

March 24, 2009

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1198

Page 1, line 3, replace "section" with "sections" and after "11-28.2-01" insert "and 57-02-27"

Page 1, line 4, after "districts" insert "and determination of taxable valuation of recreation service district properties"

Page 2, line 18, replace "and any improvements on that property may not be increased to" with "must be based on a rolling ten-year average of market values as determined under the sales ratio study."

Page 2, remove lines 19 through 21

Page 2, line 22, remove "2." and after "made" insert "within the past ten years"

Page 2, line 23, replace "by an amount not exceeding the cost" with "to reflect the true and full value"

Page 2, after line 24, insert:

"SECTION 3. 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 57-06-14.1.
5. For all property in a recreation service district in which ninety percent or more of the property in the district has been developed, property is to be valued at ten and one-half percent of assessed value.

The resulting amounts must be known as the taxable valuation. 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 which said property would sell at auction, or at forced sale, or in the aggregate with all the property in the town or district, but the assessor shall value each article or description by itself, and at such sum or price as the assessor believes the same to be fairly worth in money. In assessing any tract or lot of real property, there must be determined the value of the land, exclusive of improvements, and the value of all taxable improvements

and structures thereon, and the aggregate value of the property, including all taxable structures and other improvements, excluding the value of crops growing upon cultivated lands. In valuing any real property upon which there is a coal or other mine, or stone or other quarry, the same must be valued at such a price as such property, including the mine or quarry, would sell for at a fair voluntary sale for cash. Agricultural lands within the corporate limits of a city which are not platted constitute agricultural property and must be so classified and valued for ad valorem property tax purposes until such lands are put to another use. Agricultural lands, whether within the corporate limits of a city or not, which were platted and assessed as agricultural property prior to March 30, 1981, must be assessed as agricultural property for ad valorem property tax purposes until put to another use. Such valuation must be uniform with the valuation of adjoining unannexed agricultural land."

Page 2, line 25, replace "Section" with "Sections", after "2" insert "and 3", and replace "is" with "are"

Renumber accordingly