

Sixtieth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1071

Introduced by

Finance and Taxation Committee

(At the request of the Tax Commissioner)

1 A BILL for an Act to amend and reenact subsection 1 of section 11-10.1-01, section 57-02-08.2,
2 subsections 3 and 6 of section 57-02-27.2, section 57-20-08, and subsection 3 of section
3 57-60-01 of the North Dakota Century Code, relating to removal of obsolete language, transfer
4 of funds to the state medical center, appeals of determinations on inundated agricultural land
5 applications, tax receipts filed with county auditors, and coal conversion facilities; and to repeal
6 section 57-29-04 of the North Dakota Century Code, relating to tax sale certificates on
7 state-acquired land.

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

9 **SECTION 1. AMENDMENT.** Subsection 1 of section 11-10.1-01 of the North Dakota
10 Century Code is amended and reenacted as follows:

11 1. ~~Prior to September 1, 1978, the~~ The board of county commissioners of each
12 county in this state shall appoint a county director of tax equalization who must be
13 qualified and experienced in property appraisals, familiar with assessment and
14 equalization procedures and techniques, and who is the holder of a current
15 certificate issued by the state supervisor of assessments. The state supervisor of
16 assessments shall confer with representatives of the county commissioners, city
17 governing bodies, state township officers association, and personnel at North
18 Dakota state university to establish or revise the minimum requirements for
19 attaining the certificate. Any person who is denied such certificate may appeal to
20 the state tax commissioner for a hearing under the provisions of chapter 28-32.

21 **SECTION 2. AMENDMENT.** Section 57-02-08.2 of the North Dakota Century Code is
22 amended and reenacted as follows:

23 **57-02-08.2. Homestead credit - Certification.**

- 1 1. Prior to the first of March 1, 1975, and of each year ~~thereafter~~, the county auditor
2 of each county shall certify to the state tax commissioner on forms prescribed by
3 the state tax commissioner the name and address of each person for whom the
4 homestead credit provided for in section 57-02-08.1 was allowed for the preceding
5 year, the amount of exemption allowed, the total of the tax mill rates of all taxing
6 districts, exclusive of any state mill rates, that was applied to other real estate in
7 such taxing districts for the preceding year, and such other information as may be
8 prescribed by the tax commissioner.
- 9 2. The tax commissioner shall audit such certifications, make such corrections as
10 may be required, and certify to the state treasurer for payment to each county on or
11 before the first of June 1, 1975, and of each year ~~thereafter~~, the sum of the
12 amounts computed by multiplying the exemption allowed for each such homestead
13 in the county for the preceding year by the total of the tax mill rates, exclusive of
14 any state mill rates, that was applied to other real estate in such taxing districts for
15 that year.
- 16 3. The county treasurer upon receipt of the payment from the state treasurer shall
17 ~~forthwith~~ apportion and distribute it without delay to the county and to the local
18 taxing districts of the county on the basis on which the general real estate tax for
19 the preceding year is apportioned and distributed.
- 20 4. The tax commissioner shall annually certify to the state treasurer the amount
21 computed by multiplying the exemption allowed for all homesteads in the state for
22 the preceding year by one mill for deposit into the state medical center fund.
- 23 5. Supplemental certifications by the county auditor and by the state tax
24 commissioner and supplemental payments by the state treasurer may be made
25 after the dates prescribed ~~herein~~ in this section to make such corrections as may
26 be necessary because of errors ~~therein~~ or because of approval of any application
27 for abatement filed by a person because the exemption provided for in section
28 57-02-08.1 was not allowed in whole or in part.

29 **SECTION 3. AMENDMENT.** Subsections 3 and 6 of section 57-02-27.2 of the North
30 Dakota Century Code are amended and reenacted as follows:

- 31 3. The "average annual gross return" for each county must be determined as follows:

