

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1248

Page 1, line 1, after "to" insert "amend and reenact section 57-20-04 of the North Dakota Century Code, relating to the determination of property tax per taxable square foot; to"

Page 1, line 1, remove "of restructuring the taxation of"

Page 1, line 2, replace "residential and commercial property" with "; and to provide for a legislative management report"

Page 1, after line 3, insert:

**"SECTION 1. AMENDMENT.** Section 57-20-04 of the North Dakota Century Code is amended and reenacted as follows:

**57-20-04. Abstract of tax list to be sent to tax commissioner - Determination of tax per taxable square foot - Reports.**

1. The county auditor, on or before December thirty-first following the levy of the taxes, shall prepare and transmit to the tax commissioner a complete abstract of the tax list of the auditor's county.
2. In addition to the tax list required in subsection 1, the county auditor, on or before December thirty-first following the levy of the taxes, shall prepare and transmit to the tax commissioner a report providing each taxing district's property valuation and property tax levy and any other information the tax commissioner deems necessary to prepare the report required in subsection 3. For taxing districts with property in more than one county, information must be collected and transmitted by the county auditor of the county in which the main office of that taxing district is located.
3. The tax commissioner shall compile information received from the county auditors in subsection 2 and prepare a statewide report of property tax increase. The report must include the annual increase in property taxes levied by each taxing district of the state after adjusting for property that was not taxable in the preceding year and property that is no longer taxable which was taxable in the preceding year. The report must be provided to the legislative management by April first of each year.
4. a. The county auditor, on or before December thirty-first, shall prepare and transmit to the tax commissioner a report providing:
  - (1) The total taxable square footage of taxable property in the county for the current taxable year. The county auditor shall calculate the taxable square footage of each parcel of taxable property by multiplying the square footage of the taxable property, excluding any structures situated on the property, by the applicable modifier. For purposes of this paragraph, the county auditor shall apply the following modifiers to each corresponding category of taxable property:

- (a) For commercial property except property included in subparagraph e, one hundred percent.
  - (b) For centrally assessed property, one hundred percent.
  - (c) For residential property, fifty percent.
  - (d) For agricultural property, twenty-five percent.
  - (e) For commercial property considered to be a vacant lot, twenty-five percent.
- (2) The amount of tax per taxable square foot of property in the county, calculated by dividing the tax levied in the current taxable year by the total taxable square footage of taxable property in the county calculated in paragraph 1.
- (3) For each parcel of taxable property in the county for the current taxable year, data comparing:
- (a) The property tax levied against the parcel in dollars; and
  - (b) The amount calculated by multiplying the taxable square footage of the parcel as provided in paragraph 1 by the amount of tax per taxable square foot calculated in paragraph 2.
- b. The tax commissioner shall compile the information from reports received under this subsection. On or before January fifteenth, the tax commissioner shall provide a summary of the compiled information to the legislative management.
5. The tax commissioner shall prescribe the form and manner of providing the reports and certifications required under this section.
- ~~5. On or before December 31, 2017, the county auditor shall provide a report to the tax commissioner providing the information identified in subsection 2 for the 2015 and 2016 tax years."~~

Page 1, line 4, remove "**RESIDENTIAL AND COMMERCIAL**"

Page 1, line 5, after the boldfaced period insert:

"1."

Page 1, line 6, replace "feasibility and desirability of" with "development of a proposed transition plan for"

Page 1, line 7, remove "applicable to residential and commercial property"

Page 1, line 9, replace "The study" with:

- "2. If a property tax by square foot working group is established, upon request of the legislative management the working group shall report its progress and findings. The membership of the working group may include:
  - a. At least one representative of the counties as selected by the North Dakota association of counties;

- b. At least one representative of the cities as selected by the North Dakota league of cities;
- c. At least one representative of the school boards as selected by the North Dakota school boards association;
- d. At least one representative of the park districts as selected by the North Dakota recreation and park association;
- e. At least one representative of the townships as selected by the North Dakota township officers association executive board;
- f. At least one representative of the rural fire protection districts as selected by the North Dakota firefighter's association;
- g. At least one representative of the rural ambulance service districts as selected by the North Dakota emergency medical services association;
- h. The tax commissioner, or the tax commissioner's designee; and
- i. One member of the house of representatives and one member of the senate appointed by the legislative management.

3. The proposed transition plan"

Page 1, line 9, remove "review of the current property"

Page 1, line 10, replace "tax system" with "timeline for transitioning to the new taxation method and a plan for implementation and administration of the new taxation method, including consideration of the appropriate annual limitation on the increase of tax per square foot of taxable property"

Page 1, line 11, after the comma insert "and"

Page 1, line 12, remove ", implementation and administration of the new taxation method and the"

Page 1, remove line 13

Page 1, line 14, remove "square foot basis"

Page 1, line 14, after the period insert "The study also must include consideration of the data reported under section 57-20-04 and the feasibility and desirability of implementing the proposed transition plan."

4."

Renumber accordingly