

HOUSE BILL NO. 1311

Introduced by

Representatives J. Kelsh, Kretschmar, Mooney

Senators Luick, Dotzenrod, Heckaman

1 A BILL for an Act to amend and reenact section 57-39.2-26.1 of the North Dakota Century
2 Code, relating to providing property tax relief by increasing the share of sales, gross receipts,
3 use, and motor vehicle excise tax collections to be deposited in the state aid distribution fund for
4 allocation to political subdivisions; and to provide an effective date.

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

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

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

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

- 19 1. ~~Fifty three and seven tenths~~ Twenty-six and eighty-five hundredths percent of the
20 revenues must be allocated to counties in the first month after each quarterly period as
21 provided in this subsection.
- 22 a. Sixty-four percent of the amount under this subsection must be allocated among
23 the seventeen counties with the greatest population, in the following manner:

- 1 (1) Thirty-two percent of the amount must be allocated equally among the
2 counties; and
3 (2) The remaining amount must be allocated based upon the proportion each
4 such county's population bears to the total population of all such counties.
5 b. Thirty-six percent of the amount under this subsection must be allocated among
6 all counties, excluding the seventeen counties with the greatest population, in the
7 following manner:
8 (1) Forty percent of the amount must be allocated equally among the counties;
9 and
10 (2) The remaining amount must be allocated based upon the proportion each
11 such county's population bears to the total population of all such counties.

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

- 23 2. ~~Forty-six and three-tenths~~Twenty-three and fifteen hundredths percent of the revenues
24 must be allocated to cities in the first month after each quarterly period based upon the
25 proportion each city's population bears to the total population of all cities.

26 A city shall deposit all revenues received under this subsection in the city general
27 fund. Each city shall reserve a portion of its allocation under this subsection for further
28 distribution to, or expenditure on behalf of, park districts and other taxing districts
29 within the city, excluding school districts. The share of the city allocation under this
30 subsection to be distributed to a park district must be equal to the percentage of the
31 city share of state aid distribution fund allocations that park district received during

1 calendar year 1996, up to a maximum of thirty percent. The governing boards of the
2 city and park district may agree to a different distribution.

3 3. Fifty percent of the revenues must be retained in the state aid distribution fund and by
4 October fifth of each year the state treasurer shall allocate the amount retained under
5 this subsection to counties based upon the proportion each county's property tax levy
6 in dollars is of the total property tax levy in dollars of all counties for the most recently
7 imposed property tax levies of counties. The revenues allocated to a county under this
8 subsection must be applied by the board of county commissioners to reduce the
9 county's next ensuing property tax levy in dollars.

10 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable events occurring after
11 June 30, 2013.