- 1 a. ~~For taxable year 1999, total the annual gross returns for the nine years~~
2 ~~immediately preceding the current year for which data is available and discard~~
3 ~~the highest and lowest annual gross returns of the nine. For taxable year~~
4 ~~2000 and thereafter, total~~ Total ~~the annual gross returns for the ten years~~
5 ~~immediately preceding the current year for which data is available and discard~~
6 ~~the highest and lowest annual gross returns of the ten.~~
- 7 b. The agricultural economics department of North Dakota state university shall
8 establish a base year index of prices paid by farmers using annual statistics
9 on that topic compiled by the national agricultural statistics service for the
10 seven-year period ending in 1995, discarding the highest and lowest years'
11 indexes, and averaging the remaining five years' indexes. ~~For taxable year~~
12 ~~1999, the agricultural economics department shall gather the national~~
13 ~~agricultural statistics service annual index of prices paid by farmers for the~~
14 ~~nine years ending with the most recent year used under subdivision a, discard~~
15 ~~the highest and lowest years' indexes, average the remaining seven years'~~
16 ~~indexes, and divide the resulting amount by the base year index of prices paid~~
17 ~~by farmers. For taxable year 2000 and thereafter, the~~ The ~~agricultural~~
18 economics department shall gather the national agricultural statistics service
19 annual index of prices paid by farmers for the ten years ending with the most
20 recent year used under subdivision a, discard the highest and lowest years'
21 indexes, average the remaining eight years' indexes, and divide the resulting
22 amount by the base year index of prices paid by farmers. This amount must
23 be divided into the amount determined under subdivision a.
- 24 c. ~~For taxable year 1998, divide the figure arrived at in subdivision b by six. For~~
25 ~~taxable year 1999, divide the figure arrived at in subdivision b by seven. For~~
26 ~~taxable year 2000 and thereafter, divide~~ Divide ~~the figure arrived at in~~
27 ~~subdivision b by eight.~~
- 28 6. For purposes of this section, "inundated agricultural land" means property
29 classified as agricultural property containing a minimum of ten contiguous acres if
30 the value of the inundated land exceeds ten percent of the average agricultural
31 value of noncropland for the county, which is inundated to an extent making it

unsuitable for growing crops or grazing farm animals for two consecutive growing seasons or more, and which produced revenue from any source in the most recent prior year which is less than the county average revenue per acre for noncropland calculated by the agricultural economics department of North Dakota state university. Application for classification as inundated agricultural land must be made in writing to the township assessor or county director of tax equalization by March thirty-first of each year, ~~except that for the year 2001, the written application must be made within ninety days from March 16, 2001.~~ Before all or part of a parcel of property may be classified as inundated agricultural land, the board of county commissioners must approve that classification for that property for the taxable year. The agricultural value of inundated agricultural lands for purposes of this section must be determined by the agricultural economics department of North Dakota state university to be ten percent of the average agricultural value of noncropland for the county as determined under this section. Valuation of individual parcels of inundated agricultural land may recognize the probability that the property will be suitable for agricultural production as cropland or for grazing farm animals in the future. Determinations made under this subsection may be appealed through the informal equalization process and formal abatement process provided for in this title.

SECTION 4. AMENDMENT. Section 57-20-08 of the North Dakota Century Code is amended and reenacted as follows:

57-20-08. Tax receipts filed with county auditor - Copies retained and filed numerically by county treasurer. Upon the payment of any tax, if directed by the board of county commissioners, the county treasurer shall give to the county auditor a receipt therefor showing the name and post-office address of the person who paid the tax, the amount and date of payment, the land, lot, or other property upon which the tax is levied, according to the description on the tax list, or in some other sufficient manner, and the year or years for which the tax was levied. If for current taxes on real estate, the receipt must have written or stamped across its face "taxes for" (giving the year in figures) or "first installment taxes" (giving the year in figures) or "second installment taxes" (giving the year in figures), as the case may be. Each year's tax must be on a separate receipt. If the county treasurer has given notice of tax lien for

land ~~has been sold for taxes, either to a purchaser or to the county, and the time for redemption~~
~~from such sale and the tax lien~~ has not ~~expired~~ been foreclosed, the receipt for such taxes must
have written or stamped across the face "~~sold for taxes~~ tax lien", with a statement of the years
for which any of the real estate described therein ~~has been sold for taxes and not redeemed~~ is
subject to a tax lien. If directed by the board of county commissioners, the treasurer shall
provide receipts at the end of each day to the county auditor, who shall file and preserve them
in the auditor's office charging the treasurer with the amount thereof. A copy of each receipt
must be preserved in the office of the county treasurer and filed in numerical order.

SECTION 5. AMENDMENT. Subsection 3 of section 57-60-01 of the North Dakota
Century Code is amended and reenacted as follows:

3. "Coal conversion facility" means any of the following:

- a. A plant, other than an electrical generating plant or a coal beneficiation plant,
with all additions thereto, which processes or converts coal from its natural or
beneficiated form into a form substantially different in chemical or physical
properties, including coal gasification, coal liquefaction, and the manufacture
of fertilizer and other products, and which uses or is designed to use over five
hundred thousand tons [453592.37 metric tons] of coal per year;
- b. An electrical generating plant, with all additions thereto, which processes or
converts coal from its natural or beneficiated form into electrical power and
which has at least one single electrical energy generation unit with a capacity
of ten thousand kilowatts or more;
- c. A plant, with all additions thereto, which is designed for coal beneficiation; or
- d. A gas-fired electrical generating facility, and all additions to the facility, which
generates electrical power through the consumption of gas produced by the
conversion of lignite from its natural or beneficiated form into gas and has a
capacity of ten thousand kilowatts or more.

SECTION 6. REPEAL. Section 57-29-04 of the North Dakota Century Code is
repealed.