

Introduced by

Senator Mathern

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

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

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

14 **11-23-01. Officers required to furnish commissioners with departmental budget.**

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

21 2. a. ~~The departmental budget submitted by the county social service board in 2015~~
22 ~~for the 2016 budget may not exceed an amount determined using the~~
23 ~~departmental budget submitted in 2014 by the county social service board as a~~
24 ~~starting point, subtracting the reduction in the county's social service funding~~

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

- 10 (1) Foster care and subsidized adoption costs that would have been paid by the
11 county after December 31, 2015;
- 12 (2) The county's share of grant costs for medical assistance in the form of
13 payments for care furnished to recipients of therapeutic foster care services
14 which would have been paid by the county after December 31, 2015;
- 15 (3) The county's share of the costs for service payments to the elderly and
16 disabled which would have been paid by the county after December 15,
17 2015;
- 18 (4) The county's share of salary and benefits for family preservation services
19 pursuant to section 50-06-05.8 which would have been paid by the county
20 after December 31, 2015;
- 21 (5) The county's share of the cost of the electronic benefits transfers for the
22 supplemental nutrition assistance program which would have been paid by
23 the county after December 31, 2015; and
- 24 (6) The computer processing costs which would have been paid by the county
25 after December 31, 2015, which exceed the county's costs of operation of
26 the technical eligibility computer system in calendar year 1995 increased by
27 the increase in the consumer price index for all urban consumers (all items,
28 United States city average) after January 1, 1996.

- 29 b. The departmental budget submitted by the county social service board in 2016
30 for the 2017 budget may not exceed an amount determined using the 2015
31 departmental budget as a starting point and applying to that amount the

1 percentage salary and benefits increase provided by legislative appropriations for
2 state employees for 2016.

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

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

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

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

28 **50-01.2-03.2. County duties –Financing in exceptional circumstances.**

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

31 a.1. Locally administered economic assistance programs;

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

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

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

15 **50-06-05.8. Department to assume certain costs of certain social service programs.**

16 ~~Notwithstanding section 50-06.2-05, or any other provision in title 50 to the contrary, and in~~
17 ~~addition to the programs identified in section 50-06-20, the~~The department of human services
18 shall pay the ~~local~~each service area's expenses of administration incurred by a countyfor
19 administering social service programs for calendar years after December 31, 2015, for family-
20 preservation programs; a county's share of the cost of the electronic benefits transfers for the
21 supplemental nutrition assistance program incurred after December 31, 2015; and the computer-
22 processing costs incurred by the county after December 31, 2015, which exceed the county's
23 costs of operation of the technical eligibility computer system in calendar year 1995 increased
24 by the increase in the consumer price index for all urban consumers (all items, United States-
25 city average) after January 1, 19962017, based on the formula payment amount calculated for
26 each service area under chapter 50-34.

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

29 **50-06.2-04. Powers and duties of county agencies.**

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

- 1 1. To administer comprehensive human services programs for individuals and families at
2 the county level in conformity with state and federal requirements under the direction
3 and supervision of the state agency.
- 4 2. To publish and provide to the state agency a county human services plan which must
5 include the following:
 - 6 a. A statement of the goals of county human services programs in the county.
 - 7 b. Methods used to identify persons in need of services and the social problems to
8 be addressed by the county human services programs.
 - 9 c. A description of each county human service proposed and identification of the
10 agency or person proposed to provide the service.
 - 11 d. The amount of money proposed to be allocated to each service.
 - 12 e. An agreement to make available those human services required by state law and
13 by federal law or regulation as a condition for the receipt of federal financial
14 participation in programs administered by county agencies under the provisions
15 of this title.
- 16 The date of submission of the county human services plan to the state agency must
17 be determined so that the plan is coordinated with the proposed and final
18 comprehensive human services plan.
- 19 3. To make available the human services detailed in the comprehensive human services
20 plan which the county agency has included in the approved county plan and to provide
21 such other human services as the county agency determines essential in effectuating
22 the purposes of this chapter within the county. To the extent funding is available under
23 section 50-06.2-03 and chapter 50-24.1, the county plan must include the services
24 enumerated in those sections. The county agency shall make these services available
25 to any individual requesting service and determined eligible on the basis of a
26 functional assessment conducted in accordance with state and federal laws and
27 regulations. The individual shall pay for the services in accordance with a fee scale
28 based on family size and income. The county agency may contract with any qualified
29 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 amount the county received in
31 calendar year 2017 pursuant to section 57-20-07.2.

