

**HOUSE BILL NO. 1474**

Introduced by

Representatives Toman, Dockter, Kasper, Schatz, Steiner, VanWinkle, Koppelman, D.  
Johnston, Louser

Senators Meyer, Castaneda, Paulson

1 A BILL for an Act to create and enact a new section to chapter 57-02, a new chapter to title 57,  
2 a new section to chapter 57-09, a new section to chapter 57-11, two new sections to chapter  
3 57-12, two new sections to chapter 57-13, and a new section to chapter 57-15 of the North  
4 Dakota Century Code, relating to imposition of a square footage tax on residential property,  
5 provision of a solar or wind energy device or geothermal device credit and new single-family,  
6 condominium, and townhouse residential property credit, duties of the state and county boards  
7 of equalization, application of mill levy limits, and valuation requirements; to amend and reenact  
8 sections 11-23-05, 11-28.3-03, 11-28.3-04, and 11-28.3-09, subsection 2 of section 11-28.3-17,  
9 subsection 4 of section 15.1-27-04.1, sections 18-10-07, 18-10-12.1, 40-40-06, 40-40-10, and  
10 40-58-20, subsection 2 of section 40-58-20.2, sections 57-02-11, 57-02-51, 57-02-52, 57-09-04,  
11 57-11-03, 57-15-02, 57-15-02.2, 57-15-05, 57-15-07, 57-15-11, 57-15-13, 57-15-31, 57-15-31.1,  
12 57-20-01, 57-20-01.1, 57-20-02, 57-20-03, 57-20-04, 57-20-07.1, 57-20-09, 57-20-10, and  
13 57-20-21.1, subdivision a of subsection 1 of section 57-23-04, section 57-23-06, subsection 2 of  
14 section 57-28-03, subdivision c of subsection 1 of section 57-28-20, and sections 57-28-26,  
15 57-55-01.2, 57-55-04, 57-55-04.1, 57-55-05, and 61-24-09 of the North Dakota Century Code,  
16 relating to imposition of a square footage tax on residential property, application of certain  
17 property tax incentives to the square footage tax, duties of state and local equalization boards,  
18 determination of taxing district budgets and tax levies, the determination of school state aid  
19 payments, and imposition of a square footage tax on mobile homes; to repeal subsection 35 of  
20 section 57-02-08 of the North Dakota Century Code, relating to a property tax exemption for  
21 new single-family, condominium, and townhouse residential property; to provide a penalty; and  
22 to provide an effective date.

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

1       **SECTION 1. AMENDMENT.** Section 11-23-05 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **11-23-05. Computing amount of levy.**

- 4       1. The amount which the board of county commissioners shall levy as the county  
5       ad valorem tax shall be computed by adding together the amounts of the annual  
6       appropriation and of that part of any special appropriation which is to be raised by  
7       taxation and deducting therefrom so much of the probable receipts from all sources,  
8       including square footage tax levied under section 18 of this Act, except loans, and so  
9       much of the unappropriated balance in the county treasury at the close of the auditor's  
10      books for the previous year as the board deems advisable.
- 11      2. The board, on or before the October meeting required by section 11-11-05, shall  
12      determine the amount of ad valorem taxes that shall be levied for county purposes and  
13      the square footage tax rate for purposes of the tax under section 18 of this Act and  
14      shall levy all such taxes in specific amounts.

15      **SECTION 2. AMENDMENT.** Section 11-28.3-03 of the North Dakota Century Code is  
16 amended and reenacted as follows:

17      **11-28.3-03. Notice of election.**

18      In addition to the usual requirements of notices of election, the notice for an election at  
19      which the question provided for in this chapter will be voted upon must include a statement  
20      describing the boundaries of the proposed rural ambulance service district, expressed,  
21      wherever possible, in terms of the government survey, a statement setting forth a maximum  
22      allowed mill levy and square footage tax rate for the proposed district, which levy may not  
23      exceed the limitation in section 11-28.3-09. The notice of election also must state the voting  
24      areas in which the question provided by this chapter will be on the ballot.

