

Sixty-fifth  
Legislative Assembly  
of North Dakota

## ENGROSSED SENATE BILL NO. 2206

Introduced by

Senators Bekkedahl, Burckhard, Cook

Representatives Dockter, Nathe, Weisz

1 A BILL for an Act to create and enact chapter 50-34 and a new section to chapter 57-20 of the  
2 North Dakota Century Code, relating to the transition of funding responsibility for county social  
3 services from the counties to the state and a credit against payments in lieu of taxes paid by  
4 centrally assessed companies; to amend and reenact sections 11-23-01, 50-01.2-03.2,  
5 50-06-05.8, 50-06.2-04, subsection 3 of section 57-15-01.1, sections 57-15-06 and 57-15-06.7,  
6 and subdivision c of subsection 1 of section 57-20-07.1 of the North Dakota Century Code,  
7 relating to county and multicounty social service board budgets, county general fund levy  
8 limitations, and property tax statements; to repeal chapter 50-03 and sections 50-06-20.1,  
9 50-06.2-05, and 57-20-07.2 of the North Dakota Century Code, relating to the county human  
10 services fund, the human services grant program, county property tax levy authority for social  
11 services, and the state-paid property tax relief credit; and to provide an effective date.

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

13 **SECTION 1. AMENDMENT.** Section 11-23-01 of the North Dakota Century Code is  
14 amended and reenacted as follows:

15 **11-23-01. Officers required to furnish commissioners with departmental budget.**

16 4. Every officer in charge of any institution, office, or undertaking supported wholly or in  
17 part by the county shall file with the board of county commissioners a departmental budget that  
18 is prescribed by the state auditor. The departmental budget must include an itemized statement  
19 of the estimated amount of money that will be required for the maintenance, operation, or  
20 improvement of the institution, office, or undertaking for the ensuing year. The board of county  
21 commissioners may require additional information to clarify the departmental budget.

22 ~~2. a. The departmental budget submitted by the county social service board in 2015-~~  
23 ~~for the 2016 budget may not exceed an amount determined using the~~  
24 ~~departmental budget submitted in 2014 by the county social service board as a~~

1 starting point, subtracting the reduction in the county's social service funding  
2 responsibility for 2014 derived from transferring the county social service costs  
3 identified in this subdivision from the county social service board to the  
4 department of human services, and applying to the resulting amount the  
5 percentage salary and benefits increase provided by legislative appropriations for  
6 state employees for taxable year 2015. For purposes of this subdivision, the  
7 reduction in the county's social service funding responsibility derived from  
8 transferring the county social service costs identified in this subdivision from the  
9 county social service board to the department of human services includes the  
10 following:

- 11 (1) Foster care and subsidized adoption costs that would have been paid by the  
12 county after December 31, 2015;
  - 13 (2) The county's share of grant costs for medical assistance in the form of  
14 payments for care furnished to recipients of therapeutic foster care services  
15 which would have been paid by the county after December 31, 2015;
  - 16 (3) The county's share of the costs for service payments to the elderly and  
17 disabled which would have been paid by the county after December 15,  
18 2015;
  - 19 (4) The county's share of salary and benefits for family preservation services  
20 pursuant to section 50-06-05.8 which would have been paid by the county  
21 after December 31, 2015;
  - 22 (5) The county's share of the cost of the electronic benefits transfers for the  
23 supplemental nutrition assistance program which would have been paid by  
24 the county after December 31, 2015; and
  - 25 (6) The computer processing costs which would have been paid by the county  
26 after December 31, 2015, which exceed the county's costs of operation of  
27 the technical eligibility computer system in calendar year 1995 increased by  
28 the increase in the consumer price index for all urban consumers (all items,  
29 United States city average) after January 1, 1996.
- 30 b. The departmental budget submitted by the county social service board in 2016  
31 for the 2017 budget may not exceed an amount determined using the 2015

1 departmental budget as a starting point and applying to that amount the  
2 percentage salary and benefits increase provided by legislative appropriations for  
3 state employees for 2016.

4 e. The budget must include a statement identifying the total savings to the county  
5 as shown by a reduction in the amounts that otherwise would have been paid by  
6 the county to the department of human services for the costs identified in  
7 subdivision a. The department of human services shall determine the appropriate  
8 amount of what each county's costs would have been to help identify each  
9 county's total savings.

10 The county share of the human service budget must be funded entirely from  
11 the county's property tax levy for that purpose and the county may not use funds  
12 from any other source to supplement the human services budget, with the  
13 exception that the county may make use of the identifiable amount of other  
14 sources the county has used to supplement its human services budget for 2015  
15 and the county may use grant funds that may be available to the county under  
16 section 50-06-20.1.

17 d. The department of human services shall develop a process to review a request  
18 from a county social service board for any proposed increase in staff needed as a  
19 result of significantly increased caseloads for state-funded human services  
20 programs, if the increase in staff would result in the county exceeding the budget  
21 limitation established under this subsection. As part of its review process, the  
22 department shall review countywide caseload information and consider the option  
23 of multicounty sharing of staff. If the department approves a request for a  
24 proposed increase in staff, the county budget limitation established under  
25 subdivision b may be increased by the amount determined necessary by the  
26 department to fund the approved additional staff.