- 1 b. For a county located in a service area that encompasses more than one county,
2 subtract the county's share of the formula payment determined for each service
3 area under subsection 1 of section 50-34-02 from the amount the county
4 received in calendar year 2017 pursuant to section 57-20-07.2. The county's
5 share of the formula payment is calculated as the amount the county received in
6 calendar year 2017 pursuant to section 57-20-07.2 proportional to the combined
7 total amounts that all the counties in the service area received in calendar
8 year 2017 pursuant to section 57-20-07.2.
- 9 2. The director shall distribute the amount of each county's state-paid property tax relief
10 credit replacement payment determined under subsection 1, within the limits of
11 legislative appropriation, on or before January thirty-first of each year. The amount
12 calculated for distribution to a county under this section must be applied to reduce a
13 county's general fund levy in accordance with subsection 3.
- 14 3. On or before October fifteenth of each year, the tax commissioner shall notify each
15 county of the amount calculated for distribution to the county under subsection 2. The
16 county auditor shall calculate a county's required mill levy reduction by dividing the
17 amount calculated for distribution to a county under subsection 2 by the county's
18 current year taxable value. If the amount of a county's general fund mill levy is not
19 sufficient to account for the entire required reduction, the county must reduce an
20 additional county-wide levy to account for the remainder of the required reduction.

21 **50-34-04. Baseline funding amounts.**

- 22 1. The director shall calculate each service area's base year case-month totals and direct
23 gross expenditures. A service area's direct gross expenditures include the actual
24 amount expended within a service area in the base year for staffing and administrative
25 costs related to the administration of economic assistance and social service
26 programs as well as eligible federally allowable indirect costs. For purposes of this
27 subsection, "eligible federally allowable indirect costs" means twenty-five percent of
28 the average of the federally allowable indirect costs allocated to each service area in
29 calendar years 2012, 2013, and 2014.

- 1 2. The director shall calculate each service area's base rate per economic assistance
2 case-month by dividing the service area's economic assistance net expenditures by
3 the economic assistance case-months reported for the service area in the base year.
4 a. For purposes of this subsection, "economic assistance net expenditures" means
5 the amount calculated by subtracting the federal administrative cost
6 reimbursements paid to the service area in the base year from the service area's
7 economic assistance adjusted base year gross expenditures.
8 b. For calendar year 2018 formula payment calculations, the base rate per
9 economic assistance case-month is equal to twenty-two dollars and
10 seventy-eight cents. For calendar year 2019 formula payment calculations, the
11 base rate per economic assistance case-month is equal to twenty-three dollars
12 and ninety-two cents.
13 3. The director shall calculate each service area's base rate per social service
14 case-month by dividing the service area's social service net expenditures by the social
15 service case-months reported for the service area in the base year.
16 a. For purposes of this subsection, "social service net expenditures" means the
17 amount calculated by subtracting the federal administrative cost reimbursements
18 paid to the service area in the base year from the service area's social service
19 adjusted base year gross expenditures.
20 b. For calendar year 2018 formula payment calculations, the base rate per social
21 service case-month is equal to five hundred sixty-eight dollars and seventy-eight
22 cents. For calendar year 2019 formula payment calculations, the base rate per
23 social service case-month is equal to five-hundred ninety-seven dollars and
24 twenty-two cents.

25 **50-34-05. Economic assistance caseload weighting factor - Determination.**

- 26 1. The director shall assign an economic assistance caseload weighting factor of:
27 a. 1.00 to each service area with a yearly economic assistance case-month count of
28 at least 250,000;
29 b. 1.60 to each service area with a yearly economic assistance case-month count of
30 fewer than 250,000 but at least 45,000;

- 1 c. 1.75 to each service area with a yearly economic assistance case-month count of
2 fewer than 45,000 but at least 22,000;
- 3 d. 2.00 to each service area with a yearly economic assistance case-month count of
4 fewer than 22,000 but at least 8,000;
- 5 e. 2.20 to each service area with a yearly economic assistance case-month count of
6 fewer than 8,000 but at least 5,000; and
- 7 f. 2.35 to each service area with a yearly economic assistance case-month count of
8 fewer than 5,000.
- 9 2. The weighted rate per economic assistance case-month must be determined by
10 multiplying the weighting factor assigned to each service area under this section by
11 the base rate per economic assistance case-month.

