

Sixtieth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1449

Introduced by

Representatives Kasper, Dosch, Ruby, Thoreson, Wrangham

Senator Tollefson

1 A BILL for an Act to create and enact section 57-15-01.2 and section 57-15-01.2 and a new
2 section to chapter 57-20 of the North Dakota Century Code, relating to property tax levy
3 increase limitations and a property tax relief credit; to amend and reenact sections 11-09.1-04
4 and 40-05.1-05, subsection 15 of section 57-02-01 and sections 57-02-08.1, 57-02-11,
5 57-02-27, 57-12-05, 57-12-09, 57-20-07.1, 57-20-09, and 57-32-03 of the North Dakota Century
6 Code, relating to home rule authority, property tax increase limitations and determination of true
7 and full value, the homestead property tax credit, notice of assessment increases for property
8 tax purposes, contents of property tax statements, and the discount for early payment of
9 property taxes; to provide an appropriation; and to provide an effective date.

10 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

11 **SECTION 1. AMENDMENT.** Section 11-09.1-04 of the North Dakota Century Code is
12 amended and reenacted as follows:

13 **11-09.1-04. Ratification by majority vote - Supersession of existing charter and**
14 **conflicting state laws - Filing of copies of new charter.** If a majority of the qualified electors
15 voting on the charter at the election vote in favor of the home rule charter, it is ratified and
16 becomes the organic law of the county on the first day of January or July next following the
17 election, and extends to all its county matters. The charter and the ordinances made pursuant
18 to the charter in county matters must be liberally construed to supersede within the territorial
19 limits and jurisdiction of the county any conflicting state law except for any state law as it
20 applies to cities or any power of a city to govern its own affairs, without the consent of the
21 governing body of the city. The charter may not authorize the enactment of ordinances to
22 diminish the authority of a board of supervisors of a township or to change the structure of
23 township government in any organized civil township, without the consent of the board of
24 supervisors of the township. ~~No A charter or ordinance of a home rule county shall~~ may not

1 supersede section 49-22-16 or any provision of state law relating to property tax assessments,
2 levy limitations, exemptions, credits, definitions, administration, or enforcement. One copy of
3 the charter as ratified and approved must be filed with the secretary of state; one with the
4 recorder for the county, unless the board of county commissioners designates a different
5 official; and one with the auditor of the county to remain as a part of its permanent records.
6 Courts shall take judicial notice of the charter.

7 **SECTION 2. AMENDMENT.** Section 40-05.1-05 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **40-05.1-05. Ratification by majority vote - Supersession of existing charter and**
10 **state laws in conflict therewith - Filing of copies of new charter.** If a majority of the
11 qualified voters voting on the charter at the election vote in favor of the home rule charter, the
12 charter is ratified and is the organic law of the city, and extends to all its local and city matters.
13 The charter and the ordinances made pursuant to the charter in such matters supersede within
14 the territorial limits and other jurisdiction of the city any law of the state in conflict with the
15 charter and ordinances and must be liberally construed for such purposes. A charter or
16 ordinance of a home rule city may not supersede any provision of state law relating to property
17 tax assessments, levy limitations, exemptions, credits, definitions, administration, or
18 enforcement. One copy of the charter ratified and approved must be filed with the secretary of
19 state and one with the auditor of the city to remain as a part of its permanent records.
20 Thereupon the courts shall take judicial notice of the new charter.

21 **SECTION 3. AMENDMENT.** Subsection 15 of section 57-02-01 of the North Dakota
22 Century Code is amended and reenacted as follows:

- 23 15. "True and full value" means the value determined by considering the earning or
24 productive capacity, if any, the market value, if any, and all other matters that affect
25 the actual value of the property to be assessed. This shall include, for purposes of
26 arriving at the true and full value of property used for agricultural purposes, farm
27 rentals, soil capability, soil productivity, and soils analysis. "True and full value"
28 does not include any portion of the value or cost of improvements by special
29 assessment unless the assessor has supporting evidence of an equivalent market
30 value increase as shown by sales of property subject to those special
31 assessments.

