

Sixtieth  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1495

Introduced by

Representatives Weisz, Kempenich, Ruby, Vigesaa

Senators Andrist, G. Lee

1 A BILL for an Act to amend and reenact sections 54-27-19 and 57-40.3-10 of the North Dakota  
2 Century Code, relating to allocation of motor vehicle excise tax revenues to the highway tax  
3 distribution fund and the use of funds by counties and cities to implement the strategic  
4 transportation plan; and to provide an effective date.

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

6 **SECTION 1. AMENDMENT.** Section 54-27-19 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **54-27-19. Highway tax distribution fund - State treasurer to make allocation to**  
9 **state, counties, and cities.** A highway tax distribution fund is created as a special fund in the  
10 state treasury into which must be deposited the moneys available by law from collections of  
11 motor vehicle registration and related fees, fuels taxes, special fuels taxes, use taxes, and  
12 special fuels excise taxes. Any moneys in the highway tax distribution fund must be allocated  
13 and transferred monthly by the state treasurer, as follows:

- 14 1. Sixty-three percent of such moneys must be transferred monthly to the state  
15 department of transportation and placed in a state highway fund.
- 16 2. Thirty-seven percent of such moneys must be allocated to the counties of this state  
17 in proportion to the number of motor vehicle registrations credited to each county.  
18 Each county must be credited with the certificates of title of all motor vehicles  
19 registered by residents of such county. The state treasurer shall compute and  
20 distribute the counties' share monthly after deducting the incorporated cities' share.  
21 All the moneys received by the counties from the highway tax distribution fund  
22 must be set aside in a separate fund called the "highway tax distribution fund" and  
23 must be appropriated and applied solely for highway purposes in accordance with  
24 section 11 of article X of the Constitution of North Dakota. The state treasurer

1 shall compute and distribute monthly the sums allocated to the incorporated cities  
2 within each county according to the formula in this subsection on the basis of the  
3 per capita population of all of the incorporated cities situated within each county as  
4 determined by the last official regular or special federal census or the census taken  
5 in accordance with the provisions of chapter 40-02 in case of a city incorporated  
6 subsequent to such census. Provided, however, that in each county having a city  
7 with a population of ten thousand or more, the amount transferred each month into  
8 the county highway tax distribution fund must be the difference between the  
9 amount allocated to that county pursuant to this subsection and the total amount  
10 allocated and distributed to the incorporated cities in that county as computed  
11 according to the following formula:

12 a. A statewide per capita average as determined by calculating twenty-seven  
13 percent of the amount allocated to all of the counties under this subsection  
14 divided by the total population of all of the incorporated cities in the state.

15 b. The share distributed to each city in the county having a population of less  
16 than one thousand must be determined by multiplying the population of that  
17 city by the product of 1.50 times the statewide per capita average computed  
18 under subdivision a.

19 c. The share distributed to each city in the county having a population of one  
20 thousand to four thousand nine hundred ninety-nine, inclusive, must be  
21 determined by multiplying the population of that city by the product of 1.25  
22 times the statewide per capita average computed under subdivision a.

23 d. The share distributed to each city in the county having a population of five  
24 thousand or more must be determined by multiplying the population of that  
25 city by the statewide per capita average for all such cities, which per capita  
26 average must be computed as follows: the total of the shares computed  
27 under subdivisions b and c for all cities in the state having a population of less  
28 than five thousand must be subtracted from the total incorporated cities' share  
29 in the state as computed under subdivision a and the balance remaining must  
30 then be divided by the total population of all cities of five thousand or more in  
31 the state.

1           3. Not less than fifteen percent of funds allocated to each county and city under this  
2           section must be used for transportation priorities approved by the director of the  
3           department of transportation under the county and city strategic transportation  
4           plan.

5           The moneys allocated to the incorporated cities must be distributed to them monthly by the  
6           state treasurer and must be deposited by the cities in a separate fund and may only be used in  
7           accordance with section 11 of article X of the Constitution of North Dakota; provided, that any  
8           incorporated city may use such fund for the construction, reconstruction, repair, and  
9           maintenance of public highways within or outside such city pursuant to an agreement entered  
10          into between the city and any other political subdivision as authorized by section 54-40-08.

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

13          **57-40.3-10. Transfer of revenue.** ~~All~~ Ninety percent of moneys collected and received  
14          under this chapter must be transmitted monthly by the director of the department of  
15          transportation to the state treasurer to be transferred and credited to the general fund. Ten  
16          percent of moneys collected and received under this chapter must be transmitted monthly by  
17          the director of the department of transportation to the state treasurer to be transferred and  
18          credited to the highway tax distribution fund and the amount so credited and transferred may  
19          not be considered to be a portion of net sales, gross receipts, use, and motor vehicle excise tax  
20          collections under section 57-39.2-26.1.

21          **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable events occurring after  
22          July 31, 2007.