12 **50-34-06. Social service caseload weighting factor - Determination.**

- 13 1. The director shall assign a social service caseload weighting factor of:
 - 14 a. 1.00 to each service area with a yearly social service case-month count of at
15 least 10,000;
 - 16 b. 1.35 to each service area with a yearly social service case-month count of fewer
17 than 10,000 but at least 1,800;
 - 18 c. 1.50 to each service area with a yearly social service case-month count of fewer
19 than 1,800 but at least 900;
 - 20 d. 1.60 to each service area with a yearly social service case-month count of fewer
21 than 900 but at least 210;
 - 22 e. 2.00 to each service area with a yearly social service case-month count of fewer
23 than 210 but at least 145; and
 - 24 f. 2.50 to each service area with a yearly social service case-month count of fewer
25 than 145.
- 26 2. The weighted rate per social service case-month must be determined by multiplying
27 the weighting factor assigned to each service area under this section by the base rate
28 per social service case-month.

29 **50-34-07. Calculation of formula payment - Minimum and maximum allowable**

30 **increases.**

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

- 1 a. The product of the service area's weighted rate per economic assistance
2 case-month and the service area's most recently available economic assistance
3 caseload data.
- 4 b. The product of the service area's weighted rate per social service case-month
5 and the service area's most recently available social service caseload data.
- 6 2. The director shall adjust the total formula payment as calculated in subsection 1 for
7 minimum and maximum allowable increases as follows:
- 8 a. For calendar year 2018 formula payment calculations, the formula payment must
9 be at least one hundred two percent but no more than one hundred ten percent
10 of the service area's combined economic assistance adjusted base year gross
11 expenditures and social services adjusted base year gross expenditures.
12 However, if the case-month totals in the service area's most recently available
13 case-month data have increased by more than five percent compared to the
14 service area's case-month totals reported in the previous year for either
15 economic assistance cases or social service cases, the formula payment may
16 exceed one hundred ten percent of the service area's combined economic
17 assistance adjusted base year gross expenditures and social services adjusted
18 base year gross expenditures by the amounts calculated in subdivisions c and d
19 of this subsection.
- 20 b. For calendar year 2019 formula payment calculations, the formula payment must
21 be at least one hundred four percent but no more than one hundred twenty
22 percent of the service area's combined economic assistance adjusted base year
23 gross expenditures and social services adjusted base year gross expenditures.
24 However, if the case-month totals in the service area's most recently available
25 case-month data have increased by more than five percent compared to the
26 service area's case-month totals reported in the previous year for either
27 economic assistance cases or social service cases, the formula payment may
28 exceed one hundred twenty percent of the service area's combined economic
29 assistance adjusted base year gross expenditures and social services adjusted
30 base year gross expenditures by the amounts calculated in subdivisions c and d
31 of this subsection.

- 1 c. If the economic assistance case-month totals in the service area's most recently
2 available case-month data have increased by more than five percent compared
3 to the service area's economic assistance case-month totals reported in the
4 previous year, the formula payment may be increased by the amount resulting
5 from multiplying the service area's weighted rate per economic assistance
6 case-month by the number of economic assistance case-months that exceed one
7 hundred and five percent of the economic assistance case-month totals reported
8 in the previous year.
- 9 d. If the social service case-month totals in the service area's most recently
10 available case-month data have increased by more than five percent compared
11 to the service area's social service case-month totals reported in the previous
12 year, the formula payment may be increased by the amount resulting from
13 multiplying the service area's weighted rate per social service case-month by the
14 number of social service case-months that exceed one hundred and five percent
15 of the social service case-month totals reported in the previous year.
- 16 3. The director shall adjust the total formula payment as calculated in subsection 2 for
17 federal administrative cost reimbursements as follows:
- 18 a. The services reimbursed by medical assistance, service payments for the elderly
19 and disabled, and expanded service payments for the elderly and disabled to the
20 service area in the base year must be subtracted from the total formula payment
21 as calculated in subsection 2.
- 22 b. The first ten thousand dollars of services reimbursed by medical assistance,
23 service payments for the elderly and disabled, and expanded service payments
24 for the elderly and disabled to the service area, based on the most recently
25 reported reimbursement data, must be added to the total formula payment as
26 calculated in subdivision a of this subsection.
- 27 c. Twenty-five percent of the remaining amount of services reimbursed by medical
28 assistance, service payments for the elderly and disabled, and expanded service
29 payments for the elderly and disabled to the service area must be added to the
30 total formula payment as calculated in subdivision b of this subsection.