27 **SECTION 2. AMENDMENT.** Section 50-01.2-03.2 of the North Dakota Century Code is  
28 amended and reenacted as follows:

29 **50-01.2-03.2. County duties –Financing in exceptional circumstances.**

30 4. Each county social service board shall administer, under the direction and supervision of  
31 the department:

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- 1     ~~a.1.~~   Locally administered economic assistance and social service programs;
- 2     ~~b.2.~~   Replacement programs with substantially similar goals, benefits, or objectives; and
- 3     ~~e.3.~~   When necessary, experimental, pilot, or transitional programs with substantially similar
- 4           goals, benefits, or objectives.
- 5       2.   ~~From the abstract of tax list prepared pursuant to section 57-20-04, each county shall~~
- 6           ~~annually provide the department of human services a report of the total mills levied for~~
- 7           ~~human service purposes pursuant to sections 50-03-01, 50-03-06, and 50-06.2-05,~~
- 8           ~~and the countywide value of a mill in each county. Upon receipt of reports from all~~
- 9           ~~counties, the department shall determine the statewide average of the mill levies and~~
- 10          ~~identify each county that levied ten mills more than that average. Each identified-~~
- 11          ~~county is entitled to a share of funds appropriated for distribution under this-~~
- 12          ~~subsection. Each identified county's share is determined by:~~
- 13           a.   ~~Reducing its mill levy necessary to meet the costs of providing human services-~~
- 14           ~~required under this title by the statewide average mill levy determined under this-~~
- 15           ~~subsection plus ten mills;~~
- 16           b.   ~~Determining the amount that could have been raised in that county and year-~~
- 17           ~~through a mill levy in the amount calculated under subdivision a;~~
- 18           c.   ~~Totaling the amounts determined under subdivision b for all counties entitled to a-~~
- 19           ~~distribution;~~
- 20           d.   ~~Calculating a decimal fraction equal to each identified county's proportionate-~~
- 21           ~~share of the total determined under subdivision c; and~~
- 22           e.   ~~Multiplying that decimal fraction times one-half of the biennial appropriation.~~
- 23       3.   ~~Notwithstanding any other provisions of law, the department shall reimburse county~~
- 24           ~~social service boards for expenses of locally administered economic assistance-~~
- 25           ~~programs in counties in which the percentage of that county's average total-~~
- 26           ~~supplemental nutrition assistance program caseload for the previous fiscal year which~~
- 27           ~~reside on federally recognized Indian reservation lands is ten percent or more. The~~
- 28           ~~reimbursement must be such that:~~
- 29           a.   ~~An affected county's actual direct costs and indirect costs allocated based on a-~~
- 30           ~~percentage of each county's direct economic assistance and social services-~~
- 31           ~~costs for locally administered economic assistance programs will be reimbursed-~~

- 1                   at the percentage of that county's average total supplemental nutrition assistance-  
2                   program caseload for the previous state fiscal year which reside on federally-  
3                   recognized Indian reservation land not to exceed ninety percent;
- 4           b.    The affected counties will receive quarterly payments based on the actual county-  
5                   direct and indirect costs, as provided in subdivision a, for the previous state fiscal-  
6                   year;
- 7           e.    At the end of each fiscal year the actual quarterly payments paid must be-  
8                   reconciled to the current year of calculation of actual direct and indirect costs as-  
9                   provided in subdivision a and supplemental nutrition assistance program-  
10                  caseload and counties must be compensated accordingly in the first quarter of-  
11                  the new fiscal year; and
- 12           d.    The reimbursement will be calculated for each county and reported to the county-  
13                  social service board prior to September first.

14           **SECTION 3. AMENDMENT.** Section 50-06-05.8 of the North Dakota Century Code is  
15 amended and reenacted as follows:

16           **50-06-05.8. Department to assume certain costs of certain economic assistance and**  
17 **social service programs.**

18           Notwithstanding section 50-06-2-05, or any other provision in title 50 to the contrary, and in-  
19 addition to the programs identified in section 50-06-20, the The department of human services  
20 shall pay the ~~local~~ each service area's expenses of administration incurred by a county for  
21 administering economic assistance and social service programs for calendar years after  
22 December 31, 2015, for family preservation programs; a county's share of the cost of the  
23 electronic benefits transfers for the supplemental nutrition assistance program incurred after  
24 December 31, 2015; and the computer processing costs incurred by the county after December  
25 31, 2015, which exceed the county's costs of operation of the technical eligibility computer  
26 system in calendar year 1995 increased by the increase in the consumer price index for all  
27 urban consumers (all items, United States city average) after January 1, 19962017, based on  
28 the formula payment amount calculated for each service area under chapter 50-34.

29           **SECTION 4. AMENDMENT.** Section 50-06.2-04 of the North Dakota Century Code is  
30 amended and reenacted as follows:

1       **50-06.2-04. Powers and duties of county agencies.**

2       Each county agency has the following powers and duties under this chapter:

- 3       1. To administer comprehensive human services programs for individuals and families at  
4           the county level in conformity with state and federal requirements under the direction  
5           and supervision of the state agency.
- 6       2. To publish and provide to the state agency a county human services plan which must  
7           include the following:
- 8           a. A statement of the goals of county human services programs in the county.
- 9           b. Methods used to identify persons in need of services and the social problems to  
10           be addressed by the county human services programs.
- 11          c. A description of each county human service proposed and identification of the  
12           agency or person proposed to provide the service.
- 13          d. The amount of money proposed to be allocated to each service.
- 14          e. An agreement to make available those human services required by state law and  
15           by federal law or regulation as a condition for the receipt of federal financial  
16           participation in programs administered by county agencies under the provisions  
17           of this title.

