

HOUSE BILL NO. 1245

Introduced by

Representatives Headland, Kasper, Nathe, D. Ruby

Senators Kannianen, Weber

1 A BILL for an Act to amend and reenact sections 57-15-01, and 57-15-30.2, ~~and 57-20-07.1~~ of
2 the North Dakota Century Code, relating to communication of property tax levies with the public,
3 and financial reporting to the state auditor, ~~and property tax statements~~; to provide for a
4 ~~legislative management~~ the tax commissioner to study property tax transparency; and to provide
5 ~~an effective date for a legislative management report.~~

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

7 **SECTION 1. AMENDMENT.** Section 57-15-01 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **57-15-01. Levy in specific amounts - Exceptions.**

10 With the exception of special assessment taxes and such general taxes as may be
11 definitely fixed by law, all state, county, city, township, school district, and park district taxes
12 must be levied or voted in specific amounts of money. For purposes of communicating with the
13 public and comparing the amount levied in the current taxable year to the amount levied in the
14 preceding taxable year, taxing districts shall express levies in terms of dollars rather than mills.

15 **SECTION 2. AMENDMENT.** Section 57-15-30.2 of the North Dakota Century Code is
16 amended and reenacted as follows:

17 **57-15-30.2. Financial reporting requirements for taxing entities - County auditor -**
18 **State auditor.**

19 1. The governing body of any county, city, township, school district, park district,
20 recreation service district, rural fire protection district, rural ambulance service district,
21 soil conservation district, conservancy district, water authority, or any other taxing
22 entity authorized to levy property taxes or have property taxes levied on its behalf, in
23 the year for which the levy will apply, shall file with the county auditor of each county in
24 which the taxing entity is located, at a time and in a format prescribed by the county

1 auditor, a financial report for the preceding calendar year showing the ending balances
2 of each fund or account held by the taxing entity during that year.

3 2. By February first of each year, the county auditor of each county shall provide to the
4 state auditor in an electronic format a financial report showing the ending balances of
5 the county general fund and county road and bridge fund for the preceding calendar
6 year. The county auditor shall provide the report to the state auditor regardless of
7 whether the state auditor is conducting or has completed an audit of the county.

8 ~~— **SECTION 3. AMENDMENT.** Section 57-20-07.1 of the North Dakota Century Code is~~
9 ~~amended and reenacted as follows:~~

10 ~~— **57-20-07.1. County treasurer to mail real estate tax statement - Contents of statement.**~~

11 ~~— 1. On or before December twenty-sixth of each year, the county treasurer shall mail a~~
12 ~~real estate tax statement to the owner of each parcel of real property at the owner's~~
13 ~~last known address. The form of the real estate tax statement to be used in every~~
14 ~~county must be prescribed and approved for use by the tax commissioner. The~~
15 ~~statement must be displayed in color and provided in a manner that allows the~~
16 ~~taxpayer to retain a printed record of the obligation for payment of taxes and special~~
17 ~~assessments as provided in the statement. If a parcel of real property is owned by~~
18 ~~more than one individual, the county treasurer shall send only one statement to one of~~
19 ~~the owners of that property. Additional copies of the tax statement will be sent to the~~
20 ~~other owners upon their request and the furnishing of their names and addresses to~~
21 ~~the county treasurer. TheAfter the information identifying the property owner and~~
22 ~~parcel, the tax statement must contain information displayed in the following order:~~

23 ~~— a. Include ainformation identifying the property tax savings provided by the state of~~
24 ~~North Dakota. The tax statement must include a line item that is entitled~~
25 ~~"legislative tax relief" which identifies the dollar amount of property tax savings~~
26 ~~realized by the taxpayer under chapter 50-34 for taxable years before 2019,~~
27 ~~chapter 50-35 for taxable years after 2018, and chapter 15.1-27. The line item~~
28 ~~must be printed in contrasting type, font, or color in a manner that clearly calls~~
29 ~~attention to the language.~~

30 ~~— (1) For purposes of this subdivision, legislative tax relief under chapter 15.1-27~~
31 ~~is determined by multiplying the taxable value for the taxable year for each~~

1 ~~parcel shown on the tax statement by the number of mills of mill levy~~
2 ~~reduction grant under chapter 57-64 for the 2012 taxable year plus the~~
3 ~~number of mills determined by subtracting from the 2012 taxable year mill~~
4 ~~rate of the school district in which the parcel is located the lesser of:~~
5 ~~_____ (a) Fifty mills; or~~
6 ~~_____ (b) The 2012 taxable year mill rate of the school district minus sixty mills.~~
7 ~~_____ (2) Legislative tax relief under chapter 50-35 is determined by multiplying the~~
8 ~~taxable value for the taxable year for each parcel shown on the tax~~
9 ~~statement by the number of mills of relief determined by dividing the amount~~
10 ~~calculated in subsection 1 of section 50-35-03 for a human service zone by~~
11 ~~the taxable value of taxable property in the zone for the taxable year.~~
12 ~~_____ b. Three columns showing, for the taxable year to which the tax statement applies~~
13 ~~and the two immediately preceding taxable years, the dollar valuation of the true~~
14 ~~and full value, taxable value, and net taxable value of the parcel as defined by~~
15 ~~law of the property and the total mill levy applicable.~~
16 ~~_____ b. Include, or be accompanied by a separate sheet, with three~~
17 ~~_____ c. Information identifying the property tax levy against the parcel by each taxing~~
18 ~~district followed by the consolidated tax levied against the parcel. The information~~
19 ~~must be displayed in a textual and graphical depiction of taxes levied against~~
20 ~~each parcel and listed in:~~
21 ~~_____ (1) Three columns showing, for the taxable year to which the tax statement~~
22 ~~applies and the two immediately preceding taxable years, the property tax~~
23 ~~levy in dollars against the parcel by the county and school district and any~~
24 ~~city or township that levied taxes against the parcel each taxing district,~~
25 ~~excluding any amounts levied as a result of voter-approved levy authority,~~
26 ~~which must be separately stated for each taxing district with voter-approved~~
27 ~~levy authority.~~
28 ~~_____ (2) A pie chart for the taxable year to which the statement applies, which shows~~
29 ~~the percentage of the total tax levied against the parcel by each of the~~
30 ~~taxing districts that levied taxes against the parcel, excluding any amounts~~

