known, before the end of this session. Our office believes that is a better option than using different population numbers for the same political subdivision, and we would fully support any efforts to that end.

Thank you.

#2

| CITY | Population 2003 | Population 2010 Census | 2010 SADF formula pmts. | 2011 per capita distribution est. |
|--------------|--------------------|---------------------------|----------------------------|--------------------------------------|
| Fargo | 90599 | 105549 | \$ 5,172,717 | \$ 6,336,137 |
| Bismarck | 55532 | 61272 | \$ 3,612,173 | \$ 3,678,176 |
| Grand Forks | 49321 | 52838 | \$ 3,208,168 | \$ 3,171,881 |
| Minot | 36567 | 40888 | \$ 2,378,563 | \$ 2,454,519 |
| West Fargo | 14940 | 25830 | \$ 841,883 | \$ 1,550,582 |
| Mandan | 16718 | 18331 | \$ 942,074 | \$ 1,100,415 |
| Dickinson | 16010 | 17787 | \$ 902,178 | \$ 1,067,759 |
| Jamestown | 15527 | 15427 | \$ 874,961 | \$ 926,087 |
| Williston | 12512 | 14716 | \$ 705,063 | \$ 883,406 |
| Wahpeton | 8586 | 7766 | \$ 495,613 | \$ 466,195 |
| Devils Lake | 7222 | 7141 | \$ 416,878 | \$ 428,676 |
| Valley City | 6826 | 6585 | \$ 394,020 | \$ 395,299 |
| Grafton | 4516 | 4284 | \$ 240,055 | \$ 257,170 |
| Beulah | 3152 | 3121 | \$ 167,549 | \$ 187,355 |
| Rugby | 2909 | 2876 | \$ 154,632 | \$ 172,647 |
| Horace | 915 | 2430 | \$ 48,638 | \$ 145,874 |
| Hazen | 2457 | 2411 | \$ 130,606 | \$ 144,733 |
| Lincoln | 1730 | 2406 | \$ 91,961 | \$ 144,433 |
| Cassellton | 1855 | 2329 | \$ 98,605 | \$ 139,811 |
| Bottineau | 2336 | 2211 | \$ 124,174 | \$ 132,727 |
| Lisbon | 2292 | 2154 | \$ 121,835 | \$ 129,305 |
| Carrington | 2268 | 2065 | \$ 120,559 | \$ 123,963 |
| New Town | 1367 | 1925 | \$ 72,665 | \$ 115,558 |
| Langdon | 2101 | 1878 | \$ 111,682 | \$ 112,737 |
| Mayville | 1953 | 1858 | \$ 103,815 | \$ 111,536 |
