

Introduced by

Representatives Kelsh, Maragos, Mooney

Senators Dotzenrod, Luick, Murphy

1 A BILL for an Act to amend and reenact sections 57-20-07.2 and 57-39.2-26.1 of the North  
2 Dakota Century Code, relating to increased allocation of sales, gross receipts, use, and motor  
3 vehicle excise tax collections to the state aid distribution fund to provide increased allocations to  
4 political subdivisions and to provide for separate allocations of property tax relief; to provide  
5 continuing appropriations; and to provide an effective date.

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

7 **SECTION 1. AMENDMENT.** Section 57-20-07.2 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9 **57-20-07.2. (~~Effective for the first two taxable years beginning after December 31,~~**  
10 **2012) State-paid property tax relief credit.**

- 11 1. The owner of taxable property is entitled to a credit against property taxes levied  
12 against the total amount of property or mobile home taxes in dollars levied against the  
13 taxable value of the property. The credit is equal to ~~twelve percent~~ percentage of  
14 property or mobile home taxes levied in dollars against that property determined under  
15 section 57-39.2-26.1.
- 16 2. The owner, operator, or lessee of railroad property assessed by the state board of  
17 equalization under chapter 57-05 or public utility operative property assessed by the  
18 state board of equalization under chapter 57-06 is entitled to a credit against property  
19 taxes levied within each county against that property in the amount provided in  
20 subsection 1 against property taxes levied in dollars against that property in that  
21 county.
- 22 3. The owner, operator, or lessee of operative property of an air carrier transportation  
23 company assessed and taxed under chapter 57-32 is entitled to a credit in the amount  
24 provided in subsection 1 against property taxes in dollars levied against that property.

1           The tax commissioner shall determine the total amount of credits under this  
2           subsection and certify the amount to the state treasurer for transfer from the general  
3           fund to the air transportation fund. The credit for each air transportation company must  
4           be allocated to each city or municipal airport authority where that company makes  
5           regularly scheduled landings, in the same manner as the tax collected from that  
6           company is allocated.

7           4. The tax commissioner shall estimate the amount necessary to provide each county  
8           advance payment of seventy-five percent of the amount the county and the taxing  
9           districts in the county will ultimately receive for a taxable year under this section and  
10          certify the estimated amounts to the state treasurer by March fifteenth for transfer by  
11          April first to the county treasurer and distribution to the county and taxing districts in  
12          the county as provided in subsection 5.

13          5. The tax commissioner shall determine the total amount of credits under this section for  
14          each county from the abstract of the tax list filed by the county auditor under section  
15          57-20-04, as audited and corrected by the tax commissioner. The tax commissioner  
16          shall certify to the state treasurer for payment, by June first following receipt of the  
17          abstract of the tax list, the amount determined for each county under this subsection.  
18          No penalty or interest applies to any state payment under this section, regardless of  
19          when the payment is made. The tax commissioner shall reduce the June certification  
20          of payments to reflect the April estimated payments previously made to counties under  
21          subsection 4.

22          6. Upon receipt of the payment from the state treasurer under subsections 4 and 5, the  
23          county treasurer shall apportion and distribute it to the county and the taxing districts  
24          in the county on the basis on which the general real estate tax for the preceding year  
25          is apportioned and distributed.

26          7. After payments to counties under subsection 5 have been made, the tax commissioner  
27          shall certify to the state treasurer as necessary any supplemental amounts payable to  
28          counties or the air transportation fund or any amounts that must be returned by  
29          counties or returned from the air transportation fund for deposit in the state general  
30          fund to correct any errors in payments or reflect any abatement or compromise of  
31          taxes, court-ordered tax reduction or increase, or levy of taxes against omitted

1 property. The county auditor shall provide any supplemental information requested by  
2 the tax commissioner after submission of the abstract of the tax list. The county  
3 treasurer shall apply to the tax commissioner for any supplemental payments to which  
4 the county treasurer believes the county is entitled.

5 8. Notwithstanding any other provision of law, for any property other than mobile homes,  
6 the property tax credit under this section does not apply to any property subject to  
7 payments or taxes that are stated by law to be in lieu of personal or real property  
8 taxes.

9 **SECTION 2. AMENDMENT.** Section 57-39.2-26.1 of the North Dakota Century Code is  
10 amended and reenacted as follows:

11 **57-39.2-26.1. Allocation of revenues among political subdivisions.**

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

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

23 a. Fifty-three and seven-tenths percent of the revenues must be allocated to  
24 counties in the first month after each quarterly period as provided in this  
25 ~~subsection~~subdivision.

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

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

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

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

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

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

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

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

28                                  A city shall deposit all revenues received under this ~~subsection~~subdivision  
29                                  in the city general fund. Each city shall reserve a portion of its allocation under  
30                                  this ~~subsection~~subdivision for further distribution to, or expenditure on behalf of,  
31                                  park districts and other taxing districts within the city, excluding school districts.

1                   The share of the city allocation under this ~~subsection~~subdivision to be distributed  
2                   to a park district must be equal to the percentage of the city share of state aid  
3                   distribution fund allocations that park district received during calendar year 1996,  
4                   up to a maximum of thirty percent. The governing boards of the city and park  
5                   district may agree to a different distribution.

6           2. The state treasurer shall allocate one-half of the revenues as follows:

7           a. The state treasurer shall determine by October thirty-first of each year, beginning  
8           in 2016, the amount deposited in the state aid distribution fund through the  
9           immediately preceding September thirtieth which is to be allocated under this  
10           subsection. By November first, the state treasurer shall obtain from the tax  
11           commissioner a determination of the percentage of property tax relief for that  
12           taxable year will be provided by allocation of that amount under section  
13           57-20-07.2.

14           b. The state treasurer shall allocate the amount determined for allocation under this  
15           subsection in the manner provided in section 57-20-07.2.

16           **SECTION 3. EFFECTIVE DATE.** Section 2 of this Act is effective for taxable events  
17           occurring after June 30, 2015.