18       The date of submission of the county human services plan to the state agency must  
19       be determined so that the plan is coordinated with the proposed and final  
20       comprehensive human services plan.

- 21       3. To make available the human services detailed in the comprehensive human services  
22       plan which the county agency has included in the approved county plan and to provide  
23       such other human services as the county agency determines essential in effectuating  
24       the purposes of this chapter within the county. To the extent funding is available under  
25       section 50-06.2-03 and chapter 50-24.1, the county plan must include the services  
26       enumerated in those sections. The county agency shall make these services available  
27       to any individual requesting service and determined eligible on the basis of a  
28       functional assessment conducted in accordance with state and federal laws and  
29       regulations. The individual shall pay for the services in accordance with a fee scale  
30       based on family size and income. The county agency may contract with any qualified  
31       service provider in its provision of those enumerated services.

- 1           4. To submit annually to the board of county commissioners a budget containing an  
2           estimate and supporting data, setting forth the county funds needed to carry out the  
3           provisions of this chapter.

4           **SECTION 5.** Chapter 50-34 of the North Dakota Century Code is created and enacted as  
5 follows:

6           **50-34-01. Definitions.**

7           As used in this chapter, unless the context otherwise requires:

- 8           1. "Base year" means calendar year 2015.  
9           2. "Case-month" means the provision of economic assistance or social services to one  
10           individual for the period of one month or the provision of energy assistance through  
11           the low income home energy assistance program for the period beginning October first  
12           of each year and ending May thirty-first of the following year.  
13           3. "Director" means the executive director of the department of human services or the  
14           executive director's designee.  
15           4. "Economic assistance adjusted base year gross expenditures" means an amount  
16           calculated by increasing the service area's base year economic assistance gross  
17           expenditures by five percent per year in calendar years 2016 and 2017.  
18           5. "Service area" means a county or consolidated group of counties administering  
19           economic assistance and social service programs within a designated area.  
20           6. "Social service adjusted base year gross expenditures" means an amount calculated  
21           by increasing the service area's base year social service gross expenditures by five  
22           percent per year in calendar years 2016 and 2017.

23           **50-34-02. Formula payments to service areas - Distributions by the director.**

- 24           1. The director shall calculate the total formula payment for each service area pursuant  
25           to section 50-34-07 for each calendar year based on each service area's most recently  
26           available case-month data. The director shall notify each service area of the amount of  
27           its formula payment for calendar year 2018 on or before August 15, 2017. Beginning  
28           June 1, 2018, and on or before June first of each year thereafter, the director shall  
29           notify each service area of its formula payment for the subsequent calendar year.

- 1       2. The director shall distribute fifty percent of the amount of each service area's formula  
2       payment determined under subsection 1, within the limits of legislative appropriation,  
3       on or before January tenth.
- 4       3. a. By June first of each year, the director shall recalculate the total formula payment  
5       for each service area pursuant to section 50-34-07 for the current calendar year  
6       based on each service area's most recently available case-month data.
- 7       b. If the recalculated formula payment results in an increase of five percent or less  
8       as compared to the formula payment determined under subsection 1, the director  
9       shall distribute fifty percent of the amount of each service area's formula payment  
10      determined under subsection 1, within the limits of legislative appropriation, on or  
11      before June fifteenth.
- 12      c. If the recalculated formula payment results in an increase of more than five  
13      percent as compared to the formula payment determined under subsection 1,  
14      the director shall calculate the remainder of each service area's formula payment  
15      by subtracting the amount distributed under subsection 2 from the amount  
16      determined under subdivision a. The director shall distribute the remainder of  
17      each service area's formula payment, within the limits of legislative appropriation,  
18      on or before June fifteenth.
- 19      4. For payments disbursed after calendar year 2018, the director shall subtract from a  
20      service area's June fifteenth disbursement any amount exceeding the limitation under  
21      section 50-34-08.

22      **50-34-03. State-paid property tax relief credit replacement - Distributions by the**  
23      **director.**

- 24      1. On or before October first of each year, the director shall calculate the amount payable  
25      to each county in the ensuing budget year as a result of the state-paid property tax  
26      relief credit replacement. A county's state-paid property tax relief credit replacement  
27      payment must be calculated as follows:
- 28      a. For a county located in a service area that encompasses only one county,  
29      subtract the county's service area formula payment determined under  
30      subsection 1 of section 50-34-02 from the sum of the amount the county received



1           in calendar year 2017 pursuant to section 57-20-07.2 and fifty percent of the  
2           amount the county received in fiscal year 2015 for specified state distributions.

3           b. For a county located in a service area that encompasses more than one county,  
4           subtract the county's share of the formula payment determined for each service  
5           area under subsection 1 of section 50-34-02 from the sum of the amount the  
6           county received in calendar year 2017 pursuant to section 57-20-07.2 and fifty  
7           percent of the county's share of specified state distributions in fiscal year 2015.

8           The county's share of the formula payment and specified state distributions is  
9           calculated as the amount the county received in calendar year 2017 pursuant to  
10           section 57-20-07.2 proportional to the combined total amounts that all the  
11           counties in the service area received in calendar year 2017 pursuant to section  
12           57-20-07.2.