25      **SECTION 3. AMENDMENT.** Section 11-28.3-04 of the North Dakota Century Code is  
26 amended and reenacted as follows:

27      **11-28.3-04. Form of ballot - Vote required to approve.**

- 28      1. The ballot on the question of forming a rural ambulance service district must be in  
29      substantially the following form:

30              Shall (name of taxing district or districts) levy a tax for the purpose of forming a  
31              rural ambulance district of not to exceed \_\_\_\_\_ mills for the purpose of forming



- 1           2.    The tax levied for a rural ambulance service district must be:
- 2               a.    Collected as other taxes are collected in the county.
- 3               b.    Deposited by the secretary-treasurer in a bank or credit union account.
- 4               c.    Paid out upon warrants drawn upon the district account by authority of the board
- 5                       of directors of the district, bearing the signature of the secretary-treasurer and the
- 6                       countersignature of the president.
- 7           3.    The amount of the tax levy, including ad valorem taxes and square footage taxes
- 8               authorized under section 18 of this Act, may not exceed the amount of funds required
- 9               to defray the expenses of the district for a period of one year as embraced in the
- 10              annual estimate of expense, including the amount of principal and interest upon the
- 11              indebtedness of the district for the ensuing year. The district may include in its
- 12              operating budget no more than ten percent of its annual operating budget as a
- 13              depreciation expense to be set aside in a dedicated emergency medical services
- 14              sinking fund deposited with the treasurer for the replacement of equipment and
- 15              ambulances. The ten percent emergency medical services sinking fund may be in
- 16              addition to the actual annual operating budget, but the total of the annual operating
- 17              budget and the annual ten percent emergency medical services sinking fund shall not
- 18              exceed the amount of revenue that would be generated by application of the
- 19              maximum mill levy and square footage rates approved by the electors.
- 20           4.    If an ambulance operations area identified by the department of health and human
- 21              services under section 23-27-01 is situated, in whole or in part, within the boundaries
- 22              of a rural ambulance service district formed under this chapter, and the district does
- 23              not provide emergency medical services to the territory in the ambulance operations
- 24              area, whether directly or through a contract under section 11-28.3-12, the property
- 25              situated in the ambulance operations area which does not receive emergency medical
- 26              services from the district is exempt from the district's tax levy under this section.
- 27              Changes to the ambulance operations area will not impact the district under this
- 28              section until the subsequent tax year. The excluded territory remains responsible and
- 29              must discharge its proportionate share of outstanding obligations pursuant to the
- 30              procedure under section 11-28.3-17.

1       **SECTION 5. AMENDMENT.** Subsection 2 of section 11-28.3-17 of the North Dakota  
2 Century Code is amended and reenacted as follows:

3       2. ~~Mill Levies~~Levies imposed under section 11-28.3-09 remain in effect until the  
4       proportionate share of outstanding obligations are paid.

5       **SECTION 6. AMENDMENT.** Subsection 4 of section 15.1-27-04.1 of the North Dakota  
6 Century Code, as effective after June 30, 2025, is amended and reenacted as follows:

7       4. After determining the product in accordance with subsection 3, the superintendent of  
8       public instruction shall:

- 9       a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of all  
10       property classifications in the school district in taxable year 2025; and  
11       b. Subtract an amount equal to seventy-five percent of all revenue types listed in  
12       subdivisions c and d of subsection 1. Before determining the deduction for  
13       seventy-five percent of all revenue types, the superintendent of public instruction  
14       shall adjust revenues as follows:

15       (1) Tuition revenue shall be adjusted as follows:

16               (a) In addition to deducting tuition revenue received specifically for the  
17               operation of an educational program provided at a residential  
18               treatment facility, tuition revenue received for the provision of an adult  
19               farm management program, tuition received for the education of  
20               high-cost and special education students, and tuition received under  
21               an agreement to educate students from a school district on an  
22               air force base with funding received through federal impact aid as  
23               directed each school year in paragraph 3 of subdivision c of  
24               subsection 1, the superintendent of public instruction also shall reduce  
25               the total tuition reported by the school district by the amount of tuition  
26               revenue received for the education of students not residing in the  
27               state and for which the state has not entered a cross-border education  
28               contract; and

29               (b) The superintendent of public instruction also shall reduce the total  
30               tuition reported by admitting school districts meeting the requirements  
31               of subdivision e of subsection 2 of section 15.1-29-12 by the amount

1 of tuition revenue received for the education of students residing in an  
2 adjacent school district.