1 **SECTION 4. AMENDMENT.** Section 57-02-08.1 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **57-02-08.1. Homestead credit.**

- 4 1. a. Any person sixty-five years of age or older or permanently and totally
5 disabled, in the year in which the tax was levied, with an income that does not
6 exceed the limitations of subdivision c is entitled to receive a reduction in the
7 assessment on the ~~taxable valuation on~~ true and full value of the person's
8 homestead. An exemption under this subsection applies regardless of
9 whether the person is the head of a family.
- 10 b. The exemption under this subsection continues to apply if the person does not
11 reside in the homestead and the person's absence is due to confinement in a
12 nursing home, hospital, or other care facility, for as long as the portion of the
13 homestead previously occupied by the person is not rented to another person.
- 14 c. The exemption must be determined according to the following schedule:
- 15 (1) If the person's income is not in excess of ~~eight~~ fifteen thousand ~~five~~
16 ~~hundred~~ dollars, a reduction of ~~one hundred~~ fifty percent of the ~~taxable~~
17 ~~valuation~~ true and full value of the person's homestead ~~up to a~~
18 ~~maximum reduction of three thousand thirty-eight dollars of taxable~~
19 ~~valuation~~ or a reduction of seventy-five thousand dollars of true and full
20 value of the person's homestead, whichever is greater.
- 21 (2) If the person's income is in excess of ~~eight~~ fifteen thousand ~~five~~
22 ~~hundred~~ dollars and not in excess of ~~ten~~ twenty-two thousand ~~five~~
23 hundred dollars, a reduction of ~~eighty~~ forty percent of the ~~taxable~~
24 ~~valuation~~ true and full value of the person's homestead ~~up to a~~
25 ~~maximum reduction of two thousand four hundred thirty dollars of~~
26 ~~taxable valuation~~ or a reduction of sixty thousand dollars of the true and
27 full value of the person's homestead, whichever is greater.
- 28 (3) If the person's income is in excess of ~~ten~~ twenty-two thousand ~~five~~
29 hundred dollars and not in excess of ~~eleven~~ thirty thousand ~~five~~
30 ~~hundred~~ dollars, a reduction of ~~sixty~~ thirty percent of the ~~taxable~~
31 ~~valuation~~ true and full value of the person's homestead ~~up to a~~

- 1 ~~maximum reduction of one thousand eight hundred twenty three dollars~~
2 ~~of taxable valuation~~ or a reduction of forty-five thousand dollars of the
3 true and full value of the person's homestead, whichever is greater.
- 4 (4) If the person's income is in excess of ~~eleven~~ thirty thousand five
5 ~~hundred~~ dollars and not in excess of ~~thirteen~~ thirty-seven thousand five
6 hundred dollars, a reduction of ~~forty~~ twenty percent of the ~~taxable~~
7 ~~valuation~~ true and full value of the person's homestead ~~up to a~~
8 ~~maximum reduction of one thousand two hundred fifteen dollars of~~
9 ~~taxable valuation~~ or a reduction of thirty thousand dollars of the true
10 and full value of the person's homestead, whichever is greater.
- 11 (5) ~~If the person's income is in excess of thirteen thousand dollars and not~~
12 ~~in excess of fourteen thousand five hundred dollars, a reduction of~~
13 ~~twenty percent of the taxable valuation of the person's homestead up to~~
14 ~~a maximum reduction of six hundred eight dollars of taxable valuation.~~
- 15 d. Persons residing together, as spouses or when one or more is a dependent of
16 another, are entitled to only one exemption between or among them under
17 this subsection. Persons residing together, who are not spouses or
18 dependents, who are coowners of the property are each entitled to a
19 percentage of a full exemption under this subsection equal to their ownership
20 interests in the property.
- 21 e. This subsection does not reduce the liability of any person for special
22 assessments levied upon any property.
- 23 f. Any person claiming the exemption under this subsection shall sign a verified
24 statement of facts establishing the person's eligibility.
- 25 g. ~~A person is ineligible for the exemption under this subsection if the value of~~
26 ~~the assets of the person and any dependent residing with the person,~~
27 ~~excluding the unencumbered value of the person's residence that the person~~
28 ~~claims as a homestead, exceeds fifty thousand dollars, including the value of~~
29 ~~any assets divested within the last three years. For purposes of this~~
30 ~~subdivision, the unencumbered valuation of the homestead is limited to one~~
31 ~~hundred thousand dollars.~~

h. The assessor shall attach the statement filed under subdivision f to the assessment sheet and shall show the reduction on the assessment sheet.

h. An exemption under this subsection terminates at the end of the taxable year of the death of the applicant.