13           2. The director shall distribute the amount of each county's state-paid property tax relief  
14           credit replacement payment determined under subsection 1, within the limits of  
15           legislative appropriation, on or before January thirty-first of each year. The amount  
16           calculated for distribution to a county under this section must be applied to reduce a  
17           county's general fund levy in accordance with subsection 3.

18           3. On or before October fifteenth of each year, the tax commissioner shall notify each  
19           county of the amount calculated for distribution to the county under subsection 2. The  
20           county auditor shall calculate a county's required mill levy reduction by dividing the  
21           amount calculated for distribution to a county under subsection 2 by the county's  
22           current year taxable value. If the amount of a county's general fund mill levy is not  
23           sufficient to account for the entire required reduction, the county must reduce an  
24           additional county-wide levy to account for the remainder of the required reduction.

25           4. For purposes of this section, "specified state distributions" means the amount of state  
26           and federal funding a county received in fiscal year 2015 for day care licensing, family  
27           preservation programs, child abuse and neglect services, Indian county services, and  
28           county administration.

29           **50-34-04. Baseline funding amounts.**

30           1. The director shall calculate each service area's base year case-month totals and direct  
31           gross expenditures. A service area's direct gross expenditures include the actual

1 amount expended within a service area in the base year for staffing and administrative  
2 costs related to the administration of economic assistance and social service  
3 programs as well as eligible federally allowable indirect costs. For purposes of this  
4 subsection, "eligible federally allowable indirect costs" means twenty-five percent of  
5 the average of the federally allowable indirect costs allocated to each service area in  
6 calendar years 2012, 2013, and 2014.

7 2. The director shall calculate each service area's base rate per economic assistance  
8 case-month by dividing the service area's economic assistance net expenditures by  
9 the economic assistance case-months reported for the service area in the base year.

10 a. For purposes of this subsection, "economic assistance net expenditures" means  
11 the amount calculated by subtracting the amount paid to the service area in the  
12 base year for services reimbursed by medical assistance from the service area's  
13 economic assistance adjusted base year gross expenditures.

14 b. For calendar year 2018 formula payment calculations, the base rate per  
15 economic assistance case-month is equal to twenty-two dollars and  
16 seventy-eight cents. For calendar year 2019 formula payment calculations, the  
17 base rate per economic assistance case-month is equal to twenty-three dollars  
18 and ninety-two cents.

19 3. The director shall calculate each service area's base rate per social service  
20 case-month by dividing the service area's social service net expenditures by the social  
21 service case-months reported for the service area in the base year.

22 a. For purposes of this subsection, "social service net expenditures" means the  
23 amount calculated by subtracting the amount paid to the service area in the base  
24 year for services reimbursed by medical assistance from the service area's social  
25 service adjusted base year gross expenditures.

26 b. For calendar year 2018 formula payment calculations, the base rate per social  
27 service case-month is equal to five hundred sixty-eight dollars and seventy-eight  
28 cents. For calendar year 2019 formula payment calculations, the base rate per  
29 social service case-month is equal to five-hundred ninety-seven dollars and  
30 twenty-two cents.

1        **50-34-05. Economic assistance caseload weighting factor - Determination.**

- 2        1. The director shall assign an economic assistance caseload weighting factor of:  
3            a. 1.00 to each service area with a yearly economic assistance case-month count of  
4                    at least 250,000;  
5            b. 1.60 to each service area with a yearly economic assistance case-month count of  
6                    fewer than 250,000 but at least 45,000;  
7            c. 1.75 to each service area with a yearly economic assistance case-month count of  
8                    fewer than 45,000 but at least 22,000;  
9            d. 2.00 to each service area with a yearly economic assistance case-month count of  
10                   fewer than 22,000 but at least 8,000;  
11           e. 2.20 to each service area with a yearly economic assistance case-month count of  
12                   fewer than 8,000 but at least 5,000; and  
13           f. 2.35 to each service area with a yearly economic assistance case-month count of  
14                   fewer than 5,000.  
15        2. The weighted rate per economic assistance case-month must be determined by  
16           multiplying the weighting factor assigned to each service area under this section by  
17           the base rate per economic assistance case-month.

18        **50-34-06. Social service caseload weighting factor - Determination.**

- 19        1. The director shall assign a social service caseload weighting factor of:  
20            a. 1.00 to each service area with a yearly social service case-month count of at  
21                    least 10,000;  
22            b. 1.35 to each service area with a yearly social service case-month count of fewer  
23                    than 10,000 but at least 1,800;  
24            c. 1.50 to each service area with a yearly social service case-month count of fewer  
25                    than 1,800 but at least 900;  
26            d. 1.60 to each service area with a yearly social service case-month count of fewer  
27                    than 900 but at least 210;  
28            e. 2.00 to each service area with a yearly social service case-month count of fewer  
29                    than 210 but at least 145; and  
30            f. 2.50 to each service area with a yearly social service case-month count of fewer  
31                    than 145.

1       2. The weighted rate per social service case-month must be determined by multiplying  
2       the weighting factor assigned to each service area under this section by the base rate  
3       per social service case-month.

4       **50-34-07. Calculation of formula payment - Minimum and maximum allowable**  
5       **increases.**

6       1. The director shall calculate the total formula payment by summing the following:

7       a. The product of the service area's weighted rate per economic assistance  
8       case-month and the service area's most recently available economic assistance  
9       caseload data.