3 (2) After adjusting tuition revenue as provided in paragraph 1, the  
4 superintendent shall reduce all remaining revenues from all revenue types  
5 by the percentage of mills levied in 2022 by the school district for sinking  
6 and interest relative to the total mills levied in 2022 by the school district for  
7 all purposes.

8 **SECTION 7. AMENDMENT.** Section 18-10-07 of the North Dakota Century Code is  
9 amended and reenacted as follows:

10 **18-10-07. Fire protection policy to be determined - Financial report - Tax levy limit -**  
11 **Vote-approved ad valorem levy authority.**

12 1. The board of directors shall determine a general fire protection policy for the district  
13 and shall annually estimate the probable expense for carrying out the contemplated  
14 program. The annual estimate of probable expense may include an amount  
15 determined by the board of directors to be necessary to be carried over to a future  
16 year for purchase of firefighting equipment, ambulances, or other emergency vehicles.  
17 The estimate must be certified by the president and secretary to the proper county  
18 auditor or county auditors, on or before June thirtieth of each year, who shall levy a  
19 tax, including ad valorem tax and square footage tax as authorized under section 18 of  
20 this Act, upon the taxable property within the district for the maintenance of the fire  
21 protection district for the fiscal year as provided by law.

22 2. In the year for which the levy is sought, a board of directors of a rural fire protection  
23 district seeking approval of a ~~property~~ tax levy under this chapter must file with the  
24 county auditor of the counties within the rural fire district, at a time and in a format  
25 prescribed by the county auditors, a financial report for the preceding calendar year  
26 showing the ending balances of each fund held by the rural fire protection district  
27 during that year.

28 3. The ad valorem tax may not exceed a tax rate of five mills per dollar of the taxable  
29 valuation of property in the district except upon resolution adopted by the board of  
30 directors and approval by a majority of the qualified electors voting on the question at  
31 an annual or special meeting of electors called by the board of directors, the

1           ad valorem levy may be made in an amount not exceeding thirteen mills. If an election  
2           to approve or reauthorize an excess ad valorem tax levy will be held at an annual or  
3           special meeting of electors of the district called by the board of directors, notice of the  
4           meeting and the proposed excess ad valorem levy election must be provided by at  
5           least one publication in the official newspaper of each county in which the district is  
6           located at least seven days, but not more than fourteen days, before the date of the  
7           public meeting. The published notice must include the amount of the proposed  
8           ad valorem tax rate increase in mills and the duration for which elector approval of the  
9           increase is sought and must include the location where, and hours during which,  
10          ballots may be cast.

11          4. Votes to approve or disapprove the ad valorem levy increase must be cast on the date  
12          of the meeting. The polling place must remain open for at least six hours on the date  
13          of the meeting. The secretary-treasurer of the district shall prepare and distribute to  
14          qualified electors at the polling place paper ballots to conduct the election on the  
15          question of increased ad valorem levy authority. Three election judges to receive and  
16          count the ballots, who are qualified electors of the district but not members of the  
17          board, must be selected at least seven days before the meeting by approval of a  
18          majority of the members of the board. A marked ballot must be delivered to one of the  
19          judges, folded to conceal its contents, the judge shall deposit it in the ballot box, and  
20          another judge shall enter the name of the elector who cast the ballot in the pollbook.  
21          When the election is closed, the judges shall count the ballots and announce the  
22          result. Results of the election must be certified by the secretary-treasurer of the district  
23          and each of the election judges to the tax commissioner and to the county auditor of  
24          each county in which the district is located within ten days after the election. The  
25          certificate must include a statement of the question as it appeared on the ballot,  
26          together with the total number of votes cast in favor, and the number of votes cast  
27          against, authorizing the excess ad valorem levy.

