Adopted by the Conference Committee

April 18, 2011

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2050

That the House recede from its amendments as printed on page 899 of the Senate Journal and page 1071 of the House Journal and that Engrossed Senate Bill No. 2050 be amended as follows:

Page 1, line 1, after "40-58-20" insert "and sections 40-58-20.2 and 40-58-20.3"

Page 1, replace line 20 with "any land that has been assessed as agricultural property within the last ten years unless it was located within the interior boundaries of a city for at least ten years."

Page 2, line 5, remove "Tax increments computed for a development or renewal area under this"

Page 2, replace lines 6 through 9 with:

"a. For a tax increment district established before July 1, 2011, the base year for tax increments computed for a development or renewal area under this section or section 40-58-20.1 may not be used for more than twenty-five taxable years without the governing body of the municipality establishing a new base year using taxable values, established as of February first of the following year, which are not more than fifteen years old. Regardless of length of the initial district, the new base year may be used to compute tax increments for up to an additional fifteen years after which time the tax increment district must be closed, except that the original base year for tax increments pledged for an indebtedness incurred before July 1, 2011, may continue until the indebtedness is paid.

b. For a tax increment district established after July 1, 2011, the base year for tax increments computed for a development or renewal area under this section or section 40-58-20.1 may not be used for more than twenty-five taxable years without the governing body of the municipality establishing a new base year using taxable values, established as of February first of the following year, which are not more than fifteen years old. The new base year may be used to compute tax increments for up to an additional five years after which time the tax increment district must be closed."

Page 2, line 15, replace "may" with "shall"

Page 2, after line 18, insert:

"**SECTION 4.** Section 40-58-20.2 of the North Dakota Century Code is created and enacted as follows:

40-58-20.2. Tax increment financing proposal - Public hearing - Invitation to representatives of affected taxing districts.

Before approval of a development or renewal plan for any development or renewal area under section 40-58-20, the governing body of the municipality shall conduct a public hearing on the proposal. The governing body shall provide invitations

to participate in the public hearing to the governing body of each county, school district, and park district within the development or renewal area. At a minimum, the governing body of the municipality shall provide the following information at the public hearing:

    1.   The anticipated costs of development of property to be reimbursed by tax incentives.

    2.   The anticipated annual revenue from tax increments which will be received to complete the development or renewal plan.

    3.   The anticipated date when the plan will be completed, the costs will be fully paid, and the tax increments will be released.

    4.   The estimate of the dollars annually attributable to the levies from each taxing entity which will be credited to the tax increment fund.

SECTION 5. Section 40-58-20.3 of the North Dakota Century Code is created and enacted as follows:

40-58-20.3. Tax increment financing reports.

For each development or renewal plan for any development or renewal area under section 40-58-20 in existence at the end of a calendar year, the governing body of the municipality shall file an annual report with the department of commerce, by the following July thirty-first, which is in a format prescribed by the department. The report must include:

    1.   The total of outstanding indebtedness.

    2.   The balance of funds on hand.

    3.   The name of the tax increment financing district."

Renumber accordingly