

Sixty-third  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1210

Introduced by

Representatives Belter, Amerman, Silbernagel, Wall, J. Kelsh, Williams

Senators G. Lee, Luick, Dotzenrod

- 1 A BILL for an Act to create and enact a new section to chapter 61-02 of the North Dakota  
2 Century Code, relating to payments in lieu of taxes to a school district for which the property tax  
3 base was diminished by acquisition of property for a flood control project.

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

- 5 **SECTION 1.** A new section to chapter 61-02 of the North Dakota Century Code is created  
6 and enacted as follows:

7 **Flood control project funding - Allocation of payments in lieu of taxes for loss of tax**  
8 **base caused by acquisition of property in impacted school district.**

9 The flood control project authority annually shall make payments pursuant to this chapter,  
10 subject to legislative appropriations, to adversely affected school districts in which property  
11 subject to valuation is located.

12 1. The payments are in lieu of taxes that otherwise would be available to the school  
13 districts if the real property upon which these payments are based was not:

14 a. Acquired by the state, the United States, a political subdivision of this state, or  
15 other tax-exempt entity for a flood diversion channel project; or

16 b. Assigned a reduced true and full valuation from its 2011 true and full valuation  
17 which was done primarily because of the effects or anticipated effects of a flood  
18 diversion channel or flood control project.

19 2. For purposes of this section:

20 a. "Adversely affected school district" means a school district that, by reason of the  
21 effect of events described in subsection 1, has had a significant reduction in  
22 taxable valuation of property within the school district.

b. "Flood control project authority" means the political subdivision or entity with land acquisition authority for execution of a diversion or flood control project with state funding assistance.

c. "Property subject to valuation" means:

(1) Real property acquired by the state, the United States, or a political subdivision of this state, or other tax-exempt entity for use in a flood diversion channel project but does not include any of that property being assessed for ad valorem taxation to the owner or occupant; or

(2) The amount determined by subtracting the current true and full valuation of property described in subdivision b of subsection 1 from that property's true and full valuation for 2011.

3. For the purpose of making payments in lieu of taxes under this section, all property subject to valuation under this section must be assessed and valued in the same manner as other real property in this state is assessed and valued for tax purposes, except the taxable valuation for the property subject to valuation may not be less than the taxable valuation of the property for taxable year 2011. The county auditors of the counties in which the property is located, before June thirtieth of each year, shall give notice in writing to the flood control project authority and tax commissioner of the value placed upon the property subject to valuation as finally equalized for taxable year 2011 and the most recent subsequent taxable year.

4. Upon equalization by the state board of equalization, if requested by the flood control project authority, of the value placed upon the property subject to valuation, the flood control project authority shall compute the payments due to the school districts in which property subject to valuation is located by extending the mill levies which apply to other taxable property in the school districts in which the property is located. The mill levies must be extended against the property subject to valuation in the same manner as used for other taxable property in the school districts, except the minimum amount determined for taxable valuation of property subject to valuation under this section must be substituted, if applicable. The payments due to each school district are the amount determined as provided in this section.

- 1        5. After computing the payments due to each school district, the flood control project
- 2        authority shall remit to the school districts the amounts due, on or before March first of
- 3        the succeeding year after the assessments and valuations were made.