10      b. The product of the service area's weighted rate per social service case-month  
11      and the service area's most recently available social service caseload data.

12      2. The director shall adjust the total formula payment as calculated in subsection 1 for  
13      minimum and maximum allowable increases as follows:

14      a. For calendar year 2018 formula payment calculations, the formula payment must  
15      be at least one hundred two percent but no more than one hundred ten percent  
16      of the service area's combined economic assistance adjusted base year gross  
17      expenditures and social services adjusted base year gross expenditures.  
18      However, if the case-month totals in the service area's most recently available  
19      case-month data have increased by more than five percent compared to the  
20      service area's case-month totals reported in the previous year for either  
21      economic assistance cases or social service cases, the formula payment may  
22      exceed one hundred ten percent of the service area's combined economic  
23      assistance adjusted base year gross expenditures and social services adjusted  
24      base year gross expenditures by the amounts calculated in subdivisions c and d  
25      of this subsection.

26      b. For calendar year 2019 formula payment calculations, the formula payment must  
27      be at least one hundred four percent but no more than one hundred twenty  
28      percent of the service area's combined economic assistance adjusted base year  
29      gross expenditures and social services adjusted base year gross expenditures.  
30      However, if the case-month totals in the service area's most recently available  
31      case-month data have increased by more than five percent compared to the

1 service area's case-month totals reported in the previous year for either  
2 economic assistance cases or social service cases, the formula payment may  
3 exceed one hundred twenty percent of the service area's combined economic  
4 assistance adjusted base year gross expenditures and social services adjusted  
5 base year gross expenditures by the amounts calculated in subdivisions c and d  
6 of this subsection.

7 c. If the economic assistance case-month totals in the service area's most recently  
8 available case-month data have increased by more than five percent compared  
9 to the service area's economic assistance case-month totals reported in the  
10 previous year, the formula payment may be increased by the amount resulting  
11 from multiplying the service area's weighted rate per economic assistance  
12 case-month by the number of economic assistance case-months that exceed one  
13 hundred and five percent of the economic assistance case-month totals reported  
14 in the previous year.

15 d. If the social service case-month totals in the service area's most recently  
16 available case-month data have increased by more than five percent compared  
17 to the service area's social service case-month totals reported in the previous  
18 year, the formula payment may be increased by the amount resulting from  
19 multiplying the service area's weighted rate per social service case-month by the  
20 number of social service case-months that exceed one hundred and five percent  
21 of the social service case-month totals reported in the previous year.

22 3. The director shall adjust the total formula payment as calculated in subsection 2 for  
23 reimbursements as follows:

24 a. The services reimbursed by medical assistance, service payments for the elderly  
25 and disabled, and expanded service payments for the elderly and disabled to the  
26 service area in the base year must be subtracted from the total formula payment  
27 as calculated in subsection 2.

28 b. The first ten thousand dollars of services reimbursed by medical assistance,  
29 service payments for the elderly and disabled, and expanded service payments  
30 for the elderly and disabled to the service area, based on the most recently

1           reported reimbursement data, must be added to the total formula payment as  
2           calculated in subdivision a of this subsection.

3           c. Twenty-five percent of the remaining amount of services reimbursed by medical  
4           assistance, service payments for the elderly and disabled, and expanded service  
5           payments for the elderly and disabled to the service area must be added to the  
6           total formula payment as calculated in subdivision b of this subsection.

7           **50-34-08. Service area human services fund - Establishment - Fund balance**  
8           **limitations.**

9           Each service area in this state shall maintain a fund to be known as the service area human  
10          services fund. All expenditures by the service area for the relief of the needy must be paid from  
11          the service area human services fund. If, due to unforeseen or other extenuating  
12          circumstances, a service area's formula distribution payment is not sufficient to meet the  
13          expenses of that service area, the board of county commissioners may approve a transfer from  
14          the county's general fund to the service area human services fund upon a majority vote of all  
15          members. The balance of moneys in the fund on January first of each year may not exceed  
16          thirty-five percent of the annual budget for the service area in the previous year or one hundred  
17          thousand dollars, whichever is greater.

18          **50-34-09. Service area human services fund - Transfer.**

19          If on January 1, 2018, the balance of a service area human services fund exceeds the  
20          limitations in section 50-34-08, the county treasurer shall transfer the amount exceeding the  
21          limitations in section 50-34-08 to the designated county general fund within that service area. A  
22          county receiving a transfer shall reduce its county general fund mill levy for taxable year 2018  
23          by an equivalent amount. If the amount of a county's general fund mill levy is not sufficient to  
24          account for the entire required reduction, the county shall reduce an additional county-wide mill  
25          levy for taxable year 2018 to account for the remainder of the required reduction. If on  
26          January 1, 2019, and on January first of each year thereafter, the balance of a service area  
27          human services fund exceeds the limitations in section 50-34-08, the director shall reduce the  
28          service area's formula payment as directed in subsection 4 of section 50-34-02.

1        **50-34-10. Service area consolidations - Caseload weighting factor adjustments -**

2        **Transition.**

3        1.    The director shall create and assign a separate caseload weighting factor to any group  
4        of service areas that consolidate after December 31, 2017, for the purpose of  
5        administering economic assistance and social service programs.