1 **50-34-08. Service area human services fund - Establishment - Fund balance**
2 **limitations.**

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

12 **50-34-09. Service area human services fund - Transfer.**

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

23 **50-34-10. Service area consolidations - Caseload weighting factor adjustments -**
24 **Transition.**

- 25 1. The director shall create and assign a separate caseload weighting factor to any group
26 of service areas that consolidate after December 31, 2017, for the purpose of
27 administering economic assistance and social service programs.
28 2. For purposes of this section, a "consolidated service area" means two or more service
29 areas that combine for the purpose of administering economic assistance and social
30 service programs and operate under a single board and a single director and make
31 payments from a merged annual budget and one pool of funds. Consolidations under

- 1 this section are subject to the procedures provided for multicounty social service
2 districts under chapter 50-01.1.
- 3 3. For the first taxable year following the consolidation, the director shall calculate a
4 combined weighting factor to allow the consolidated service area to receive a weighted
5 rate equivalent to that which each separate service area would have received had the
6 consolidation not taken place.
- 7 4. For the second taxable year following the consolidation, the director shall calculate a
8 combined weighting factor to allow the consolidated service area to receive a weighted
9 rate equal to ninety percent of the difference between the weighting factor calculated
10 in subsection 3 and the weighted rate that would otherwise be applicable to the
11 consolidated service area based on the combined caseloads.
- 12 5. For the third taxable year following the consolidation, the director shall calculate a
13 combined weighting factor to allow the consolidated service area to receive a payment
14 rate equal to eighty percent of the difference between the factor calculated in
15 subsection 3 and the weighted rate that would otherwise be applicable to the
16 consolidated service area based on the combined caseloads.
- 17 6. For the fourth taxable year following the consolidation, the director shall calculate a
18 combined weighting factor to allow the consolidated service area to receive a weighted
19 rate equal to seventy percent of the difference between the factor calculated in
20 subsection 3 and the rate that would otherwise be applicable to the consolidated
21 service area based on the combined caseloads.
- 22 7. For the fifth taxable year following the consolidation, the director shall calculate a
23 combined weighting factor to allow the consolidated service area to receive a weighted
24 rate equal to sixty percent of the difference between the factor calculated in
25 subsection 3 and the weighted rate that would otherwise be applicable to the
26 consolidated service area based on the combined caseloads.
- 27 8. For the sixth taxable year following the consolidation and all future taxable years in
28 which the consolidation continues, the director shall calculate a combined weighting
29 factor to allow the consolidated service area to receive a weighted rate equal to fifty
30 percent of the difference between the factor calculated in subsection 3 and the

1 weighted rate that would otherwise be applicable to the consolidated service area
2 based on the combined caseloads.

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

5 3. A taxing district may elect to levy the amount levied in dollars in the base year. Any
6 levy under this section must be specifically approved by a resolution approved by the
7 governing body of the taxing district. Before determining the levy limitation under this
8 section, the dollar amount levied in the base year must be:

9 a. Reduced by an amount equal to the sum determined by application of the base
10 year's calculated mill rate for that taxing district to the final base year taxable valuation of any
11 taxable property and property exempt by local discretion or charitable status which is not
12 included in the taxing district for the budget year but was included in the taxing district for the
13 base year.

14 b. Increased by an amount equal to the sum determined by the application of the
15 base year's calculated mill rate for that taxing district to the final budget year taxable valuation
16 of any taxable property or property exempt by local discretion or charitable status which was not
17 included in the taxing district for the base year but which is included in the taxing district for the
18 budget year.

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

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

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

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

29 e. ~~If~~Reduced by the base year human services county levy in dollars if the base
30 year is a taxable year before ~~2016,2017~~ the base year human services county

1 levy in dollars must be reduced to the amount of the county social service board-
2 budget levy for the budget year as determined under section 11-23-01.

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

5 **57-15-06. County general fund levy.**

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

9 A county that levied more than sixty mills for taxable year 2015 for the combined number of
10 mills levied for general fund purposes plus the number of mills levied for purposes consolidated
11 into the general fund levy by this Act may levy for general fund purposes for taxable year 2016
12 the same number of mills that was levied for those purposes for taxable year 2015. A county
13 may levy for general fund purposes for taxable year 2017 sixty mills plus seventy-five percent of
14 the combined number of mills exceeding sixty that was levied for those purposes for taxable
15 year 2015. A county may levy for general fund purposes for taxable year 2018 sixty mills plus
16 fifty percent of the combined number of mills exceeding sixty that was levied for those purposes
17 for taxable year 2015. A county may levy for general fund purposes for taxable year 2019 sixty
18 mills plus twenty-five percent of the combined number of mills exceeding sixty that was levied
19 for those purposes for taxable year 2015.