2. a. Any person who would qualify for an exemption under subdivisions a and c of subsection 1 except for the fact that the person rents living quarters is eligible for refund of a portion of the person's annual rent deemed by this subsection to constitute the payment of property tax.

b. For the purpose of this subsection, twenty percent of the annual rent, exclusive of any federal rent subsidy and of charges for any utilities, services, furniture, furnishings, or personal property appliances furnished by the landlord as part of the rental agreement, whether expressly set out in the rental agreement, must be considered as payment made for property tax. When any part of the twenty percent of the annual rent exceeds four percent of the annual income of a qualified applicant, the applicant is entitled to receive a refund from the state general fund for that amount in excess of four percent of the person's annual income, but the refund may not be in excess of two hundred forty dollars. If the calculation for the refund is less than five dollars, a minimum of five dollars must be sent to the qualifying applicant.

c. Persons who reside together, as spouses or when one or more is a dependent of another, are entitled to only one refund between or among them under this subsection. Persons who reside together in a rental unit, who are not spouses or dependents, are each entitled to apply for a refund based on the rent paid by that person.

d. Each application for refund under this subsection must be made to the tax commissioner before the first day of June of each year by the person claiming the refund. The tax commissioner may grant an extension of time to file an application for good cause. The tax commissioner shall issue refunds to applicants.

e. This subsection does not apply to rents or fees paid by a person for any living quarters, including a nursing home licensed pursuant to section 23-16-01, if

those living quarters are exempt from property taxation and the owner is not making a payment in lieu of property taxes.

f. A person may not receive a refund under this section for a taxable year in which that person received an exemption under subsection 1.

3. All forms necessary to effectuate this section must be prescribed, designed, and made available by the tax commissioner. The county directors of tax equalization shall make these forms available upon request.

4. A person whose homestead is a farm structure exempt from taxation under subsection 15 of section 57-02-08 may not receive any property tax credit under this section.

5. For the purposes of this section:

a. "Dependent" has the same meaning it has for federal income tax purposes.

b. "Homestead" has the same meaning as provided in section 47-18-01 except the dollar amount limitation on homestead valuation under section 47-18-01 does not apply and the maximum true and full value of a homestead for purposes of this section is three hundred thousand dollars.

c. "Income" means income for the most recent complete taxable year from all sources, including the income of any dependent of the applicant, and including any county, state, or federal public assistance benefits, social security, or other retirement benefits, but excluding any federal rent subsidy, any amount excluded from income by federal or state law, and medical expenses paid during the year by the applicant or the applicant's dependent which is not compensated by insurance or other means.

d. "Medical expenses" has the same meaning as it has for state income tax purposes, except that for transportation for medical care the person may use the standard mileage rate allowed for state officer and employee use of a motor vehicle under section 54-06-09.

e. "Permanently and totally disabled" means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or

can be expected to last for a continuous period of not less than twelve months
as established by a certificate from a licensed physician.

6. Total expenditures by the state for credits under this section may not exceed fifteen million dollars for any taxable year. If the amounts determined under this section exceed this limitation, the amounts determined must be prorated accordingly.

SECTION 5. AMENDMENT. Section 57-02-11 of the North Dakota Century Code is amended and reenacted as follows:

57-02-11. Listing of property - Assessment thereof - Limitations. Property must be listed and assessed as follows:

1. All real property subject to taxation must be listed and assessed every year with reference to its value, on February first of that year.
2. Notwithstanding any other provision of law, the taxable valuation of real property may not be increased by more than two percent from its taxable valuation from the previous taxable year unless:
 - a. Improvements have been made on the property which were not subject to assessment in the previous taxable year, in which case the taxable valuation of the property, without the improvements, from the previous taxable year may not be increased by more than two percent and the taxable valuation of the improvements may be added. For purposes of this subdivision, "taxable valuation of the improvements" means the value determined by comparison with taxable valuation of comparable property except:
 - (1) If the owner of the land on which the improvements are located is the builder, or serves as the prime contractor, of the improvements and provides the assessor credible evidence of the owner's cost of the improvements, the taxable valuation of the improvements may not exceed four and one-half percent of that cost for residential property and five percent of that cost for other property.
 - (2) If the owner of the land on which the improvements are located has contracted for construction or placement of the improvements and provides the assessor credible evidence of the contract cost to the owner, the taxable valuation of the improvements may not exceed four

and one-half percent of that cost for residential property and five percent of that cost for other property.

b. The classification of the property has changed from the previous taxable year.

c. The property was fully or partially exempt from property taxes in the previous taxable year and the exemption has been reduced or no longer applies.