6        2.    For purposes of this section, a "consolidated service area" means two or more service  
7        areas that combine for the purpose of administering economic assistance and social  
8        service programs and operate under a single board and a single director and make  
9        payments from a merged annual budget and one pool of funds. Consolidations under  
10       this section are subject to the procedures provided for multicounty social service  
11       districts under chapter 50-01.1.

12       3.    For the first taxable year following the consolidation, the director shall calculate a  
13       combined weighting factor to allow the consolidated service area to receive a weighted  
14       rate equivalent to that which each separate service area would have received had the  
15       consolidation not taken place.

16       4.    For the second taxable year following the consolidation, the director shall calculate a  
17       combined weighting factor to allow the consolidated service area to receive a weighted  
18       rate equal to ninety percent of the difference between the weighting factor calculated  
19       in subsection 3 and the weighted rate that would otherwise be applicable to the  
20       consolidated service area based on the combined caseloads.

21       5.    For the third taxable year following the consolidation, the director shall calculate a  
22       combined weighting factor to allow the consolidated service area to receive a payment  
23       rate equal to eighty percent of the difference between the factor calculated in  
24       subsection 3 and the weighted rate that would otherwise be applicable to the  
25       consolidated service area based on the combined caseloads.

26       6.    For the fourth taxable year following the consolidation, the director shall calculate a  
27       combined weighting factor to allow the consolidated service area to receive a weighted  
28       rate equal to seventy percent of the difference between the factor calculated in  
29       subsection 3 and the rate that would otherwise be applicable to the consolidated  
30       service area based on the combined caseloads.

1       7. For the fifth taxable year following the consolidation, the director shall calculate a  
2       combined weighting factor to allow the consolidated service area to receive a weighted  
3       rate equal to sixty percent of the difference between the factor calculated in  
4       subsection 3 and the weighted rate that would otherwise be applicable to the  
5       consolidated service area based on the combined caseloads.

6       8. For the sixth taxable year following the consolidation and all future taxable years in  
7       which the consolidation continues, the director shall calculate a combined weighting  
8       factor to allow the consolidated service area to receive a weighted rate equal to fifty  
9       percent of the difference between the factor calculated in subsection 3 and the  
10      weighted rate that would otherwise be applicable to the consolidated service area  
11      based on the combined caseloads.

12      **50-34-11. Authority to withhold funding.**

13      Notwithstanding subsection 2 of section 50-01.2-06, if a service area fails to perform duties  
14      directed or assigned and supervised by the department of human services, the department of  
15      human services may withhold funding from the service area. The amount withheld may not  
16      exceed double the actual cost of the duty that was not performed, the per activity amount from  
17      the formula, the cost to the department of human services, or the amount of a federal penalty  
18      imposed as a result of the duty that was not performed.

19      **SECTION 6. AMENDMENT.** Subsection 3 of section 57-15-01.1 of the North Dakota  
20 Century Code is amended and reenacted as follows:

- 21      3. A taxing district may elect to levy the amount levied in dollars in the base year. Any  
22      levy under this section must be specifically approved by a resolution approved by the  
23      governing body of the taxing district. Before determining the levy limitation under this  
24      section, the dollar amount levied in the base year must be:
- 25      a. Reduced by an amount equal to the sum determined by application of the base  
26      year's calculated mill rate for that taxing district to the final base year taxable  
27      valuation of any taxable property and property exempt by local discretion or  
28      charitable status which is not included in the taxing district for the budget year but  
29      was included in the taxing district for the base year.
  - 30      b. Increased by an amount equal to the sum determined by the application of the  
31      base year's calculated mill rate for that taxing district to the final budget year



1 taxable valuation of any taxable property or property exempt by local discretion or  
2 charitable status which was not included in the taxing district for the base year  
3 but which is included in the taxing district for the budget year.

4 c. Reduced to reflect expired temporary mill levy increases authorized by the  
5 electors of the taxing district. For purposes of this subdivision, an expired  
6 temporary mill levy increase does not include a school district general fund mill  
7 rate exceeding one hundred ten mills which has expired or has not received  
8 approval of electors for an extension under subsection 2 of section 57-64-03.

9 d. ~~If the base year is a taxable year before 2013, reduced~~ Reduced by the amount of  
10 state aid under chapter 15.1-27, which is determined by multiplying the budget  
11 year taxable valuation of the school district by the lesser of:

12 (1) ~~The~~ the base year mill rate of the school district minus sixty mills; or

13 (2) ~~Fifty~~ fifty mills, if the base year is a taxable year before 2013.

14 e. ~~If~~ Reduced by the base year human services county levy in dollars if the base  
15 year is a taxable year before 2016, 2017 ~~the base year human services county~~  
16 ~~levy in dollars must be reduced to the amount of the county social service board~~  
17 ~~budget levy for the budget year as determined under section 11-23-01.~~

18 **SECTION 7. AMENDMENT.** Section 57-15-06 of the North Dakota Century Code is  
19 amended and reenacted as follows:

20 **57-15-06. County general fund levy.**

21 The board of county commissioners may levy property taxes for county general fund  
22 purposes at a tax rate not exceeding sixty mills per dollar of taxable valuation of property in the  
23 county.