| Oakes | 1979 | 1856 | \$ 105,197 | \$ 111,416 |
| Harvey | 1989 | 1783 | \$ 105,728 | \$ 107,034 |
| Watford City | 1435 | 1744 | \$ 76,280 | \$ 104,693 |
| Bowman | 1600 | 1650 | \$ 85,050 | \$ 99,050 |
| Hillsboro | 1563 | 1603 | \$ 83,084 | \$ 96,229 |
| Stanley | 1279 | 1458 | \$ 67,987 | \$ 87,524 |
| Garrison | 1318 | 1453 | \$ 70,060 | \$ 87,224 |
| Park River | 1535 | 1403 | \$ 81,595 | \$ 84,222 |
| Ellendale | 1559 | 1394 | \$ 82,871 | \$ 83,682 |
| New Rockford | 1463 | 1391 | \$ 77,768 | \$ 83,502 |
| Larimore | 1433 | 1346 | \$ 76,173 | \$ 80,801 |
| Cavalier | 1537 | 1302 | \$ 81,702 | \$ 78,159 |
| Rolla | 1417 | 1280 | \$ 75,323 | \$ 76,839 |
| Washburn | 1389 | 1246 | \$ 73,834 | \$ 74,798 |
| Tioga | 1125 | 1230 | \$ 59,801 | \$ 73,837 |
| Hettinger | 1307 | 1226 | \$ 69,476 | \$ 73,597 |
| Cando | 1342 | 1115 | \$ 71,336 | \$ 66,934 |
| Linton | 1321 | 1097 | \$ 70,220 | \$ 65,853 |
| Kenmare | 1081 | 1096 | \$ 57,462 | \$ 65,793 |
| Velva | 1049 | 1084 | \$ 55,761 | \$ 65,073 |
| Crosby | 1089 | 1070 | \$ 57,887 | \$ 64,232 |
| Burlington | 1096 | 1060 | \$ 52,362 | \$ 63,632 |
| Beach | 1116 | 1019 | \$ 59,323 | \$ 61,171 |
| Wishek | 1122 | 1002 | \$ 59,642 | \$ 60,150 |
| Walhalla | 1057 | 996 | \$ 50,499 | \$ 59,790 |
| Thompson | 1006 | 986 | \$ 53,475 | \$ 59,190 |
| Cooperstown | 1053 | 984 | \$ 50,308 | \$ 59,070 |
| New Salem | 938 | 946 | \$ 44,814 | \$ 56,789 |
| Northwood | 959 | 945 | \$ 50,977 | \$ 56,729 |
| Surrey | 917 | 934 | \$ 43,810 | \$ 56,068 |
| Hankinson | 1058 | 919 | \$ 50,547 | \$ 55,168 |
| Parshall | 981 | 903 | \$ 52,147 | \$ 54,207 |
| LaMoure | 944 | 889 | \$ 45,100 | \$ 53,367 |
| Enderlin | 947 | 886 | \$ 45,244 | \$ 53,187 |
| Drayton | 913 | 824 | \$ 43,619 | \$ 49,465 |
| Glen Ullin | 865 | 807 | \$ 45,980 | \$ 48,444 |
| Belfield | 866 | 800 | \$ 41,374 | \$ 48,024 |