3. Whenever after the first day of February and before the first day of April in any year, it is made to appear to the assessor by the oath of the owner that any building, structure, or other improvement, or tangible personal property, which is listed for taxation for the current year has been destroyed or injured by fire, flood, or tornado, the assessor shall investigate the matter and deduct from the valuation of the property of the owner of such destroyed property an amount which in the assessor's judgment fairly represents such deduction as should be made.

SECTION 6. AMENDMENT. Section 57-02-27 of the North Dakota Century Code is amended and reenacted as follows:

57-02-27. Property to be valued at a percentage of assessed value - Classification of property - Limitation on valuation of annexed agricultural lands. All property subject to taxation based on the value thereof must be valued as follows:

1. All residential property to be valued at nine percent of assessed value. If any property is used for both residential and nonresidential purposes, the valuation must be prorated accordingly.
2. All agricultural property to be valued at ten percent of assessed value as determined pursuant to section 57-02-27.2.
3. All commercial property to be valued at ten percent of assessed value.
4. All centrally assessed property to be valued at ten percent of assessed value except as provided in section 57-02-27.3.

The resulting amounts must be known as the taxable valuation. However, taxable valuation of property may not be increased by more than two percent from the taxable valuation of the property from the previous taxable year, except under the conditions in subsection 2 of section 57-02-11. In determining the assessed value of real and personal property, except agricultural property, the assessor may not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor may the assessor adopt as a criterion of value the price at

1 which said property would sell at auction, or at forced sale, or in the aggregate with all the
2 property in the town or district, but the assessor shall value each article or description by itself,
3 and at such sum or price as the assessor believes the same to be fairly worth in money. In
4 assessing any tract or lot of real property, there must be determined the value of the land,
5 exclusive of improvements, and the value of all taxable improvements and structures thereon,
6 and the aggregate value of the property, including all taxable structures and other
7 improvements, excluding the value of crops growing upon cultivated lands. In valuing any real
8 property upon which there is a coal or other mine, or stone or other quarry, the same must be
9 valued at such a price as such property, including the mine or quarry, would sell for at a fair
10 voluntary sale for cash. Agricultural lands within the corporate limits of a city which are not
11 platted constitute agricultural property and must be so classified and valued for ad valorem
12 property tax purposes until such lands are put to another use. Agricultural lands, whether within
13 the corporate limits of a city or not, which were platted and assessed as agricultural property
14 prior to March 30, 1981, must be assessed as agricultural property for ad valorem property tax
15 purposes until put to another use. Such valuation must be uniform with the valuation of
16 adjoining unannexed agricultural land.

17 **SECTION 7. AMENDMENT.** Section 57-12-05 of the North Dakota Century Code is
18 amended and reenacted as follows:

19 **57-12-05. Requirements to be followed in equalization of individual assessments.**

20 The county board of equalization, when equalizing individual assessments, shall observe the
21 following rules:

- 22 1. The valuation of each tract or lot of real property which is returned below its true
23 and full value must be raised to the sum believed by such board to be the true and
24 full value thereof.
- 25 2. The valuation of each tract or lot of real property which, in the opinion of the board,
26 is returned above its true and full value must be reduced to such sum as is
27 believed to be the true and full value thereof.
- 28 3. The board may not make any adjustment in taxable valuation of property which
29 would exceed the limitations of subsection 2 of section 57-02-11 or 57-02-27.

30 **SECTION 8. AMENDMENT.** Section 57-12-09 of the North Dakota Century Code is
31 amended and reenacted as follows:

57-12-09. ~~Written notice~~ Notice of increased assessment to real estate owner.