24 A county that levied more than sixty mills for taxable year 2015 for the combined number of  
25 mills levied for general fund purposes plus the number of mills levied for purposes consolidated  
26 into the general fund levy by this Act may levy for general fund purposes for taxable year 2016  
27 the same number of mills that was levied for those purposes for taxable year 2015. A county  
28 may levy for general fund purposes for taxable year 2017 sixty mills plus seventy-five percent of  
29 the combined number of mills exceeding sixty that was levied for those purposes for taxable  
30 year 2015. A county may levy for general fund purposes for taxable year 2018 sixty mills plus  
31 fifty percent of the combined number of mills exceeding sixty that was levied for those purposes

1 for taxable year 2015. A county may levy for general fund purposes for taxable year 2019 sixty  
2 mills plus twenty-five percent of the combined number of mills exceeding sixty that was levied  
3 for those purposes for taxable year 2015.

4 For taxable years after 2016, the maximum county mill levy for general fund purposes  
5 determined under this section or section 57-15-01.1 must be reduced by the number of mills  
6 determined pursuant to the calculation under section 50-34-03. If the amount of a county's mill  
7 levy for general fund purposes is not sufficient to account for the entire reduction required under  
8 section 50-34-03, the county must reduce an additional county-wide mill levy to account for the  
9 remainder of the required reduction.

10 Unless a specific exception is provided by statute, the county general fund levy limitation  
11 under this section applies to all property taxes the board of county commissioners is authorized  
12 to levy for general county purposes.

13 **SECTION 8. AMENDMENT.** Section 57-15-06.7 of the North Dakota Century Code is  
14 amended and reenacted as follows:

15 **57-15-06.7. Additional levies - Exceptions to tax levy limitations in counties.**

16 The tax levy limitations specified in section 57-15-06 do not apply to the following mill  
17 levies, which are expressed in mills per dollar of taxable valuation of property in the county:

- 18 1. A county supporting an airport or airport authority may levy a tax not exceeding four  
19 mills in accordance with section 2-06-15.
- 20 2. A county levying a tax for extension work as provided in section 4-08-15 may levy a  
21 tax not exceeding two mills and if a majority of the electors of the county have  
22 approved additional levy authority under section 4-08-15, the county may levy a  
23 voter-approved tax not exceeding an additional tax of two mills.
- 24 3. A county levying a tax for historical works in accordance with section 11-11-53 may  
25 levy a tax not exceeding one-quarter of one mill, except that if sixty percent of the  
26 qualified electors voting on the question of a levy limit increase as provided in section  
27 11-11-53 shall approve, the tax levy limitation may be increased to not exceeding  
28 three-quarters of one mill.
- 29 4. A county levying a tax for a county or community hospital association as provided in  
30 section 23-18-01 may levy a tax for not more than five years not exceeding eight mills

1           in any one year or, in the alternative, for not more than ten years at a mill rate not  
2           exceeding five mills.

3           5. A county levying a tax for county roads and bridges as provided in section 24-05-01  
4           may levy a tax at a tax rate not exceeding ten mills. When authorized by a majority of  
5           the qualified electors voting upon the question at a primary or general election in the  
6           county, the county commissioners may levy and collect an additional tax for road and  
7           bridge purposes as provided in section 24-05-01, not exceeding a combined additional  
8           tax rate of twenty mills.

9           6. A county levying a tax to establish and maintain a public library service as provided in  
10          section 40-38-02 may levy a tax not exceeding four mills.

11          7. A county levying a tax for a county veterans' service officer's salary, traveling, and  
12          office expenses in accordance with section 57-15-06.4 may levy a tax not exceeding  
13          two mills.

14          8. A county levying a tax for capital projects under section 57-15-06.6 may levy a tax not  
15          exceeding ten mills. When authorized by a majority of the qualified electors voting  
16          upon the question of a specific capital project or projects at a primary or general  
17          election in the county, the county commissioners may levy and collect an additional  
18          voter-approved tax for capital projects under section 57-15-06.6 not exceeding a tax  
19          rate of ten mills per dollar of the taxable valuation of property in the county. After  
20          January 1, 2015, approval or re-authorization by electors of increased levy authority  
21          under this subsection may not be effective for more than ten taxable years. Any  
22          voter-approved levy in excess of ten mills for the purposes specified in section  
23          57-15-06.6 approved by the electors before January 1, 2015, remains effective  
24          through 2024 or the period of time for which it was approved by the electors,  
25          whichever is less, under the provisions of law in effect at the time it was approved.

26          9. A county levying a tax for emergency purposes as provided in section 57-15-28 may  
27          levy a tax not exceeding two mills in a county with a population of thirty thousand or  
28          more, four mills in a county with a population under thirty thousand but more than five  
29          thousand, or six mills in a county with a population of five thousand or fewer.

30          10. A county levying a tax for county emergency medical service according to section  
31          57-15-50 may levy a tax not exceeding ten mills.

