

Sixtieth  
Legislative Assembly  
of North Dakota

## HOUSE BILL NO. 1051

Introduced by

Representatives Belter, Herbel

Senators Cook, Wardner

1 A BILL for an Act to create and enact section 57-20-07.2 of the North Dakota Century Code,  
2 relating to a state-paid property tax relief credit; to amend and reenact sections 57-20-07.1,  
3 57-20-09, and 57-32-03 of the North Dakota Century Code, relating to contents of property tax  
4 statements and the discount for early payment of property taxes; to provide an appropriation for  
5 state-paid property tax relief; and to provide an effective date.

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

7 **SECTION 1. AMENDMENT.** Section 57-20-07.1 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9 **57-20-07.1. County treasurer to mail real estate tax statement.** On or before  
10 December twenty-sixth of each year, the county treasurer shall mail a real estate tax statement  
11 to the owner of each parcel of real property at the owner's last-known address. The statement  
12 must be provided in a manner that allows the taxpayer to retain a printed record of the  
13 obligation for payment of taxes and special assessments as provided in the statement. If a  
14 parcel of real property is owned by more than one individual, the county treasurer shall send  
15 only one statement to one of the owners of that property. Additional copies of the tax statement  
16 will be sent to the other owners upon their request and the furnishing of their names and  
17 addresses to the county treasurer. ~~Such tax statements~~ The tax statement must include a  
18 dollar valuation of the true and full value as defined by law of the property and the total mill levy  
19 applicable. The tax statement must include a line item with the statement "State-paid property  
20 tax relief credit" and the dollar amount of the credit for the parcel under section 57-20-07.2, if  
21 that credit applies to that parcel. Failure of an owner to receive a statement will not relieve that  
22 owner of liability, nor extend the discount privilege past the February fifteenth deadline.

23 **SECTION 2.** Section 57-20-07.2 of the North Dakota Century Code is created and  
24 enacted as follows:

**57-20-07.2. State-paid property tax relief credit.**

1. The owner of a parcel of taxable residential, agricultural, or commercial property, or property containing one or more of those classifications of taxable property, is entitled to a credit against property taxes levied against that property.

  - a. The credit applies to the total amount of property taxes in dollars levied against the taxable value of the property. The credit is equal to:

    - (1) Ten percent of property taxes in dollars levied against residential property; or
    - (2) Five percent of property taxes in dollars levied against commercial or agricultural property.
  - b. If a parcel of property contains residential property and agricultural or commercial property, or residential and both agricultural and commercial property, the county treasurer shall allow the credit in the appropriate percentage under subdivision a against property taxes in dollars levied against each classification of property on the parcel.
2. The owner of railroad property assessed by the state board of equalization under chapter 57-05 is entitled to a credit against property taxes levied within each county against that property in the amount of five percent of property taxes levied in dollars against that property.
3. The owner of operative property of an air carrier transportation company assessed and taxed under chapter 57-32 is entitled to a credit in the amount of five percent of taxes in dollars levied against that property. The tax commissioner shall determine the total amount of credits under this subsection and certify the amount to the state treasurer for transfer from the general fund to the air transportation fund. The credit for each air transportation company must be allocated to each city or municipal airport authority where that company makes regularly scheduled landings, in the same manner as the tax collected from that company is allocated.
4. The tax commissioner shall determine the total amount of credits under subsections 1 and 2 for each county from the abstract of the tax list filed by the county auditor under section 57-20-04, as audited and corrected by the tax commissioner. The tax commissioner shall certify to the state treasurer for

1           payment, by June first following receipt of the abstract of the tax list, the amount  
2           determined for each county under this subsection. No penalty or interest applies to  
3           any state payment under this section, regardless of when the payment is made.

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

8           6. After payments to counties under subsection 4 have been made, the tax  
9           commissioner shall certify to the state treasurer as necessary any supplemental  
10          amounts payable to counties or the air transportation fund or any amounts that  
11          must be returned by counties or returned from the air transportation fund for  
12          deposit in the state general fund to correct any errors in payments or reflect any  
13          abatement or compromise of taxes, court-ordered tax reduction or increase, or levy  
14          of taxes against omitted property. The county auditor shall provide any  
15          supplemental information requested by the tax commissioner after submission of  
16          the abstract of the tax list. The county treasurer shall apply to the tax  
17          commissioner for any supplemental payments to which the county treasurer  
18          believes the county is entitled.

19          7. Notwithstanding any other provision of law, the property tax credit under this  
20          section does not apply to any property subject to payments or taxes in lieu of  
21          personal or real property taxes.

22          **SECTION 3. AMENDMENT.** Section 57-20-09 of the North Dakota Century Code is  
23          amended and reenacted as follows:

24          **57-20-09. Discount for early payment of tax.** Except as provided in section  
25          57-20-21.1, the county treasurer shall allow a five percent discount to all taxpayers who shall  
26          pay all of the real estate taxes levied on any tract or parcel of real property in any one year in  
27          full on or before February fifteenth prior to the date of delinquency. Such discount applies, after  
28          deduction of any credit allowed under section 57-20-07.2, to the net remaining amount of all  
29          general real estate taxes levied for state, county, city, township, school district, fire district, park  
30          district, and any other taxing districts but does not apply to personal property taxes or special  
31          assessment installments. Whenever the board of county commissioners, by resolution,

determines that an emergency exists in the county by virtue of weather or other catastrophe, it may extend the discount period for an additional thirty days.

**SECTION 4. AMENDMENT.** Section 57-32-03 of the North Dakota Century Code is amended and reenacted as follows:

**57-32-03. Tax statements prepared by state tax commissioner - When due and delinquent.** On or before the thirty-first day of March in each year, the tax commissioner shall provide each company assessed under the provisions of this chapter a statement of its taxes due for the preceding year, with the valuations and taxes assessed in each case. The tax statement must include a line item with the statement "State-paid property tax relief credit" and the dollar amount of the credit that applies against the taxes due for the preceding year under section 57-20-07.2. Such taxes are due upon the fifteenth day of April next following the date of the statement of taxes due. The taxes become delinquent on the first day of May next following the due date and, if not paid on or before said date, are subject to a penalty of two percent and, on June first following delinquency, an additional penalty of two percent and, on July first following delinquency, an additional penalty of two percent and, an additional penalty of two percent on October fifteenth following delinquency. From and after January first of the year following the year in which the taxes became due and payable, simple interest at the rate of twelve percent per annum upon the principal of the unpaid taxes must be charged until such taxes and penalties are paid, with such interest charges to be prorated to the nearest full month for a fractional year of delinquency. All the provisions of the law respecting delinquency of personal property assessments generally so far as may be consistent with the provisions of this chapter are applicable equally to the assessments and taxes provided for in this chapter.

**SECTION 5. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$116,720,911, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing state-paid property tax relief credits as provided in section 2 of this Act, for the biennium beginning July 1, 2007, and ending June 30, 2009.

**SECTION 6. EFFECTIVE DATE.** This Act is effective for taxable years beginning after December 31, 2006.