When any assessor has increased the true and full valuation of any lot or tract of land ~~together with or~~ any improvements thereon ~~by fifteen percent or more of~~ to more than two percent more than the amount of the last assessment, ~~written~~ notice of the amount of increase over the last assessment and the amount of the last assessment must be delivered in writing by the assessor to the property owner ~~or~~, mailed in writing to the property owner at the property owner's last-known address ~~except that no notice need be delivered or mailed if the true and full valuation is increased by less than three thousand dollars,~~ or provided to the property owner by electronic mail directed with verification of receipt to an electronic mail address at which the property owner has consented to receive notice. Delivery of notice to a property owner under this section must be completed not fewer than thirty days before the meeting of the local equalization board. The tax commissioner shall prescribe suitable forms for this notice and the notice must show the true and full value as defined by law of the property, including improvements, that the assessor used in making the assessment for the current year and for the year in which the last assessment was made and must also show the date prescribed by law for the meeting of the local equalization board of the assessment district in which the property is located and the meeting date of the county equalization board. The notice must be mailed or delivered ~~to the property owner at least ten days in advance of the meeting date of the local equalization board and must be mailed or delivered~~ at the expense of the assessment district for which the assessor is employed.

SECTION 9. Section 57-15-01.2 of the North Dakota Century Code is created and enacted as follows:

57-15-01.2. Limitation on levies by taxing districts.

1. Notwithstanding that a taxing district may have unused or excess levy authority under any other provision of law, this section limits that authority. This section may not be interpreted as authority to increase any levy limitation otherwise provided by law and may only be applied to limit any unused or excess levy authority that a taxing district may otherwise be entitled to use. Property taxes in dollars levied by a taxing district may not exceed by more than four percent the amount levied in dollars by that taxing district against taxable property in that taxing district in the preceding taxable year except:

1 a. When improvements to property have been made which were not taxable in
2 the previous taxable year, the additional taxable valuation attributable to the
3 improvements is taxable without regard to the limitation under this subsection.
4 However, if on that property there are improvements that have not previously
5 been taxable, the limitation on the true and full valuation of the improvements
6 under subdivision a of subsection 2 of section 57-02-11 applies to those
7 improvements.

8 b. When a property tax exemption existed in the previous taxable year which
9 has been reduced or does not exist, the portion of the taxable valuation of the
10 property which is no longer exempt is not subject to the limitation in this
11 subsection.

12 c. When temporary mill levy increases authorized by the electors of the taxing
13 district or mill levies authorized by state law existed in the previous taxable
14 year but are no longer applicable or have been reduced, the amount levied in
15 dollars in the previous taxable year by the taxing district must be adjusted to
16 reflect the expired temporary mill levy increases and the reduced or
17 eliminated mill levies authorized by state law before the two percent increase
18 allowable under this subsection is applied.

19 2. The limitation under subsection 1 does not apply to:

20 a. New or increased mill levies authorized by state law or the electors of the
21 taxing district which did not exist in the previous taxable year.

22 b. Any irrepealable tax to pay bonded indebtedness levied under section 16 of
23 article X of the Constitution of North Dakota.

24 3. The mill rate applied to property that was not taxed in the previous taxable year
25 may not exceed the mill rate determined by law for the current taxable year for
26 property that was taxed in the previous taxable year.

27 4. Application of this section may be suspended and additional levy authority
28 approved for a taxing district upon approval by sixty percent or more of the
29 qualified electors of the taxing district voting on the question at a regular or special
30 election of the taxing district.

1 **SECTION 10. AMENDMENT.** Section 57-20-07.1 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **57-20-07.1. County treasurer to mail real estate tax statement.** On or before
4 December twenty-sixth of each year, the county treasurer shall mail a real estate tax statement
5 to the owner of each parcel of real property at the owner's last-known address. The statement
6 must be provided in a manner that allows the taxpayer to retain a printed record of the
7 obligation for payment of taxes and special assessments as provided in the statement. If a
8 parcel of real property is owned by more than one individual, the county treasurer shall send
9 only one statement to one of the owners of that property. Additional copies of the tax statement
10 will be sent to the other owners upon their request and the furnishing of their names and
11 addresses to the county treasurer. ~~Such tax statements~~ The tax statement must include a
12 dollar valuation of the true and full value as defined by law of the property and the total mill levy
13 applicable. The tax statement must include a line item with the statement "State-paid property
14 tax relief credit" and the dollar amount of the credit for the parcel under section 11 of this Act, if
15 that credit applies to that parcel. Failure of an owner to receive a statement will not relieve that
16 owner of liability, nor extend the discount privilege past the February fifteenth deadline.