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- 1        11. A county levying a tax for weed control as provided in section 4.1-47-14 may levy a tax  
2            not exceeding four mills.
- 3        12. A county levying a tax for programs and activities for senior citizens according to  
4            section 57-15-56 may levy a tax not exceeding two mills.
- 5        13. Tax levies made for paying the principal and interest on any obligations of the county  
6            evidenced by the issuance of bonds.
- 7        14. A county levying a tax for a job development authority as provided in section  
8            11-11.1-04 may levy a tax not exceeding four mills on the taxable valuation of property  
9            within the county. However, if any city within the county is levying a tax for support of a  
10          job development authority and the total of the county and city levies exceeds four  
11          mills, the county tax levy within the city levying under subsection 12 of section  
12          57-15-10 must be reduced so the total levy in the city does not exceed four mills.
- 13       15. ~~A county levying an annual tax for human services purposes as provided in section~~  
14          ~~50-06.2-05 may levy a tax not exceeding the lesser of twenty mills or the number of~~  
15          ~~mills determined by dividing the county budget limitation in dollars as determined~~  
16          ~~under section 11-23-01 by the taxable valuation of the county.~~
- 17       16. A levy for an extraordinary expenditure under section 11-11-24 approved by the  
18          electors of the county before January 1, 2015, may continue to be levied and collected  
19          under provisions of law in effect when the levy was approved and for the term it was  
20          approved by the electors. When the levy authority for an extraordinary expenditure  
21          ends under this subsection, the fund must be closed out and any unobligated balance  
22          in the fund must be transferred to the county general fund.
- 23       17.16. Levies dedicated under section 57-15-59 before January 1, 2015, for lease payments  
24          may be continued to be levied and collected for the duration of the lease. When the  
25          levy authority for lease payments ends under this subsection, the fund must be closed  
26          out and any unobligated balance in the fund must be transferred to the county general  
27          fund. A lease for county facilities effective after December 31, 2014, is subject to the  
28          capital projects levy limitations of section 57-15-06.6.
- 29       Tax levy or mill levy limitations do not apply to any statute which expressly provides that taxes  
30       authorized to be levied therein are not subject to mill levy limitations provided by law.

1       **SECTION 9. AMENDMENT.** Subdivision c of subsection 1 of section 57-20-07.1 of the  
2 North Dakota Century Code is amended and reenacted as follows:

3           c. Provide information identifying the property tax savings provided by the state of  
4 North Dakota. The tax statement must include a line item that is entitled  
5 "legislative tax relief" and identifies the dollar amount of property tax savings  
6 realized by the taxpayer under chapter 15.1-27 ~~and under~~, section 57-20-07.2 for  
7 taxable years before 2018, and chapter 50-34 for taxable years after 2017.

8           (1) For purposes of this subdivision, legislative tax relief under chapter 15.1-27  
9 is determined by multiplying the taxable value for the taxable year for each  
10 parcel shown on the tax statement by the number of mills of mill levy  
11 reduction grant under chapter 57-64 for the 2012 taxable year plus the  
12 number of mills determined by subtracting from the 2012 taxable year mill  
13 rate of the school district in which the parcel is located the lesser of:

14           (1) (a) Fifty mills; or

15           (2) (b) The 2012 taxable year mill rate of the school district minus sixty mills.

16           (2) Legislative tax relief under chapter 50-34 is determined by multiplying the  
17 taxable value for the taxable year for each parcel shown on the tax  
18 statement by the sum of the following:

19           (a) The number of mills determined by dividing the amount calculated in  
20 subsection 1 of section 50-34-02 by the taxable value of taxable  
21 property in the county for the taxable year; and

22           (b) The number of mills determined by dividing the amount calculated in  
23 section 50-34-03 by the taxable value of taxable property in the  
24 county for the taxable year.

25       **SECTION 10.** A new section to chapter 57-20 of the North Dakota Century Code is created  
26 and enacted as follows:

27       **Centrally assessed company credit against payments in lieu of taxes.**

28       1. The owner, operator, or lessee of transmission lines, for which payments in lieu of  
29 property taxes are assessed by the state board of equalization under section  
30 57-06-17.3, is entitled to a credit against tax in the amount provided in subsection 3.

- 1           The credit for each transmission company must be allocated to the counties in the  
2           same manner as the tax collected from that company is allocated.
- 3           2. The owner, operator, or lessee of electric transmission or distribution property, for  
4           which payments in lieu of property taxes are assessed by the state board of  
5           equalization under sections 57-33.2-02 or 57-33.2-03, is entitled to a credit against the  
6           transmission or distribution tax in the amount provided in subsection 3. The credit for  
7           each transmission or distribution company must be allocated and distributed to  
8           counties in the same manner as the tax collected from that company is allocated.
- 9           3. The amount of credit is determined by multiplying the company's assessed tax by a  
10           fraction, the numerator of which is the total of all formula payments calculated for the  
11           subsequent calendar year under sections 50-34-02 and 50-34-03 and the denominator  
12           of which is the total statewide ad valorem property tax levied in the prior taxable year.
- 13           4. The tax commissioner shall annually calculate the amount of credit to which a  
14           company is entitled under this section.

15           **SECTION 11. REPEAL.** Chapter 50-03 and section 50-06-20.1 of the North Dakota Century  
16 Code are repealed.

17           **SECTION 12. REPEAL.** Section 50-06.2-05 of the North Dakota Century Code is repealed.

18           **SECTION 13. REPEAL.** Section 57-20-07.2 of the North Dakota Century Code is repealed.

19           **SECTION 14. EFFECTIVE DATE.** Sections 6, 7, 8, 9, 10, and 13 of this Act are effective for  
20 taxable years beginning after December 31, 2016. Sections 3, 4, 5, and 11 of this Act become  
21 effective on August 1, 2017. Sections 1, 2, and 12 of this Act are effective for taxable years  
22 beginning after December 31, 2017.