TAX REFORM AND RELIEF ADVISORY COMMITTEE - PROPERTY TAX STATEMENT SUBCOMMITTEE

Wednesday, June 24, 2026
Room 327B, State Capitol
Bismarck, North Dakota

Representative Craig Headland, Chairman, called the meeting to order at 9:00 a.m.

Members present: Representatives Craig Headland, Jason Dockter, Ty Dressler; Senators Dale Patten, Dean Rummel

Members absent: None

Others present: Dilip Apte,* Business Software, Inc.; Don Carlson,* Tyler Technologies Inc.; Charles Dendy, Brian Kroshus, and Shelli Myers, Tax Department; Raymond Eggena,* Software Innovations; Sandy Fossum, Richland County; Gwen Gillespie,* Counties Providing Technology; Erica Johnsrud, McKenzie County; Donnell Preskey and Linda Svihovec, North Dakota Association of Counties
**Attended remotely*

BACKGROUND INFORMATION

Ms. Megan J. Gordon, Code Revisor, Legislative Council, presented a memorandum entitled *Property Tax Statement Study - Background Information* regarding the subcommittee's study of property tax statements.

Tax Department

Ms. Shelli Myers, State Supervisor of Assessments, Property Tax Division, Tax Department, presented information (Appendix A) regarding the Tax Department's role in prescribing and approving the form of the real estate tax statement. She noted:

- A large portion of the tax statement form contains information that is required by statute.
- Changes to the tax statement form usually are driven by statutory changes and are reviewed through a collaborative effort between county representatives and the Tax Department.
- Once approved by the Tax Commissioner, counties work with their software vendors to implement changes.

In response to questions from committee members, Ms. Myers noted:

- The legislative tax relief line item is calculated based on a formula prescribed in statute.
- She is aware of an issue identified by the counties and the counties' software vendors related to application of the 5 percent early payment discount before the primary residence credit in certain circumstances, but the department has not identified a solution.

North Dakota Association of Counties

Ms. Donnell Preskey, Government and Public Relations Specialist, North Dakota Association of Counties, presented information related to the process to implement changes to the property tax statement at the local level. She noted:

- The North Dakota Association of Counties has advocated for the formation of a working group to develop ideas for tax statement changes.
- Changes to the tax statement typically have associated programming or software costs.
- A recently conducted survey indicated the tax statement changes required following the passage of House Bill 1176 (2025) cost counties approximately $2,500 to $5,000 to implement.
- The requirement for a uniform tax statement was implemented in 2013 following recommendations from a working group formed to identify improvements to the tax statement.

COUNTY INFORMATION

County Auditors

Ms. Preskey introduced Ms. Erica Johnsrud, Auditor and Treasurer, McKenzie County, and Ms. Sandy Fossum, Auditor and Administrator, Richland County, to present information (Appendix B) regarding an overview of the property tax statement preparation process at the county level.

Ms. Johnsrud provided an overview of the county budget preparation process and noted:

- McKenzie County begins the budgeting process in February or March by receiving each departments' budget requests.
- Information from the departments is compiled and incorporated into budget hearing materials to be presented to the board of county commissioners.
- After the governing body of a taxing district approves the taxing district's budget, the taxing district is required to submit budget and tax levy information to the county auditor.

In response to questions from committee members, Ms. Johnsrud noted:

- She has received little feedback on the new budget hearing notice, but two individuals attended the budget hearing in response to the notice.
- A more uniform schedule for all taxing districts would be more convenient for the county, but there may be unique needs of other taxing districts that may justify differing schedules.
- She did not receive any calls or emails regarding taxing district budgets following distribution of the budget hearing notices.

Ms. Fossum provided an overview of the county tax levy preparation process and noted:

- The county auditor completes maximum mill levy worksheets for each taxing district's funds within the county, and each taxing district completes its cap calculation worksheet.
- Richland County uses an external processor to print and mail tax statements, which has been more efficient than county staff handling the work internally.
- Counties are required to provide the Tax Department with certain property tax data, including primary residence credit data, an abstract of taxes, and a total levy report.

In response to questions from committee members, Ms. Fossum noted:

- Her office received a small number of calls after the budget hearing notice was sent, including questions about whether taxpayers were required to attend the budget hearing.
- Since she has been the auditor, no members of the public have attended a county budget hearing.
- The county budget is available on the county website, but most public engagement occurs after tax statements are mailed to taxpayers.

Committee Discussion

Committee members noted:

- Significant improvements have been made to the tax statement since 2013, and the current approach may be sufficient.
- It is unclear whether including the legislative tax relief line item on the tax statement provides meaningful information to taxpayers or whether the potential for confusion outweighs its value.
- The low level of public engagement in the county budgeting process may suggest that providing more detailed tax levy information is unlikely to increase taxpayer interest or participation.
- It is important to prioritize clarity of information over excessive detail when communicating tax levy information to the public.