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

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

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

1 **57-15-06.7. Additional levies - Exceptions to tax levy limitations in counties.**

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

- 4 1. A county supporting an airport or airport authority may levy a tax not exceeding four
5 mills in accordance with section 2-06-15.
- 6 2. A county levying a tax for extension work as provided in section 4-08-15 may levy a
7 tax not exceeding two mills and if a majority of the electors of the county have
8 approved additional levy authority under section 4-08-15, the county may levy a
9 voter-approved tax not exceeding an additional tax of two mills.
- 10 3. A county levying a tax for historical works in accordance with section 11-11-53 may
11 levy a tax not exceeding one-quarter of one mill, except that if sixty percent of the
12 qualified electors voting on the question of a levy limit increase as provided in section
13 11-11-53 shall approve, the tax levy limitation may be increased to not exceeding
14 three-quarters of one mill.
- 15 4. A county levying a tax for a county or community hospital association as provided in
16 section 23-18-01 may levy a tax for not more than five years not exceeding eight mills
17 in any one year or, in the alternative, for not more than ten years at a mill rate not
18 exceeding five mills.
- 19 5. A county levying a tax for county roads and bridges as provided in section 24-05-01
20 may levy a tax at a tax rate not exceeding ten mills. When authorized by a majority of
21 the qualified electors voting upon the question at a primary or general election in the
22 county, the county commissioners may levy and collect an additional tax for road and
23 bridge purposes as provided in section 24-05-01, not exceeding a combined additional
24 tax rate of twenty mills.
- 25 6. A county levying a tax to establish and maintain a public library service as provided in
26 section 40-38-02 may levy a tax not exceeding four mills.
- 27 7. A county levying a tax for a county veterans' service officer's salary, traveling, and
28 office expenses in accordance with section 57-15-06.4 may levy a tax not exceeding
29 two mills.
- 30 8. A county levying a tax for capital projects under section 57-15-06.6 may levy a tax not
31 exceeding ten mills. When authorized by a majority of the qualified electors voting

- 1 upon the question of a specific capital project or projects at a primary or general
2 election in the county, the county commissioners may levy and collect an additional
3 voter-approved tax for capital projects under section 57-15-06.6 not exceeding a tax
4 rate of ten mills per dollar of the taxable valuation of property in the county. After
5 January 1, 2015, approval or re-authorization by electors of increased levy authority
6 under this subsection may not be effective for more than ten taxable years. Any
7 voter-approved levy in excess of ten mills for the purposes specified in section
8 57-15-06.6 approved by the electors before January 1, 2015, remains effective
9 through 2024 or the period of time for which it was approved by the electors,
10 whichever is less, under the provisions of law in effect at the time it was approved.
- 11 9. A county levying a tax for emergency purposes as provided in section 57-15-28 may
12 levy a tax not exceeding two mills in a county with a population of thirty thousand or
13 more, four mills in a county with a population under thirty thousand but more than five
14 thousand, or six mills in a county with a population of five thousand or fewer.
- 15 10. A county levying a tax for county emergency medical service according to section
16 57-15-50 may levy a tax not exceeding ten mills.
- 17 11. A county levying a tax for weed control as provided in section 4.1-47-14 may levy a tax
18 not exceeding four mills.
- 19 12. A county levying a tax for programs and activities for senior citizens according to
20 section 57-15-56 may levy a tax not exceeding two mills.
- 21 13. Tax levies made for paying the principal and interest on any obligations of the county
22 evidenced by the issuance of bonds.
- 23 14. A county levying a tax for a job development authority as provided in section
24 11-11.1-04 may levy a tax not exceeding four mills on the taxable valuation of property
25 within the county. However, if any city within the county is levying a tax for support of a
26 job development authority and the total of the county and city levies exceeds four
27 mills, the county tax levy within the city levying under subsection 12 of section
28 57-15-10 must be reduced so the total levy in the city does not exceed four mills.
- 29 15. ~~A county levying an annual tax for human services purposes as provided in section~~
30 ~~50-06.2-05 may levy a tax not exceeding the lesser of twenty mills or the number of~~

1 mills determined by dividing the county budget limitation in dollars as determined
2 under section 11-23-01 by the taxable valuation of the county.