17 The tax statement must be accompanied by a separate sheet showing the dollar
18 amount of property taxes levied against the property by each political subdivision that levied
19 property taxes against the property for the taxable year to which the tax statement applies and
20 each of the four preceding taxable years.

21 **SECTION 11.** A new section to chapter 57-20 of the North Dakota Century Code is
22 created and enacted as follows:

23 **State-paid property tax relief credit.**

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

27 a. Residential property qualifies for the credit under this section only if it is
28 owned and occupied by a person as that person's homestead. Agricultural
29 property qualifies for the credit under this section only if the majority of the
30 ownership interest in that property belongs to a person whose homestead is in
31 this state.

b. 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 agricultural or commercial property.

c. 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.

d. The credit under this section is not available to the owner of a parcel of property against which there are unpaid delinquent property taxes.

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 payment, by June first following receipt of the abstract of the tax list, the amount

determined for each county under this subsection. No penalty or interest applies to any state payment under this section, regardless of when the payment is made.

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

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

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

8. Total expenditures by the state for credits under this section may not exceed forty million dollars for any taxable year. If the amounts determined under this section exceed this limitation, the amounts determined must be prorated accordingly.

SECTION 12. AMENDMENT. Section 57-20-09 of the North Dakota Century Code is amended and reenacted as follows:

57-20-09. Discount for early payment of tax. Except as provided in section 57-20-21.1, the county treasurer shall allow a five percent discount to all taxpayers who shall pay all of the real estate taxes levied on any tract or parcel of real property in any one year in full on or before February fifteenth prior to the date of delinquency. Such discount applies, after deduction of any credit allowed under section 11 of this Act, to the net remaining amount of all general real estate taxes levied for state, county, city, township, school district, fire district, park

1 district, and any other taxing districts but does not apply to personal property taxes or special
2 assessment installments. Whenever the board of county commissioners, by resolution,
3 determines that an emergency exists in the county by virtue of weather or other catastrophe, it
4 may extend the discount period for an additional thirty days.

5 **SECTION 13. AMENDMENT.** Section 57-32-03 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **57-32-03. Tax statements prepared by state tax commissioner - When due and**
8 **delinquent.** On or before the thirty-first day of March in each year, the tax commissioner shall
9 provide each company assessed under the provisions of this chapter a statement of its taxes
10 due for the preceding year, with the valuations and taxes assessed in each case. The tax
11 statement must include a line item with the statement "State-paid property tax relief credit" and
12 the dollar amount of the credit that applies against the taxes due for the preceding year under
13 section 11 of this Act. Such taxes are due upon the fifteenth day of April next following the date
14 of the statement of taxes due. The taxes become delinquent on the first day of May next
15 following the due date and, if not paid on or before said date, are subject to a penalty of two
16 percent and, on June first following delinquency, an additional penalty of two percent and, on
17 July first following delinquency, an additional penalty of two percent and, an additional penalty
18 of two percent on October fifteenth following delinquency. From and after January first of the
19 year following the year in which the taxes became due and payable, simple interest at the rate
20 of twelve percent per annum upon the principal of the unpaid taxes must be charged until such
21 taxes and penalties are paid, with such interest charges to be prorated to the nearest full month
22 for a fractional year of delinquency. All the provisions of the law respecting delinquency of
23 personal property assessments generally so far as may be consistent with the provisions of this
24 chapter are applicable equally to the assessments and taxes provided for in this chapter.

25 **SECTION 14. APPROPRIATIONS.** There is appropriated out of any moneys in the
26 general fund in the state treasury, not otherwise appropriated, the sum of \$80,000,000, or so
27 much of the sum as may be necessary, to the state treasurer for the purpose of providing
28 state-paid property tax relief credits as provided in section 11 of this Act and the sum of
29 \$30,000,000, or much of the sum as may be necessary, to the state tax commissioner for the
30 purpose of providing homestead credit allocations under section 57-02-08.1, for the biennium
31 beginning July 1, 2007, and ending June 30, 2009.

1 **SECTION 15. EFFECTIVE DATE.** This Act is effective for taxable years beginning
2 after December 31, 2006.