28          5. After July 31, 2015, approval or reauthorization by electors of increased ad valorem  
29          levy authority under this section may not be effective for more than ten taxable years  
30          or the period of time necessary for repayment of indebtedness incurred which was  
31          intended to be repaid from the increased ad valorem levy, whichever expires later.

1 Additional ad valorem levy authority authorized by the board of directors after petition  
2 of electors before August 1, 2015, remains in effect under the provisions of law at the  
3 time the levy was authorized for the time period authorized by the electors but not  
4 exceeding ten taxable years or the period of time necessary for repayment of  
5 indebtedness incurred which was intended to be repaid from the increased levy,  
6 whichever expires later.

7 6. The ad valorem tax and square footage tax levied under section 18 of this Act must  
8 be:

9 1-a. Collected as other taxes are collected in the county.

10 2-b. Turned over to the secretary-treasurer of the rural fire protection district, who  
11 shall have a surety bond in the amount of at least five thousand dollars.

12 3-c. Placed to the credit of the rural fire protection district so authorizing the same by  
13 its secretary-treasurer in a state or national bank, except amounts to be carried  
14 over to a future year for purchase of firefighting equipment, ambulances, or other  
15 emergency vehicles may be invested to earn the maximum return available.

16 4-d. Paid out upon warrants drawn upon the fund by authority of the board of directors  
17 of the district, bearing the signature of the secretary-treasurer and the  
18 countersignature of the president of the rural fire protection district.

19 7. The amount of tax levy, including ad valorem taxes and square footage taxes, may not  
20 exceed the amount of funds required to defray the expenses of the district for a period  
21 of one year as embraced in the annual estimate of expense, including the amount of  
22 principal and interest upon the indebtedness of the district for the ensuing year and  
23 including any amount determined by the board of directors to be necessary to be  
24 carried over to a future year for purchase of firefighting equipment, ambulances, or  
25 other emergency vehicles.

26 **SECTION 8. AMENDMENT.** Section 18-10-12.1 of the North Dakota Century Code is  
27 amended and reenacted as follows:

28 **18-10-12.1. Withdrawal from rural fire protection district.**

29 Any person having an ownership interest in property subject to a ~~millan~~ ad valorem or  
30 square footage tax levy as provided for in section 18-10-07 and wishing to withdraw such



1 property from the rural fire protection district may do so as provided in this section, subject to  
2 the following restrictions:

- 3 1. The territory to be withdrawn from the district must border on the outer boundary of the  
4 district.
- 5 2. The territory to be withdrawn from the district remains subject to and chargeable for  
6 the payment and discharge of the proportion of obligations outstanding at the time of  
7 filing the petition for the withdrawal of the territory that the taxable valuation of property  
8 in the territory to be withdrawn bears to the taxable valuation of all property within the  
9 district prior to withdrawal.
- 10 3. ~~Mill~~Levies imposed under section 18-10-07 remain in effect until the  
11 proportionate share of outstanding obligations are paid.
- 12 4. The proceedings for withdrawal must be initiated by the filing of a petition with the  
13 appropriate county auditor or auditors signed by the fee title holders of sixty percent of  
14 the surface acreage in the territory sought to be withdrawn and contain a description of  
15 the boundaries of the territory sought to be withdrawn and a map or plat illustrating  
16 such area.
- 17 5. The county auditor shall verify from the tax schedules and determine whether the  
18 petition complies with the requirements of subsection 4.
- 19 6. The county auditor shall determine and certify the respective percentage proportions  
20 of the taxable valuation of the territory petitioned to be withdrawn to the taxable  
21 valuation of all property in the district prior to withdrawal to the board of directors of the  
22 district concerned.
- 23 7. Within twenty days after receipt of the petition, verification, and computation of  
24 respective percentage proportions, the board of directors of the district concerned  
25 shall attach to the petition a statement of outstanding obligations of the district and  
26 shall forward the petition to the appropriate board or boards of county commissioners.
- 27 8. The board or boards of county commissioners shall, at a regular meeting, compute the  
28 indebtedness proportionately assignable to the territory sought to be withdrawn, and  
29 shall, by written order, describe the boundaries of the territory withdrawn and the  
30 indebtedness of the district assigned to the territory and subject to continued levy

1 under section 18-10-07. The order and computation must be filed in the office of the  
2 county auditor or auditors.

