

Sixty-third
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2101

Introduced by

Senators Cook, Campbell, Hogue

Representatives Belter, Headland, Owens

1 A BILL for an Act to amend and reenact sections 11-18-02.2, 57-09-04, 57-11-04, and 57-12-09
2 of the North Dakota Century Code, relating to challenges of property tax assessments and
3 notice to property owners of assessment increases; and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Section 11-18-02.2 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **11-18-02.2. Statements of full consideration to be filed with state board of**
8 **equalization or recorder - Procedure - ~~Secrecy of information~~ - Penalty.**

- 9 1. Any grantee or grantee's authorized agent who presents a deed in the office of the
10 county recorder shall certify on the face of the deed any one of the following:
 - 11 a. A statement that the grantee has filed a report of the full consideration paid for
12 the property conveyed with the state board of equalization.
 - 13 b. A statement that the grantee has filed a report of the full consideration paid for
14 the property conveyed with the recorder.
 - 15 c. A statement of the full consideration paid for the property conveyed.
 - 16 d. A statement designating one of the exemptions in subsection 7 which the grantee
17 believes applies to the transaction.
- 18 2. Any party who presents an affidavit of affixation to real property of a manufactured
19 home in the office of the county recorder in accordance with section 47-10-27 and who
20 acquired the manufactured home before the affixation of the manufactured home to
21 the real property shall either contain in or present in addition to the affidavit of
22 affixation any one of the following:
 - 23 a. A statement that the party has filed with the state board of equalization a report of
24 the full consideration paid for the manufactured home before the affixation.

- 1 b. A statement that the party has filed with the recorder a report of the full
2 consideration paid for the manufactured home before the affixation.
- 3 c. A statement of the full consideration paid by the party for the manufactured home
4 before the affixation.
- 5 3. The recorder may not record any deed unless the deed contains one of the statements
6 required by subsection 1 or record any affidavit of affixation unless the affidavit
7 contains or is accompanied by one of the statements required by subsection 2.
- 8 4. The recorder shall accumulate and at least monthly forward to the state board of
9 equalization a report containing the information filed in the recorder's office pursuant to
10 subsection 1 or subsection 2.
- 11 5. The state board of equalization shall prescribe the necessary forms for the statements
12 and reports to be used in carrying out this section, and the forms must contain a space
13 for the explanation of special circumstances that may have contributed to the amount
14 of the consideration.
- 15 6. For purposes of subsection 1, the word "deed" means an instrument or writing
16 whereby any real property or interest therein is granted, conveyed, or otherwise
17 transferred to the grantee, purchaser, or other person, except any instrument or writing
18 that transfers any ownership in minerals or interests in minerals underlying land if that
19 ownership has been severed from the ownership of the overlying land surface or any
20 instrument or writing for the easement, lease, or rental of real property or any interest
21 therein.
- 22 7. This section does not apply to deeds transferring title to the following types of property,
23 or to deeds relating to the following transactions:
 - 24 a. Property owned or used by public utilities.
 - 25 b. Property classified as personal property.
 - 26 c. A sale when the grantor and the grantee are of the same family or corporate
27 affiliate, if known.
 - 28 d. A sale that resulted as a settlement of an estate.
 - 29 e. All sales to or from a government or governmental agency.
 - 30 f. All forced sales, mortgage foreclosures, and tax sales.
 - 31 g. All sales to or from religious, charitable, or nonprofit organizations.

- 1 h. All sales when there is an indicated change of use by the new owners.
- 2 i. All transfer of ownership of property for which is given a quitclaim deed.
- 3 j. Sales of property not assessable by law.
- 4 k. Agricultural lands of less than eighty acres [32.37 hectares].
- 5 l. A transfer that is pursuant to a judgment.
- 6 8. ~~The state board of equalization shall guard the secrecy of information contained on~~
7 ~~statements filed with the board under subsection 1 or subsection 2, and any~~
8 ~~information contained on statements and any information provided by local officials~~
9 ~~must be limited to data necessary to perform official duties and may not include the~~
10 ~~names of any grantors or grantees to deeds or of any parties to affidavits of affixation.~~
11 ~~Any reports made available to the public must be made in a manner that will not reveal~~
12 ~~the names of any grantors, grantees, or parties. The recorder shall guard the secrecy~~
13 ~~of information contained on reports filed in the recorder's office under subdivision b of~~
14 ~~subsection 1 or subdivision b of subsection 2.~~
- 15 9. Any person that, in the statements provided for in subsection 1 or subsection 2,
16 willfully falsifies the consideration paid for the transferred real property or the
17 manufactured home, as applicable, or interest therein or that falsely certifies that the
18 person has filed a report of full consideration with the state board of equalization is
19 guilty of a class B misdemeanor.

20 **SECTION 2. AMENDMENT.** Section 57-09-04 of the North Dakota Century Code is
21 amended and reenacted as follows:

22 **57-09-04. Duties of board.**

23 The township board of equalization shall ascertain whether all taxable property in its
24 township has been properly placed upon the assessment list and duly valued by the assessor.
25 In case any real property has been omitted by inadvertence or otherwise, the board shall place
26 the same upon the list with the true value thereof. The board shall proceed to correct the
27 assessment so that each tract or lot of real property is entered on the assessment list at the true
28 value thereof. The assessment of the property of any person may not be raised until such
29 person has been notified of the intent of the board to raise the same. All complaints and
30 grievances of residents of the township must be heard and decided by the board and it may
31 make corrections as appear to be just. Complaints by nonresidents with reference to the

1 assessment of any real property and complaints by others with reference to any assessment
2 made after the meeting of the township board of equalization must be heard and determined by
3 the county board of equalization.

4 If any property owner, or the attorney or agent of any property owner, presents to the board
5 an appraisal of a parcel of property owned by the person, prepared by an appraiser holding a
6 valid permit issued by the real estate appraiser qualifications and ethics board, which concludes
7 that the estimated true and full value of the parcel of property is more than five percent less
8 than the parcel's true and full value as shown on the assessment roll, the board may:

- 9 1. Accept the appraisal presented as the corrected true and full value of the parcel of
10 property;
- 11 2. Agree with the property owner, or the attorney or agent of the property owner, on a
12 corrected true and full value of the parcel of property which is between the appraisal
13 value presented and the assessment roll value; or
- 14 3. Advise the property owner, or the attorney or agent of the property owner, of the right
15 of the property owner to require a new appraisal to be conducted under the direction of
16 the state supervisor of assessments. The cost of a new appraisal under this
17 subsection must be paid in advance by the property owner. A new appraisal under this
18 subsection is final and nonappealable and is deemed to be the true and full value of
19 the parcel, but is limited to an amount not exceeding the amount shown on the
20 assessment roll.

21 **SECTION 3. AMENDMENT.** Section 57-11-04 of the North Dakota Century Code is
22 amended and reenacted as follows:

23 **57-11-04. Application for correction of assessment.** During the session of the board, any
24 person, or the attorney or agent of any person feeling aggrieved by anything in the assessment
25 roll, may apply to the board for the correction of alleged errors in the listing or valuation of real
26 property, and the board may correct the errors as it may deem just.

27 If any property owner, or the attorney or agent of a property owner, presents to the board an
28 appraisal of a parcel of property owned by the person, prepared by an appraiser holding a valid
29 permit issued by the real estate appraiser qualifications and ethics board, which concludes that
30 the estimated true and full value of the parcel of property is five percent or more less than the
31 parcel's true and full value as shown on the assessment roll, the board may:

- 1 1. Accept the appraisal presented as the corrected true and full value of the parcel of
2 property;
- 3 2. Agree with the property owner, or the attorney or agent of the property owner, on a
4 corrected true and full value of the parcel of property which is between the appraisal
5 value presented and the assessment roll value; or
- 6 3. Advise the property owner, or the attorney or agent of the property owner, of the right
7 of the property owner to require a new appraisal to be arranged and conducted under
8 the direction of the state supervisor of assessments. The cost of a new appraisal
9 under this subsection must be paid in advance by the property owner. A new appraisal
10 under this subsection is final and nonappealable and is deemed to be the true and full
11 value of the parcel, but may not exceed the amount originally shown on the
12 assessment roll.

13 **SECTION 4. AMENDMENT.** Section 57-12-09 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **57-12-09. Notice of increased assessment to real estate owner.**

16 When any assessor has increased the true and full valuation of any lot or tract of land
17 including any improvements thereon by ~~three~~one thousand five hundred dollars or more and to
18 ~~ten~~five percent or more than the amount of the last assessment, written notice of the amount of
19 increase and the amount of the last assessment must be delivered in writing by the assessor to
20 the property owner, mailed in writing to the property owner at the property owner's last-known
21 address, or provided to the property owner by electronic mail directed with verification of receipt
22 to an electronic mail address at which the property owner has consented to receive notice.
23 Delivery of notice to a property owner under this section must be completed not fewer than
24 fifteen days before the meeting of the local equalization board. The tax commissioner shall
25 prescribe suitable forms for this notice and the notice must show the true and full value as
26 defined by law of the property, including improvements, that the assessor used in making the
27 assessment for the current year and for the year in which the last assessment was made and
28 must also show the date prescribed by law for the meeting of the local equalization board of the
29 assessment district in which the property is located and the meeting date of the county
30 equalization board. The notice must be mailed or delivered at the expense of the assessment
31 district for which the assessor is employed.

- 1 **SECTION 5. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
- 2 December 31, 2013.