

Introduced by

Representatives Sukut, Hatlestad

Senator Lyson

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 the share of state sales, gross receipts, use, and motor vehicle excise tax  
3 deposited in the state aid distribution fund and allocation of that fund among political  
4 subdivisions; to provide an effective date; and to provide an expiration 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~~<sup>fifty</sup> 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 the net sales, gross receipts, use, and motor vehicle  
13 excise tax collections under chapters 57-39.2, 57-39.5, 57-39.6, 57-40.2, and 57-40.3 must be  
14 deposited by the state treasurer in the state aid distribution fund. The state tax commissioner  
15 shall certify to the state treasurer the portion of sales, gross receipts, use, and motor vehicle  
16 excise tax net revenues that must be deposited in the state aid distribution fund as determined  
17 under this section. Revenues deposited in the state aid distribution fund are provided as a  
18 standing and continuing appropriation and must be allocated as ~~follows:~~provided in this section.

19 1. Eighty-five percent of the state aid distribution fund must be allocated by the state  
20 treasurer as provided in this subsection.

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



1           2-b. Forty-six and three-tenths percent of the revenues under this subsection must be  
2 allocated to cities in the first month after each quarterly period based upon the  
3 proportion each city's population bears to the total population of all cities.

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

13       2. Fifteen percent of the state aid distribution fund must be allocated by the state  
14 treasurer as provided in this subsection.

15       a. Funds must be allocated under this subsection on a calendar quarterly basis  
16 among cities with a population exceeding ten thousand. During each state  
17 biennium, each eligible city shall receive a percentage of each quarterly  
18 allocation under this subsection equal to its percentage of taxable sales and  
19 purchases as a share of all taxable sales and purchases in all cities with a  
20 population exceeding ten thousand. For purposes of this subdivision, taxable  
21 sales and purchases data must be used from the most recently completed  
22 calendar year preceding the biennium in which allocations are made.

23       b. A city shall deposit all revenues received under this subdivision in the city general  
24 fund.

25       c. The tax commissioner shall certify to the state treasurer the percentage of  
26 revenues to be allocated under this subsection to each eligible city in each  
27 calendar quarterly period.

28       **SECTION 2. EFFECTIVE DATE - EXPIRATION DATE.** This Act is effective for state aid  
29 distribution fund allocations after June 30, 2013, and before July 1, 2019, and is thereafter  
30 ineffective.