3 46. A levy for an extraordinary expenditure under section 11-11-24 approved by the
4 electors of the county before January 1, 2015, may continue to be levied and collected
5 under provisions of law in effect when the levy was approved and for the term it was
6 approved by the electors. When the levy authority for an extraordinary expenditure
7 ends under this subsection, the fund must be closed out and any unobligated balance
8 in the fund must be transferred to the county general fund.

9 47.16. Levies dedicated under section 57-15-59 before January 1, 2015, for lease payments
10 may be continued to be levied and collected for the duration of the lease. When the
11 levy authority for lease payments ends under this subsection, the fund must be closed
12 out and any unobligated balance in the fund must be transferred to the county general
13 fund. A lease for county facilities effective after December 31, 2014, is subject to the
14 capital projects levy limitations of section 57-15-06.6.

15 Tax levy or mill levy limitations do not apply to any statute which expressly provides that taxes
16 authorized to be levied therein are not subject to mill levy limitations provided by law.

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

19 c. Provide information identifying the property tax savings provided by the state of
20 North Dakota. The tax statement must include a line item that is entitled "legislative tax relief"
21 and identifies the dollar amount of property tax savings realized by the taxpayer under chapter
22 15.1-27 and for taxable years before 2018, the dollar amount of property tax savings realized by
23 the taxpayer under section 57-20-07.2. For purposes of this subdivision, legislative tax relief is
24 determined by multiplying the taxable value for the taxable year for each parcel shown on the
25 tax statement by the number of mills of mill levy reduction grant under chapter 57-64 for the
26 2012 taxable year plus the number of mills determined by subtracting from the 2012 taxable
27 year mill rate of the school district in which the parcel is located the lesser of:

- 28 (1) Fifty mills; or
29 (2) The 2012 taxable year mill rate of the school district minus sixty mills.

30 **SECTION 10. REPEAL.** Chapter 50-03 and section 50-06-20.1 of the North Dakota Century
31 Code are repealed.

1 **SECTION 11. REPEAL.** Section 50-06.2-05 of the North Dakota Century Code is repealed.

2 **SECTION 12. REPEAL.** Section 57-20-07.2 of the North Dakota Century Code is repealed.

3 **SECTION 13. LEGISLATIVE MANAGEMENT STUDY - LIFE SKILLS AND TRANSITION**

4 **CENTER.** During the 2017-19 interim, the legislative management shall study restructuring the
5 ownership of the life skills and transition center. The study must address the feasibility of closing
6 the facility and transferring ownership of the facility to either the city of Grafton, Walsh County,
7 or the department of corrections and rehabilitation. The legislative management shall report its
8 findings and recommendations, together with any legislation necessary to implement those
9 recommendations, to the sixty-sixth legislative assembly.

10 **SECTION 14. LEGISLATIVE MANAGEMENT STUDY - STATE HOSPITAL.** During the
11 2017-19 interim, the legislative management shall study transferring ownership of the state
12 hospital to the department of corrections and rehabilitation. The study must address the
13 feasibility of transferring the facility and grounds of the state hospital to the department of
14 corrections and rehabilitation for use in the care of individuals with behavioral health needs
15 committed to the custody of the department of corrections and rehabilitation. The study also
16 must address methods allowing the department of human services to contract with up to eight
17 facilities in this state for the care of individuals who would have formerly received treatment at
18 the state hospital. The legislative management shall report its findings and recommendations,
19 together with any legislation necessary to implement those recommendations, to the sixty-sixth
20 legislative assembly.

21 **SECTION 15. LEGISLATIVE MANAGEMENT STUDY - HUMAN SERVICE CENTERS.**

22 During the 2017-19 interim, the legislative management shall study restructuring the eight
23 human service centers in this state. The study must develop a plan to close the eight human
24 service centers in this state. The plan must address the manner in which responsibility for the
25 services provided at human service centers will be transferred to service areas or private
26 entities. The legislative management shall report its findings and recommendations, together
27 with any legislation necessary to implement those recommendations, to the sixty-sixth
28 legislative assembly.

29 **SECTION 16. EFFECTIVE DATE.** Sections 6, 7, 8, 9, and 12 of this Act are effective for
30 taxable years beginning after December 31, 2016. Sections 3, 4, 5, and 10 of this Act become

Sixty-fifth
Legislative Assembly

- 1 effective on August 1, 2017. Sections 1, 2, and 11 of this Act are effective for taxable years
- 2 beginning after December 31, 2017.