State Aid Distribution Fund - NDLC Estimates

| CITY | Population 2003 | Population 2010 Census | 2010 SADF formula pmts. | 2011 per capita distribution est. |
|--------------|--------------------|---------------------------|----------------------------|--------------------------------------|
| Napoleon | 857 | 792 | \$ 40,944 | \$ 47,544 |
| Mohall | 812 | 783 | \$ 38,794 | \$ 47,004 |
| Underwood | 812 | 778 | \$ 38,794 | \$ 46,704 |
| Hatton | 707 | 777 | \$ 33,777 | \$ 46,644 |
| Dunseith | 739 | 773 | \$ 35,306 | \$ 46,403 |
| Mapleton | 606 | 762 | \$ 28,952 | \$ 45,743 |
| Gwinner | 717 | 753 | \$ 34,255 | \$ 45,203 |
| Killdeer | 713 | 751 | \$ 34,064 | \$ 45,083 |
| Ashley | 882 | 749 | \$ 42,138 | \$ 44,963 |
| Hebron | 803 | 747 | \$ 38,364 | \$ 44,843 |
| Mott | 808 | 721 | \$ 38,603 | \$ 43,282 |
| Harwood | 607 | 718 | \$ 29,000 | \$ 43,102 |
| Steele | 761 | 715 | \$ 36,357 | \$ 42,922 |
| Wilton | 807 | 711 | \$ 38,555 | \$ 42,682 |
| Kindred | 614 | 692 | \$ 29,334 | \$ 41,541 |
| Lakota | 781 | 672 | \$ 37,313 | \$ 40,340 |
| Milnor | 711 | 653 | \$ 33,968 | \$ 39,200 |
| Lidgerwood | 738 | 652 | \$ 35,258 | \$ 39,140 |
| Elgin | 659 | 642 | \$ 31,484 | \$ 38,539 |
| Portland | 604 | 606 | \$ 28,856 | \$ 36,378 |
| Minto | 657 | 604 | \$ 31,389 | \$ 36,258 |
| New England | 555 | 600 | \$ 26,515 | \$ 36,018 |
| Rolette | 538 | 594 | \$ 25,703 | \$ 35,658 |
| Pembina | 642 | 592 | \$ 30,672 | \$ 35,538 |
| Ray | 534 | 592 | \$ 25,512 | \$ 35,538 |
| Turtle Lake | 580 | 581 | \$ 27,710 | \$ 34,878 |
| Center | 678 | 571 | \$ 32,392 | \$ 34,277 |
| Edgeley | 637 | 563 | \$ 30,433 | \$ 33,797 |
| Towner | 574 | 533 | \$ 27,423 | \$ 31,996 |
| Richardton | 619 | 529 | \$ 29,573 | \$ 31,756 |
| Reiles Acres | 254 | 513 | \$ 12,135 | \$ 30,796 |
| Forman | 506 | 504 | \$ 24,174 | \$ 30,255 |
| Fessenden | 625 | 479 | \$ 29,860 | \$ 28,755 |
| Argusville | 147 | 475 | \$ 7,023 | \$ 28,514 |
| Berthold | 466 | 454 | \$ 20,085 | \$ 27,254 |
| Finley | 515 | 445 | \$ 24,604 | \$ 26,713 |
| Westhope | 533 | 429 | \$ 25,464 | \$ 25,753 |
| Wyndmere | 533 | 429 | \$ 22,973 | \$ 25,753 |
| Leeds | 464 | 427 | \$ 19,999 | \$ 25,633 |
| Emerado | 510 | 414 | \$ 21,982 | \$ 24,853 |
| Strasburg | 549 | 409 | \$ 26,229 | \$ 24,552 |
| Maddock | 498 | 382 | \$ 21,465 | \$ 22,932 |
| McClusky | 415 | 380 | \$ 17,887 | \$ 22,812 |
| Glenburn | 374 | 380 | \$ 17,868 | \$ 22,812 |
| Neché | 437 | 371 | \$ 18,835 | \$ 22,271 |
| Fairmont | 406 | 367 | \$ 17,499 | \$ 22,031 |
| Stanton | 345 | 366 | \$ 14,870 | \$ 21,971 |
| Manvel | 370 | 360 | \$ 15,948 | \$ 21,611 |
| Sawyer | 377 | 357 | \$ 16,249 | \$ 21,431 |
| Kulm | 422 | 354 | \$ 18,189 | \$ 21,251 |
| McVillie | 470 | 349 | \$ 20,258 | \$ 20,951 |
| St. Johns | 358 | 341 | \$ 15,430 | \$ 20,470 |
| Arthur | 402 | 337 | \$ 17,327 | \$ 20,230 |
| Bowbells | 406 | 336 | \$ 17,499 | \$ 20,170 |
| Max | 278 | 334 | \$ 11,982 | \$ 20,050 |
| St. Thomas | 447 | 331 | \$ 19,266 | \$ 19,870 |
| Buxton | 350 | 323 | \$ 15,086 | \$ 19,390 |
| Gackle | 335 | 310 | \$ 14,439 | \$ 18,609 |
| Medina | 335 | 308 | \$ 14,439 | \$ 18,489 |
| Oxbow | 248 | 305 | \$ 10,689 | \$ 18,309 |
| South Heart | 307 | 301 | \$ 13,232 | \$ 18,069 |
| Reynolds | 350 | 301 | \$ 15,086 | \$ 18,069 |
| Michigan | 345 | 294 | \$ 14,870 | \$ 17,649 |

