

Introduced by

Representatives Kelsh, Maragos, Mooney

Senators Dotzenrod, Luick, Murphy

1 A BILL for an Act to amend and reenact sections 57-20-07.2 and 57-39.2-26.1 of the North
2 Dakota Century Code, relating to increased allocation of sales, gross receipts, use, and motor
3 vehicle excise tax collections to the state aid distribution fund to provide increased allocations to
4 political subdivisions and to provide for separate allocations of property tax relief; to provide
5 continuing appropriations; and to provide an effective date.

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

7 **SECTION 1. AMENDMENT.** Section 57-20-07.2 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **~~57-20-07.2. (Effective for the first two taxable years beginning after December 31,~~**
10 **2012) State-paid property tax relief credit.**

- 11 1. The owner of taxable property is entitled to a credit against property taxes levied
12 against the total amount of property or mobile home taxes in dollars levied against the
13 taxable value of the property. The credit is equal to ~~twelve percent~~ a percentage of
14 property or mobile home taxes levied in dollars against that property determined under
15 section 57-39.2-26.1.
- 16 2. The owner, operator, or lessee of railroad property assessed by the state board of
17 equalization under chapter 57-05 or public utility operative property assessed by the
18 state board of equalization under chapter 57-06 is entitled to a credit against property
19 taxes levied within each county against that property in the amount provided in
20 subsection 1 against property taxes levied in dollars against that property in that
21 county.
- 22 3. The owner, operator, or lessee of operative property of an air carrier transportation
23 company assessed and taxed under chapter 57-32 is entitled to a credit in the amount
24 provided in subsection 1 against property taxes in dollars levied against that property.

1 The tax commissioner shall determine the total amount of credits under this
2 subsection and certify the amount to the state treasurer for transfer from the general
3 fund to the air transportation fund. The credit for each air transportation company must
4 be allocated to each city or municipal airport authority where that company makes
5 regularly scheduled landings, in the same manner as the tax collected from that
6 company is allocated.

7 4. The tax commissioner shall estimate the amount necessary to provide each county
8 advance payment of seventy-five percent of the amount the county and the taxing
9 districts in the county will ultimately receive for a taxable year under this section and
10 certify the estimated amounts to the state treasurer by March fifteenth for transfer by
11 April first to the county treasurer and distribution to the county and taxing districts in
12 the county as provided in subsection 5.

13 5. The tax commissioner shall determine the total amount of credits under this section for
14 each county from the abstract of the tax list filed by the county auditor under section
15 57-20-04, as audited and corrected by the tax commissioner. The tax commissioner
16 shall certify to the state treasurer for payment, by June first following receipt of the
17 abstract of the tax list, the amount determined for each county under this subsection.
18 No penalty or interest applies to any state payment under this section, regardless of
19 when the payment is made. The tax commissioner shall reduce the June certification
20 of payments to reflect the April estimated payments previously made to counties under
21 subsection 4.

22 6. Upon receipt of the payment from the state treasurer under subsections 4 and 5, the
23 county treasurer shall apportion and distribute it to the county and the taxing districts
24 in the county on the basis on which the general real estate tax for the preceding year
25 is apportioned and distributed.

26 7. After payments to counties under subsection 5 have been made, the tax commissioner
27 shall certify to the state treasurer as necessary any supplemental amounts payable to
28 counties or the air transportation fund or any amounts that must be returned by
29 counties or returned from the air transportation fund for deposit in the state general
30 fund to correct any errors in payments or reflect any abatement or compromise of
31 taxes, court-ordered tax reduction or increase, or levy of taxes against omitted

1 property. The county auditor shall provide any supplemental information requested by
2 the tax commissioner after submission of the abstract of the tax list. The county
3 treasurer shall apply to the tax commissioner for any supplemental payments to which
4 the county treasurer believes the county is entitled.

5 8. Notwithstanding any other provision of law, for any property other than mobile homes,
6 the property tax credit under this section does not apply to any property subject to
7 payments or taxes that are stated by law to be in lieu of personal or real property
8 taxes.

9 **SECTION 2. AMENDMENT.** Section 57-39.2-26.1 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **57-39.2-26.1. Allocation of revenues among political subdivisions.**

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

22 1. The state treasurer shall allocate one-half of the revenues as follows:

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

26 (1) Sixty-four percent of the amount must be allocated among the seventeen
27 counties with the greatest population, in the following manner:

28 ~~(1)~~(a) Thirty-two percent of the amount must be allocated equally
29 among the counties; and

1 (2)(b) The remaining amount must be allocated based upon the
2 proportion each such county's population bears to the total population
3 of all such counties.

4 b. (2) Thirty-six percent of the amount must be allocated among all counties,
5 excluding the seventeen counties with the greatest population, in the
6 following manner:

7 (1)(a) Forty percent of the amount must be allocated equally among
8 the counties; and

9 (2)(b) The remaining amount must be allocated based upon the
10 proportion each such county's population bears to the total population
11 of all such counties.

12 (3) A county shall deposit all revenues received under this
13 ~~subsection~~subdivision in the county general fund. Each county shall reserve
14 a portion of its allocation under this subsection for further distribution to, or
15 expenditure on behalf of, townships, rural fire protection districts, rural
16 ambulance districts, soil conservation districts, county recreation service
17 districts, county hospital districts, the Garrison Diversion Conservancy
18 District, the southwest water authority, and other taxing districts within the
19 county, excluding school districts, cities, and taxing districts within cities.
20 The share of the county allocation under this subsection to be distributed to
21 a township must be equal to the percentage of the county share of state aid
22 distribution fund allocations that township received during calendar year
23 1996. The governing boards of the county and township may agree to a
24 different distribution.

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

28 A city shall deposit all revenues received under this ~~subsection~~subdivision
29 in the city general fund. Each city shall reserve a portion of its allocation under
30 this ~~subsection~~subdivision for further distribution to, or expenditure on behalf of,
31 park districts and other taxing districts within the city, excluding school districts.

1 The share of the city allocation under this ~~subsection~~subdivision to be distributed
2 to a park district must be equal to the percentage of the city share of state aid
3 distribution fund allocations that park district received during calendar year 1996,
4 up to a maximum of thirty percent. The governing boards of the city and park
5 district may agree to a different distribution.

6 2. The state treasurer shall allocate one-half of the revenues as follows:

7 a. The state treasurer shall determine by October thirty-first of each year, beginning
8 in 2016, the amount deposited in the state aid distribution fund through the
9 immediately preceding September thirtieth which is to be allocated under this
10 subsection. By November first, the state treasurer shall obtain from the tax
11 commissioner a determination of the percentage of property tax relief for that
12 taxable year will be provided by allocation of that amount under section
13 57-20-07.2.

14 b. The state treasurer shall allocate the amount determined for allocation under this
15 subsection in the manner provided in section 57-20-07.2.

16 **SECTION 3. EFFECTIVE DATE.** Section 2 of this Act is effective for taxable events
17 occurring after June 30, 2015.