North Dakota Association of Counties

Ms. Linda Svihovec, Research Analyst, North Dakota Association of Counties, provided information (Appendix C) regarding estimated costs to prepare and mail property tax statements. Based on responses from a sample of eight counties, she noted:

- The cost per tax statement ranged from 31 cents to $1.60, with an average cost of 74 cents.
- Five of the eight counties outsource tax statement printing.
- Based on the cost-per-statement average and a rough count of statewide statements, the estimated annual statewide cost to prepare and mail tax statements is approximately $591,672.

In response to questions from committee members, Ms. Svihovec noted:

- The legislative tax relief line item is based on a statutory calculation intended to represent legislative tax relief efforts dating back to 2013, but it may not accurately represent the actual relief received by taxpayers.
- An increase in valuation does not necessarily lead to an increase in taxes levied on a parcel, particularly after implementation of the 3 percent taxing district levy limitation.

Property Tax Software Vendors

Ms. Svihovec introduced Ms. Gwen Gillespie, Development Director, Counties Providing Technology; Mr. Don Carlson, Senior Software Developer, Tyler Technologies Inc.; Mr. Raymond Eggena, Software Developer, Software Innovations; and Mr. Dilip Apte, Owner, Business Software, Inc., to present information (Appendices D and E) regarding property tax software used to prepare property tax statements. They presented information related to:

- Software functionality and features;
- Potential compatibility with other software for uniform extraction of data;
- The feasibility of and cost considerations associated with adding enhanced visual or informational features to the tax statement; and
- Examples of property tax statements from taxing districts in other states.

Ms. Gillespie noted:

- Counties Providing Technology (CPT) holds major contracts with 33 Minnesota counties and 6 North Dakota counties.
- CPT provides customized programming with numerous modules, and its services include working with clients to implement legislatively directed property tax changes.
- CPT's North Dakota real estate tax package contains several submodules, including maintenance of parcel and taxpayer information, calculation of various property tax credits, notices and statements, and collection of taxes.

Mr. Carlson noted:

- Tyler Technologies Inc. (Tyler) is present in a large majority of North Dakota counties.
- The tax statement requires significant programming to maintain, and legislative changes must be implemented by a software programmer.
- Tyler does not bill counties directly for programming changes required by legislative action; instead, the cost is incorporated into the county's contract for program support.
- Tyler's iTax module provides taxpayers immediate access to tax information, including pie chart presentations of levy data, online payment capability, and tools to track website traffic.

In response to questions from committee members, Mr. Carlson noted:

- Even small changes to the tax statement may require a significant amount of programming.
- It would be possible to increase the paper size of the statement and add a colored pie chart to visually represent taxing district levies using Tyler's software.
- The software developers have been working to identify potential approaches to implement the recent legislative change to the order of application of the primary residence credit and the early payment discount and are encountering challenges related to certain scenarios.

Mr. Eggena noted:

- 14 counties in North Dakota use tax software developed by Software Innovations.
- Because Software Innovations incorporates maximum levy worksheets in the software, any change to the worksheet requires a programming update and associated cost.
- Software Innovations bills counties directly for programming changes, often with opportunities for discounted rates, rather than including those costs in the support agreement.

In response to questions from subcommittee members, Mr. Eggena noted:

- Software Innovations is working on a solution to implement the recent change to the order of application of the primary residence credit and the early payment discount.
- Any change made to the statement will increase county costs, which ultimately are paid by taxpayers.

In response to questions from committee members, Ms. Svihovec noted potential solutions to the concerns related to the early payment discount may include requiring the State Treasurer to issue primary residence credit state reimbursement payments to counties by February 15 or eliminating the early payment discount for any parcel with a consolidated tax of $1,684.21 or less.

ROUNDTABLE DISCUSSION

Ms. Preskey; Ms. Svihovec; Ms. Fossum; Ms. Johnsrud; Ms. Myers; Mr. Carlson; Mr. Eggena; Ms. Gillespie; Mr. Charles Dendy, General Counsel, Tax Department; Mr. Brian Kroshus, Tax Commissioner; and committee members engaged in a roundtable discussion regarding the feasibility and desirability of revising the content of the property tax statement. Roundtable discussion participants noted:

- Efforts to make property tax information more accessible and detailed should be balanced with the likelihood that taxpayers will engage with the information.
- A potential alternative to revising the content of the tax statement is to include a supplemental document containing more detailed levy information with the tax statement and gauge taxpayer response before committing resources to modifying the statement form.
- Most counties have a website on which the county could provide property tax levy information.

- A centralized database to collect, aggregate, and publish property tax data could be helpful, but likely would require sufficient funding and designation of a single entity to be responsible for maintaining and analyzing the data.
- Some taxpayers may prefer to receive tax statements by email rather than by mail.
- McKenzie County recently discontinued use of certain online budget transparency tools primarily due to high maintenance costs and low website traffic.
- The Tax Department manages a wide range of state tax responsibilities, which limits the department's capacity to take on additional responsibility related to statewide property tax data accessibility.
- It is important to continue discussing potential legislative solutions to address issues arising from the recent legislative change to the order of application of the primary residence credit and the early payment discount.

No further business appearing, Chairman Headland adjourned the meeting at 3:23 p.m.

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Megan J. Gordon
Code Revisor

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Adam Mathiak
Senior Fiscal Analyst

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