State Aid Distribution Fund - NDLC Estimates

| CITY | Population 2003 | Population 2010 Census | 2010 SADF formula pmts. | 2011 per capita distribution est. |
|---------------|--------------------|---------------------------|----------------------------|--------------------------------------|
| Carson | 319 | 293 | \$ 13,749 | \$ 17,589 |
| Scranton | 304 | 281 | \$ 13,103 | \$ 16,869 |
| Powers Lake | 309 | 280 | \$ 13,318 | \$ 16,808 |
| Drake | 322 | 275 | \$ 13,879 | \$ 16,508 |
| Abercrombie | 296 | 263 | \$ 12,758 | \$ 15,788 |
| Hunter | 326 | 261 | \$ 14,051 | \$ 15,668 |
| Hope | 303 | 258 | \$ 13,060 | \$ 15,488 |
| Tower City | 252 | 253 | \$ 10,862 | \$ 15,188 |
| Davenport | 261 | 252 | \$ 11,250 | \$ 15,128 |
| Lansford | 253 | 245 | \$ 10,905 | \$ 14,707 |
| Grenora | 202 | 244 | \$ 8,707 | \$ 14,647 |
| Hoople | 292 | 242 | \$ 12,586 | \$ 14,527 |
| Sherwood | 255 | 242 | \$ 10,991 | \$ 14,527 |
| Granville | 286 | 241 | \$ 12,327 | \$ 14,467 |
| Gladstone | 248 | 239 | \$ 10,689 | \$ 14,347 |
| Zap | 231 | 237 | \$ 9,956 | \$ 14,227 |
| Gilby | 243 | 237 | \$ 10,474 | \$ 14,227 |
| Hazelton | 237 | 235 | \$ 10,215 | \$ 14,107 |
| Walcott | 189 | 235 | \$ 8,146 | \$ 14,107 |
| Flasher | 285 | 232 | \$ 12,284 | \$ 13,927 |
| Page | 225 | 232 | \$ 9,698 | \$ 13,927 |
| Anamoose | 282 | 227 | \$ 12,155 | \$ 13,627 |
| Minnewaukan | 318 | 224 | \$ 13,706 | \$ 13,447 |
| Leonard | 255 | 223 | \$ 10,991 | \$ 13,387 |
| Alexander | 217 | 223 | \$ 9,353 | \$ 13,387 |
| Aneta | 284 | 222 | \$ 11,855 | \$ 13,327 |
| New Leipzig | 274 | 221 | \$ 11,810 | \$ 13,267 |
| Wimbleton | 237 | 216 | \$ 10,215 | \$ 12,967 |
| Frontier | 273 | 214 | \$ 11,767 | \$ 12,846 |
| Fordville | 266 | 212 | \$ 11,103 | \$ 12,726 |
| Munich | 268 | 210 | \$ 11,551 | \$ 12,606 |
| Riverdale | 273 | 205 | \$ 11,767 | \$ 12,306 |
| Sheyenne | 318 | 204 | \$ 13,706 | \$ 12,246 |
| Des Lacs | 209 | 204 | \$ 8,724 | \$ 12,246 |
| Tappen | 210 | 197 | \$ 9,051 | \$ 11,826 |
| Mooreton | 204 | 197 | \$ 8,793 | \$ 11,826 |
| Edinburg | 252 | 196 | \$ 10,862 | \$ 11,766 |
| Petersburg | 195 | 192 | \$ 8,140 | \$ 11,526 |
| Sanborn | 194 | 192 | \$ 8,362 | \$ 11,526 |
| Halliday | 227 | 188 | \$ 9,475 | \$ 11,286 |
| Buffalo | 209 | 188 | \$ 9,008 | \$ 11,286 |
| Fort Yates | 228 | 184 | \$ 9,517 | \$ 11,046 |
| Binford | 201 | 183 | \$ 8,390 | \$ 10,986 |
| Edmore | 256 | 182 | \$ 10,686 | \$ 10,926 |
| Golden Valley | 183 | 182 | \$ 7,888 | \$ 10,926 |
| Grandin | 181 | 173 | \$ 7,801 | \$ 10,385 |
| Litchville | 191 | 172 | \$ 8,232 | \$ 10,325 |
| Plaza | 167 | 171 | \$ 7,198 | \$ 10,265 |
| Streeter | 172 | 170 | \$ 7,180 | \$ 10,205 |
| Rhame | 189 | 169 | \$ 7,889 | \$ 10,145 |
| Tolna | 202 | 166 | \$ 8,707 | \$ 9,965 |
| Willow City | 221 | 163 | \$ 9,525 | \$ 9,785 |
| Rutland | 220 | 163 | \$ 9,183 | \$ 9,785 |
| Kensal | 161 | 163 | \$ 6,720 | \$ 9,785 |
| Reeder | 181 | 162 | \$ 7,555 | \$ 9,725 |
| Regent | 211 | 160 | \$ 9,094 | \$ 9,605 |
| Selfridge | 223 | 160 | \$ 9,308 | \$ 9,605 |
| Carpio | 148 | 157 | \$ 6,178 | \$ 9,425 |
| Lignite | 174 | 155 | \$ 7,263 | \$ 9,305 |
| Makoti | 145 | 154 | \$ 6,053 | \$ 9,245 |
| Wing | 124 | 152 | \$ 5,176 | \$ 9,125 |
| Christine | 153 | 150 | \$ 6,387 | \$ 9,005 |
| Taylor | 150 | 148 | \$ 6,261 | \$ 8,884 |

