

June 2001

## SENIOR CITIZEN MILL LEVY MATCHING GRANT PROGRAM - BACKGROUND MEMORANDUM

Section 18 of 2001 House Bill No. 1012, attached as Appendix A, provides for a study of the senior citizen mill levy matching grant program. The study is to address the appropriateness of whether the program should match a percentage of the total mills levied by each county for senior citizen programs or match funds only on the first mill levied.

### HISTORY OF PROGRAM

The 1971 Legislative Assembly approved Senate Bill No. 2100 authorizing counties or cities to levy up to one mill to establish and maintain programs and activities for senior citizens, including the expansion of existing senior citizen centers to provide recreational and other leisure time activities, informational, health, welfare, counseling, and referral services for senior citizens, and to assist in the provision of volunteer, community, or civic services. The bill also provided that organizations receiving aid must be nonprofit corporations and must contract with the city or county for expenditure of the funds.

The 1975 Legislative Assembly approved House Bill No. 1091, which provided that the senior citizen mill levy was for the purpose of generating funding in addition to federal and private funding sources received by city and county organizations. This change was necessary to allow cities and counties to receive federal revenue sharing money for providing senior citizen programs and activities.

The 1979 Legislative Assembly approved House Bill No. 1385, which established the state matching program for senior citizens' programs and activities.

The 1999 Legislative Assembly approved Senate Bill No. 2382, which increased the number of mills a county or city may levy for senior citizen programs from one to two mills.

### STATUTORY PROVISIONS

North Dakota Century Code Section 57-15-56, a copy of which is attached as Appendix B, provides authority for cities or counties to levy a tax for services and programs for senior citizens.

Briefly, the provisions are summarized as follows:

1. Section 57-15-56(1) provides the board of county commissioners authority to levy a tax for services and programs for senior citizens. The tax may not exceed two mills. The proceeds of the tax must be kept in a separate fund and used for "establishing or maintaining services and programs for senior citizens including the maintenance of existing senior citizen centers which will provide informational, health, welfare, counseling, and referral services for senior citizens, and assisting such persons in providing volunteer, community, or civic services." If no levy is made by the board of county commissioners, the governing body of any city in the county is authorized to levy the tax.
2. Section 57-15-56(2) provides that:
  - a. The levy may only be used to defray expenses of nonprofit corporations.
  - b. Governing bodies may contract with county councils on aging or comparable groups "to determine jointly and to administer distribution of funds."
  - c. To receive funds under the section an organization must file with the governing body a report showing financial resources available to the organization, how those resources are budgeted or intended to be used in the fiscal year or in the future, and the purposes for which funds being requested are to be used.
  - d. An organization which receives funds must be reviewed or approved annually by the board of county commissioners or the governing body of the city to determine its eligibility to receive funds. To be eligible, an organization must be a nonprofit corporation providing services or programs to senior citizens and must have filed the report required under the subsection.
3. Section 57-15-56(3) provides that the levy shall be imposed or removed only by a vote of a majority of the electors in the county or city directing the governing body to do so.
4. Section 57-15-56(4) allows officers or employees of the nonprofit corporation under contract to be eligible for bonding coverage through the state bonding fund.
5. Section 57-15-56(5) provides that the Department of Human Services shall provide matching funds for the amounts levied by counties and cities for senior citizen services and programs. The grants are made on or before March 1 of each year and must be equal to the amount levied for the previous

taxable year within the limits of legislative appropriations. The grants are available only after the county or city has filed a written report with the department verifying that grant funds received during the previous year have been used for the same purposes permitted for the expenditure of the proceeds of a tax levied under this section. The written report must be received by the Department of

Human Services by February 1 of each year following the end of a calendar year in which the reporting county or city received grant funds.

**FUNDING**

The following schedule presents the funding provided for senior citizen matching programs:

Biennium	Mill Levy Matching	Title III Matching	Total	General Fund	Estimated Income
2001-03	\$1,662,945	\$720,000	\$2,382,945	\$2,132,945	\$250,000 <sup>1</sup>
1999-2001	\$1,262,945	\$720,000	\$1,982,945	\$1,982,945	
1997-99	\$1,050,000	\$720,000	\$1,770,000	\$1,770,000	
1995-97	\$900,000	\$720,000	\$1,620,000	\$1,620,000	
1993-95	\$900,000	\$720,000	\$1,620,000	\$1,332,000	\$288,000 <sup>2</sup>
1991-93	\$900,000	\$720,000	\$1,620,000	\$720,000	\$900,000 <sup>2</sup>
1989-91		\$720,000	\$720,000 <sup>3</sup>	\$720,000 <sup>3</sup>	
1987-89	\$1,646,400		\$1,646,400 <sup>5</sup>	\$1,646,400 <sup>5</sup>	
1985-87	\$1,680,000		\$1,680,000	\$1,680,000	
1983-85	\$1,350,000		\$1,350,000	\$1,350,000	
1981-83	\$1,200,000		\$1,200,000	\$1,200,000	
1979-81	\$1,000,000		\$1,000,000	\$1,000,000	

<sup>1</sup> Estimated income from the health care trust fund.

<sup>2</sup> Estimated income from the state aid distribution fund.

<sup>3</sup> This legislative appropriation of \$1,680,000 was reduced by \$940,000 as a result of budget reductions relating to the tax referrals.

<sup>4</sup> Title III matching funds were not identified separately from the mill levy matching program.

<sup>5</sup> The legislative appropriation of \$1,680,000 was reduced by \$33,600 as a result of the Governor's two percent budget allotment.

**PERCENTAGE OF MILLS MATCHED**

The following schedule presents the percentage of county mills levied for senior citizen programs by the state since 1997:

Tax Year	Disbursements	Percentage of County Mill Levy
2001 estimate	\$831,473	56.9% <sup>1</sup>
2000	\$631,473	43.2%
1999	\$631,473	46.3%
1998	\$525,000	40.9%
1997	\$525,000	42.6%

<sup>1</sup> Estimate based on county tax year 2000 assessed value and mill levies.

Information on county assessed value and county mills levied for senior citizen programs for tax year 2000 is attached as Appendix C.

1. Receive information from the Department of Human Services regarding the mill levy matching program, including federal Title III matching requirements.
2. Receive information from representatives of counties and cities regarding the senior citizen mill levy matching program.
3. Receive testimony from other interested persons regarding the senior citizen mill levy matching program.
4. Consider options for the state matching program, including limiting the match to the first mill levied by each city or county.
5. Develop committee recommendations and any legislation necessary to implement the recommendations.
6. Prepare a final report for submission to the Legislative Council.

ATTACH:3

**STUDY PLAN**

The committee may wish to proceed with this study as follows: