



Testimony provided to:  
Senate Tax & Finance  
January 26<sup>th</sup>, 2021  
Donnell Preskey, NDACo

**RE: SB 2192 – Penalty & Interest on Property Tax Statements**

Good Afternoon, Chair Bell and committee members. I'm Donnell Preskey with the North Dakota Association of Counties. One of my roles at NDACo is serving as the executive director for the ND County Auditors and Treasurers Association. Our Auditors and Treasurers oppose SB 2192, on the grounds that it is unnecessary but also seek clarity.

There have been many strides made in ensuring every property taxpayer in the state of North Dakota is getting the same information. Regardless of where they own property, the tax statement looks the same. 57-20-07.1 also makes it clear that the property tax statement form used in every county must be prescribed and approved for use by the tax commissioner.

This bill seeks to add a statement of the amount of penalties and interest assessed for late payments. The Auditors and Treasurers first question is – does a percentage suffice? If so, many counties are already adding this information on the backside of the statement or on the front, if approved by the tax department. If the percentage would suffice as shown in these examples, auditors and treasurers wouldn't necessarily oppose the bill. But if they would have to indicate dollar amounts owed for late payment on each statement, that would cause a great deal of extra programming and costs. Not to mention difficulty in calculating an amount as the amount is dependent on when it would be paid and the amount unpaid. If that is the intention of this bill, then NDACo opposes.

To recap, if the percentage would suffice for the listing of the penalty and interest in a late payment, then auditors and treasurers can support this bill. But again, they believe it is unnecessary as the information could easily be included in the form prescribed by the tax commissioner.

**PIERCE COUNTY EXAMPLE**

294.97	292.35	
174.47	177.07	
460.93	434.17	
406.42	379.74	
7.12	6.82	
<b>,048.94</b>	<b>997.80</b>	<b>Notes:</b>
<b>1.33%</b>	<b>1.32%</b>	Penalty Dates for Specials & Payment 1
		March 2: 3% May 1: 6%
		July 1: 9% Oct 15: 12%
		Penalty for Payment 2.....Oct 16: 6%
		Add 12% Interest per Year delinquent

**MCKENZIE COUNTY EXAMPLE**

<b>2020</b>	Specials Interest	.00
93.96		
<hr/>		
<b>2020</b>		
24,400		
1,220		
<hr/>		
<b>1,220</b>		
<b>12.650</b>		

Penalty on 1st Installment & Specials

March 2..... 3%

May 3..... 6%

July 1..... 9%

October 15..... 12%

Penalty on 2nd Installment

October 16..... 6%

**CASS COUNTY EXAMPLE  
(ON BACK OF STATEMENT)**

<p align="center"><b>REAL ESTATE</b></p> <hr/> <p><b>PENALTY ON 1st INSTALLMENT &amp; SPECIALS</b></p> <p>March 1st ..... 3 per cent</p> <p>May 1st ..... 6 per cent</p> <p>July 1st ..... 9 per cent</p> <p>October 15th ..... 12 per cent</p> <p><b>PENALTY ON 2nd INSTALLMENT</b></p> <p>October 15th ..... 6 per cent</p> <p><b>Finance Office: 241-5600</b></p>	<p align="center"><b>MOBILE HOMES</b></p> <hr/> <p><b>PENALTY ON 1st INSTALLMENT</b></p> <p>March 1st ..... 2 per cent</p> <p>April 1st ..... 4 per cent</p> <p>May 1st ..... 6 per cent</p> <p>June 1st ..... 8 per cent</p> <p><b>PENALTY ON 2nd INSTALLMENT</b></p> <p>July 1st ..... 2 per cent</p> <p>August 1st ..... 4 per cent</p> <p>September 1st ..... 6 per cent</p> <p>October 1st ..... 8 per cent</p> <p><b>Tax Director: 241-5616</b></p>
--	---

**STEELE COUNTY  
(ON BACK OF STATEMENT)**

**5% discount on consolidated real estate taxes, if total statement is paid in full on or before February 15.**

First payment consists of one half of the consolidated tax and the full amount of the YEARLY installment of special assessments and drains as shown on statement.

**First payment is due on or before March 1st.**

If not paid on or before March 1st, use the following penalty schedule:

March 2nd	3 percent
May 1st	6 percent
July 1st	9 percent
October 15th	12 percent to January 1st

Second payment consists of the remaining one half of the consolidated tax.

**Second payment is due on or before October 15.**

If not paid on or before October 15th use the following penalty schedule:

October 16	6 percent to January 1st
------------	--------------------------

**INTEREST OF 12 PERCENT PER ANNUM WILL BEGIN AFTER JANUARY 1st.**