State Aid Distribution Fund - NDLC Estimates

| CITY | Population 2003 | Population 2010 Census | 2010 SADF formula pmts. | 2011 per capita distribution est. |
|-----------------|--------------------|---------------------------|----------------------------|--------------------------------------|
| Dunn Center | 122 | 146 | \$ 5,093 | \$ 8,764 |
| Crary | 149 | 142 | \$ 6,422 | \$ 8,524 |
| Crystal | 167 | 138 | \$ 6,971 | \$ 8,284 |
| Marmarth | 140 | 136 | \$ 5,844 | \$ 8,164 |
| Osnabrock | 174 | 134 | \$ 7,263 | \$ 8,044 |
| Columbus | 151 | 133 | \$ 6,303 | \$ 7,984 |
| Marion | 146 | 133 | \$ 6,094 | \$ 7,984 |
| Hannaford | 181 | 131 | \$ 7,555 | \$ 7,864 |
| Bowdon | 139 | 131 | \$ 5,802 | \$ 7,864 |
| Upham | 155 | 130 | \$ 6,681 | \$ 7,804 |
| Adams | 203 | 127 | \$ 8,474 | \$ 7,624 |
| Bisbee | 167 | 126 | \$ 6,971 | \$ 7,564 |
| Portal | 131 | 126 | \$ 5,468 | \$ 7,564 |
| Forest River | 154 | 125 | \$ 6,428 | \$ 7,504 |
| Pick City | 166 | 123 | \$ 6,929 | \$ 7,384 |
| Almont | 89 | 122 | \$ 3,715 | \$ 7,324 |
| Noonan | 154 | 121 | \$ 6,428 | \$ 7,264 |
| Colfax | 91 | 121 | \$ 3,799 | \$ 7,264 |
| Oriska | 128 | 118 | \$ 5,343 | \$ 7,084 |
| Starkweather | 157 | 117 | \$ 6,553 | \$ 7,024 |
| Sykeston | 153 | 117 | \$ 6,387 | \$ 7,024 |
| Sheldon | 135 | 116 | \$ 5,635 | \$ 6,964 |
| Arnegard | 105 | 115 | \$ 4,383 | \$ 6,903 |
| Medora | 100 | 112 | \$ 4,174 | \$ 6,723 |
| Wildrose | 129 | 110 | \$ 5,385 | \$ 6,603 |
| Newburg | 88 | 110 | \$ 3,673 | \$ 6,603 |
| Galesburg | 157 | 108 | \$ 6,553 | \$ 6,483 |
| Pisek | 96 | 106 | \$ 4,007 | \$ 6,363 |
| Oberon | 81 | 105 | \$ 3,381 | \$ 6,303 |
| Dazey | 91 | 104 | \$ 3,799 | \$ 6,243 |
| Rock Lake | 194 | 101 | \$ 8,098 | \$ 6,063 |
| Esmond | 159 | 100 | \$ 6,637 | \$ 6,003 |
| Epping | 79 | 100 | \$ 3,298 | \$ 6,003 |
| Cogswell | 165 | 99 | \$ 6,887 | \$ 5,943 |
| Goodrich | 163 | 98 | \$ 6,804 | \$ 5,883 |
| Lankin | 131 | 98 | \$ 5,468 | \$ 5,883 |
| Deering | 118 | 98 | \$ 4,926 | \$ 5,883 |
| Fingal | 133 | 97 | \$ 5,552 | \$ 5,823 |
| Ross | 48 | 97 | \$ 2,004 | \$ 5,823 |
| Sharon | 109 | 96 | \$ 4,550 | \$ 5,763 |
| Mercer | 86 | 94 | \$ 3,590 | \$ 5,643 |
| Amenia | 89 | 94 | \$ 3,715 | \$ 5,643 |
| Mountain | 133 | 92 | \$ 5,552 | \$ 5,523 |
| Glenfield | 134 | 91 | \$ 5,593 | \$ 5,463 |
| Spiritwood Lake | 72 | 90 | \$ 3,005 | \$ 5,403 |
| Buchanan | 77 | 90 | \$ 3,214 | \$ 5,403 |
| Dodge | 125 | 87 | \$ 5,218 | \$ 5,223 |
| Montpelier | 103 | 87 | \$ 4,299 | \$ 5,223 |
| Zeeland | 141 | 86 | \$ 5,886 | \$ 5,163 |
| Ryder | 92 | 85 | \$ 3,840 | \$ 5,103 |
| Verona | 108 | 85 | \$ 4,508 | \$ 5,103 |
| Maxbass | 91 | 84 | \$ 3,799 | \$ 5,043 |
| Hurdsfield | 91 | 84 | \$ 3,799 | \$ 5,043 |
| Cleveland | 112 | 83 | \$ 4,675 | \$ 4,983 |
| Solen | 86 | 83 | \$ 3,590 | \$ 4,983 |
| Karlsruhe | 119 | 82 | \$ 4,967 | \$ 4,922 |
| Dwight | 75 | 82 | \$ 3,131 | \$ 4,922 |
| Lehr | 114 | 80 | \$ 4,759 | \$ 4,802 |
| Tuttle | 106 | 80 | \$ 4,425 | \$ 4,802 |
| White Earth | 63 | 80 | \$ 2,630 | \$ 4,802 |
| Coleharbor | 106 | 79 | \$ 4,425 | \$ 4,742 |
| Martin | 96 | 78 | \$ 4,007 | \$ 4,682 |
| Fort Ransom | 70 | 77 | \$ 2,922 | \$ 4,622 |