1 ~~levied as a result of voter-approved levy authority, which must be combined~~
2 ~~and represented as a single item in the pie chart.~~

3 ~~(3) A separate color to represent each taxing district and the separately stated~~
4 ~~voter-approved levy authority, which must correspond to the color used to~~
5 ~~identify the tax levied against the parcel in the pie chart required under~~
6 ~~paragraph 2.~~

7 ~~c. Provide information identifying the property tax savings provided by the state of~~
8 ~~North Dakota. The tax statement must include a line item that is entitled~~
9 ~~"legislative tax relief" and identifies the dollar amount of property tax savings~~
10 ~~realized by the taxpayer under chapter 50-34 for taxable years before 2019,~~
11 ~~chapter 50-35 for taxable years after 2018, and chapter 15.1-27.~~

12 ~~(1) For purposes of this subdivision, legislative tax relief under chapter 15.1-27~~
13 ~~is determined by multiplying the taxable value for the taxable year for each~~
14 ~~parcel shown on the tax statement by the number of mills of mill levy~~
15 ~~reduction grant under chapter 57-64 for the 2012 taxable year plus the~~
16 ~~number of mills determined by subtracting from the 2012 taxable year mill~~
17 ~~rate of the school district in which the parcel is located the lesser of:~~

18 ~~(a) Fifty mills; or~~

19 ~~(b) The 2012 taxable year mill rate of the school district minus sixty mills.~~

20 ~~(2) Legislative tax relief under chapter 50-35 is determined by multiplying the~~
21 ~~taxable value for the taxable year for each parcel shown on the tax~~
22 ~~statement by the number of mills of relief determined by dividing the amount~~
23 ~~calculated in subsection 1 of section 50-35-03 for a human service zone by~~
24 ~~the taxable value of taxable property in the zone for the taxable year.~~

25 ~~d. Three columns showing, for the taxable year to which the tax statement applies~~
26 ~~and the two immediately preceding taxable years, the net effective tax rate~~
27 ~~applied to the parcel.~~

28 ~~e. The name and phone number of a contact person for each taxing district that~~
29 ~~levied taxes against the parcel.~~

30 ~~2. Failure of an owner to receive a statement will not relieve that owner of liability, nor~~
31 ~~extend the discount privilege past the February fifteenth deadline.~~

1 ~~— SECTION 4. LEGISLATIVE MANAGEMENT STUDY - UNIFORM CHART OF ACCOUNTS~~
2 ~~FOR COUNTIES. During the 2023-24 interim, the legislative management shall consider~~
3 ~~studying the feasibility and desirability of implementing a system for a uniform chart of accounts~~
4 ~~to standardize the format of financial information collected, compiled, and made available to the~~
5 ~~public by counties. The study must consider the process to transition counties to a uniform chart~~
6 ~~of accounts, including implementation and administration of a uniform chart of accounts and the~~
7 ~~associated costs. The legislative management shall report its findings and recommendations,~~
8 ~~together with any legislation required to implement the recommendations, to the sixty-ninth~~
9 ~~legislative assembly.~~

10 ~~— SECTION 5. EFFECTIVE DATE. Section 3 of this Act is effective for taxable years~~
11 ~~beginning after December 31, 2023.~~

12 **SECTION 3. TAX COMMISSIONER STUDY - PROPERTY TAX TRANSPARENCY -**
13 **LEGISLATIVE MANAGEMENT REPORT.**

- 14 1. During the 2023-24 interim, the tax commissioner, state supervisor of assessments,
15 and the chairmen of the finance and taxation standing committees of the house of
16 representatives and the senate shall conduct a property tax transparency study. The
17 study must be conducted in consultation with city and county organizations, including
18 county auditors and county directors of tax equalization. The study must include
19 consideration of the following:
- 20 a. Historical changes in property valuations, mill rates levied, and impacts on
21 citizens' tax burdens in each taxing jurisdiction, including development of an
22 effective mechanism to make the information available to the public;
 - 23 b. Creation of a new uniform property tax statement form to increase transparency
24 in property taxation;
 - 25 c. Feasibility and desirability of transitioning counties to a uniform system of
26 collecting and reporting property tax information, including the process to
27 transition counties to a uniform chart of accounts, implementation and
28 administration of a uniform chart of accounts, and the associated costs; and
 - 29 d. Feasibility and desirability of implementation of a statewide property tax
30 information system and the associated costs.

- 1 2. Before June 1, 2024, the tax commissioner, state supervisor of assessments, and the
- 2 chairmen of the finance and taxation standing committees of the house of
- 3 representatives and the senate shall report their findings and recommendations,
- 4 together with any legislation required to implement the recommendations, to the
- 5 legislative management.