State Aid Distribution Fund - NDLC Estimates

| CITY | Population 2003 | Population 2010 Census | 2010 SADF formula pmts. | 2011 per capita distribution est. |
|----------------|--------------------|---------------------------|----------------------------|--------------------------------------|
| Palermo | 77 | 74 | \$ 3,319 | \$ 4,442 |
| Gardner | 80 | 74 | \$ 3,339 | \$ 4,442 |
| Briarwood | 78 | 73 | \$ 3,256 | \$ 4,382 |
| Prairie Rose | 68 | 73 | \$ 2,838 | \$ 4,382 |
| Jud | 76 | 72 | \$ 3,172 | \$ 4,322 |
| Havana | 94 | 71 | \$ 3,924 | \$ 4,262 |
| Hague | 91 | 71 | \$ 3,799 | \$ 4,262 |
| Pekin | 80 | 70 | \$ 3,339 | \$ 4,202 |
| Pettibone | 88 | 70 | \$ 3,673 | \$ 4,202 |
| Butte | 92 | 68 | \$ 3,840 | \$ 4,082 |
| Ardoch | 61 | 67 | \$ 2,546 | \$ 4,022 |
| Flaxton | 73 | 66 | \$ 3,047 | \$ 3,962 |
| Benedict | 53 | 66 | \$ 2,212 | \$ 3,962 |
| Warwick | 75 | 65 | \$ 3,131 | \$ 3,902 |
| Balta | 73 | 65 | \$ 3,047 | \$ 3,902 |
| Douglas | 64 | 64 | \$ 2,671 | \$ 3,842 |
| Mantador | 71 | 64 | \$ 2,964 | \$ 3,842 |
| Grace City | 71 | 63 | \$ 2,964 | \$ 3,782 |
| Nome | 70 | 62 | \$ 2,922 | \$ 3,722 |
| Golva | 106 | 61 | \$ 4,425 | \$ 3,662 |
| Dawson | 75 | 61 | \$ 3,131 | \$ 3,662 |
| Hamilton | 73 | 61 | \$ 3,047 | \$ 3,662 |
| Great Bend | 118 | 60 | \$ 4,926 | \$ 3,602 |
| Pingree | 66 | 60 | \$ 2,755 | \$ 3,602 |
| Donnybrook | 90 | 59 | \$ 3,757 | \$ 3,542 |
| Milton | 85 | 58 | \$ 3,548 | \$ 3,482 |
| Souris | 83 | 58 | \$ 3,465 | \$ 3,482 |
| Brocket | 65 | 57 | \$ 2,713 | \$ 3,422 |
| Alamo | 51 | 57 | \$ 2,129 | \$ 3,422 |
| McHenry | 71 | 56 | \$ 2,964 | \$ 3,362 |
| Sentinel Butte | 62 | 56 | \$ 2,588 | \$ 3,362 |
| North River | 65 | 56 | \$ 2,713 | \$ 3,362 |
| Fullerton | 85 | 54 | \$ 3,548 | \$ 3,242 |
| Niagara | 57 | 53 | \$ 2,379 | \$ 3,182 |
| Forbes | 64 | 53 | \$ 2,671 | \$ 3,182 |
| Barney | 69 | 52 | \$ 2,880 | \$ 3,122 |
| Kathryn | 63 | 52 | \$ 2,630 | \$ 3,122 |
| Woodworth | 80 | 50 | \$ 3,339 | \$ 3,002 |
| Inkster | 102 | 50 | \$ 4,258 | \$ 3,002 |
| Nekoma | 51 | 50 | \$ 2,129 | \$ 3,002 |
| Hampden | 60 | 48 | \$ 2,505 | \$ 2,881 |
| Tolley | 63 | 47 | \$ 2,630 | \$ 2,821 |
| Rogers | 61 | 46 | \$ 2,546 | \$ 2,761 |
| Fredonia | 51 | 46 | \$ 2,129 | \$ 2,761 |
| Courtenay | 53 | 45 | \$ 2,212 | \$ 2,701 |
| Hensel/Canton | 42 | 45 | \$ 1,753 | \$ 2,701 |
| Clifford | 51 | 44 | \$ 2,129 | \$ 2,641 |
| Bathgate | 66 | 43 | \$ 2,755 | \$ 2,581 |
| Cathay | 56 | 43 | \$ 2,338 | \$ 2,581 |
| Regan | 43 | 43 | \$ 1,795 | \$ 2,581 |
| Dickey | 57 | 42 | \$ 2,379 | \$ 2,521 |
| Voltaire | 51 | 40 | \$ 2,129 | \$ 2,401 |
| Alice | 56 | 40 | \$ 2,338 | \$ 2,401 |
| Fairdale | 51 | 38 | \$ 2,129 | \$ 2,281 |
| Landa | 28 | 38 | \$ 1,169 | \$ 2,281 |
| Robinson | 71 | 37 | \$ 2,964 | \$ 2,221 |
| Wolford | 50 | 36 | \$ 2,087 | \$ 2,161 |
| Monango | 28 | 36 | \$ 1,169 | \$ 2,161 |
| Alsen | 68 | 35 | \$ 2,838 | \$ 2,101 |
| Brinsmade | 29 | 35 | \$ 1,211 | \$ 2,101 |
| Berlin | 35 | 34 | \$ 1,461 | \$ 2,041 |
| Wales | 30 | 31 | \$ 1,252 | \$ 1,861 |
| Luverne | 44 | 31 | \$ 1,837 | \$ 1,861 |



PROPOSED AMENDMENTS TO SENATE BILL NO. 2253

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 57-39.2-26.1 of the North Dakota Century Code, relating to the allocation of funds in the state aid distribution fund; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

57-39.2-26.1. Allocation of revenues among political subdivisions. Notwithstanding any other provision of law, a portion of sales, gross receipts, use, and motor vehicle excise tax collections, equal to forty percent of an amount determined by multiplying the quotient of one percent divided by the general sales tax rate, that was in effect when the taxes were collected, times the net sales, gross receipts, use, and motor vehicle excise tax collections under chapters 57-39.2, 57-39.5, 57-39.6, 57-40.2, and 57-40.3 must be deposited by the state treasurer in the state aid distribution fund. The state tax commissioner shall certify to the state treasurer the portion of sales, gross receipts, use, and motor vehicle excise tax net revenues that must be deposited in the state aid distribution fund as determined under this section. Revenues deposited in the state aid distribution fund are provided as a standing and continuing appropriation and must be allocated as follows:

1. Fifty-three and seven-tenths percent of the revenues must be allocated to counties in the first month after each quarterly period as provided in this subsection.
 - a. Sixty-four percent of the amount must be allocated among the seventeen counties with the greatest population, in the following manner:
 - (1)Thirty-two percent of the amount must be allocated equally among the counties; and
 - (2)The remaining amount must be allocated based upon the proportion each such county's population bears to the total population of all such counties.
 - b. Thirty-six percent of the amount must be allocated among all counties, excluding the seventeen counties with the greatest population, in the following manner:
 - (1)Forty percent of the amount must be allocated equally among the counties; and
 - (2)The remaining amount must be allocated based upon the proportion each such county's population bears to the total population of all such counties.

A county shall deposit all revenues received under this subsection in the county general fund. Each county shall reserve a portion of its allocation under this subsection for further distribution to, or expenditure on behalf of, townships, rural fire protection districts, rural ambulance districts, soil conservation districts, county recreation service districts, county hospital districts, the Garrison diversion conservancy district, the southwest water authority, and other taxing districts within the county, excluding school districts, cities, and taxing districts within cities. The share of the county allocation under this subsection to be distributed to a township must be equal to the percentage of the county share of state aid distribution fund allocations that township received during

calendar year 1996. The governing boards of the county and township may agree to a different distribution.

2. Forty-six and three-tenths percent of the revenues must be allocated to cities in the first month after each quarterly period as provided in this subsection based upon the proportion each city's population bears to the total population of all cities.
 - ~~a. Nineteen and four-tenths percent of the amount must be allocated among cities with a population of eighty thousand or more, based upon the proportion each city's population bears to the total population of all such cities.~~
 - ~~b. Thirty-four and five-tenths percent of the amount must be allocated among cities with a population of twenty thousand or more but fewer than eighty thousand, based upon the proportion each such city's population bears to the total population of all such cities.~~
 - ~~c. Sixteen percent of the amount must be allocated among cities with a population of ten thousand or more but fewer than twenty thousand, based upon the proportion each such city's population bears to the total population of all such cities.~~
 - ~~d. Four and nine-tenths percent of the amount must be allocated among cities with a population of five thousand or more but fewer than ten thousand, based upon the proportion each such city's population bears to the total population of all such cities.~~
 - ~~e. Thirteen and one-tenth percent of the amount must be allocated to among cities with a population of one thousand or more but fewer than five thousand, based upon the proportion each such city's population bears to the total population of all such cities.~~
 - ~~f. Six and one-tenth percent of the amount must be allocated among cities with a population of five hundred or more but fewer than one thousand, based upon the proportion each such city's population bears to the total population of all such cities.~~
 - ~~g. Three and four-tenths percent of the amount must be allocated among cities with a population of two hundred or more but fewer than five hundred, based upon the proportion each such city's population bears to the total population of all such cities.~~
 - ~~h. Two and six-tenths percent of the amount must be allocated among cities with a population of fewer than two hundred, based upon the proportion each such city's population bears to the total population of all such cities.~~

A city shall deposit all revenues received under this subsection in the city general fund. Each city shall reserve a portion of its allocation under this subsection for further distribution to, or expenditure on behalf of, park districts and other taxing districts within the city, excluding school districts. The share of the city allocation under this subsection to be distributed to a park district must be equal to the percentage of the city share of state aid distribution fund allocations that park district received during calendar year 1996, up to a maximum of thirty percent. The governing boards of the city and the park district may agree to a different distribution.

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

Renumber accordingly

2253

#3

Sales and Motor Vehicle Excise Tax Revenues
Legislative Forecast
FY 11 and 11-13 Biennium
(In millions)

| | | <u>FY 11</u> | <u>FY 12</u> | <u>FY 13</u> | <u>Biennium</u> |
|--------------------------------------|----------------|---------------|---------------|---------------|-----------------|
| Legislative Forecast (February 2011) | | | | | |
| Sales Tax | SGF | \$667.571 | \$669.561 | \$718.587 | \$1,388.148 |
| | SADF | <u>58.050</u> | <u>58.223</u> | <u>62.486</u> | <u>120.709</u> |
| | TOTAL | \$725.621 | \$727.784 | \$781.073 | \$1,508.857 |
| Motor Vehicle | SGF | \$ 65.959 | \$ 67.032 | \$ 70.271 | \$ 137.303 |
| | Hwy Dist. Fund | 21.986 | 22.344 | 23.423 | 45.767 |
| | SADF | <u>7.647</u> | <u>7.772</u> | <u>8.147</u> | <u>15.919</u> |
| | TOTAL | \$ 95.592 | \$ 97.148 | \$ 101.841 | \$ 198.989 |
| Combined | SGF | \$ 733.53 | 736.593 | 788.858 | \$1,525.451 |
| | Hwy Dist. Fund | 21.986 | 22.344 | 23.423 | 166.476 |
| | SADF | <u>65.697</u> | <u>65.995</u> | <u>70.633</u> | <u>136.628</u> |
| | TOTAL | \$821.213 | \$824.932 | \$882.914 | \$1,707.846 |

p:\leg ST & MVET Feb 2011.xls (ST SAFD computed; model doesn't reflect actuals)