3 9. The annual estimate required under section 18-10-07 must reflect the annual expense  
4 of retiring principal and interest upon the proportionate share of district indebtedness  
5 assigned to withdrawn territory.

6 **SECTION 9. AMENDMENT.** Section 40-40-06 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **40-40-06. Notice of preliminary budget statement - Contents - How given.**

- 9 1. On or before August tenth of each year, after the governing body has prepared the  
10 preliminary budget statement, the auditor of the municipality shall:
- 11 a. Provide the county auditor with a copy of the preliminary budget statement.
  - 12 b. Set a public budget hearing date no earlier than September seventh and no later  
13 than October seventh for the purpose of adopting the final budget and square  
14 footage tax rates for purposes of the tax authorized under section 18 of this Act  
15 and making the annual ad valorem and square footage tax levy.
  - 16 c. Provide notice of the public budget and proposed square footage tax rate hearing  
17 date to the county auditor.
- 18 2. For municipalities anticipating levying a square footage tax or less than one hundred  
19 thousand dollars in ad valorem tax levies in the current year, the notice must:
- 20 a. Contain a statement of the proposed square footage tax rate and the total  
21 proposed expenditures for each fund in the preliminary budget, but need not  
22 contain any detailed statement of the proposed expenditures;
  - 23 b. Be published at least once, not less than six days prior to the budget hearing, in a  
24 newspaper published in the municipality, if there is one, and if no newspaper is  
25 published in the municipality, the notice must be published not less than six days  
26 prior to the meeting in the official city newspaper as provided by section  
27 40-01-09; and
  - 28 c. Provide that any taxpayer may appear and discuss with the governing body the  
29 proposed square footage tax rates or any item of proposed expenditures, or may  
30 object to any item of, amount, or rate.

1       **SECTION 10. AMENDMENT.** Section 40-40-10 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **40-40-10. Certified copies of levy and final budget sent to county auditor.**

4       Immediately after the completion of the final budget, square footage tax rates for purposes  
5 of the tax under section 18 of this Act, and the adoption of the annual ad valorem and square  
6 footage tax levy by the governing body of a municipality in accordance with the provisions of  
7 this chapter, and in no case later than October tenth, the auditor of the municipality shall send to  
8 the county auditor a certified copy of the levy and square footage tax rates for purposes of the  
9 tax under section 18 of this Act as adopted and a certified copy of the final budget.

10       **SECTION 11. AMENDMENT.** Section 40-58-20 of the North Dakota Century Code is  
11 amended and reenacted as follows:

12       **40-58-20. Tax increment financing.**

- 13       1. At any time after the governing body of a municipality has approved a development or  
14 renewal plan for any development or renewal area and has filed that plan with the  
15 department of commerce division of community services, it may request the county  
16 auditor and treasurer to compute, certify, and remit tax increments resulting from the  
17 development or renewal of the area in accordance with the plan and any modifications  
18 thereof, and the county auditor and treasurer shall do so in accordance with this  
19 section.
- 20       a. For a tax increment district established before July 1, 2011, the base year for tax  
21 increments computed for a development or renewal area under this section or  
22 section 40-58-20.1 may not be used for more than twenty-five taxable years  
23 without the governing body of the municipality establishing a new base year  
24 using taxable values, established as of February first of the following year, or  
25 square footage taxes levied in the following taxable year, which are not more  
26 than fifteen years old. Regardless of length of the initial district, the new base  
27 year may be used to compute tax increments for up to an additional fifteen years  
28 after which time the tax increment district must be closed, except that the original  
29 base year for tax increments pledged for an indebtedness incurred before July 1,  
30 2011, may continue until the indebtedness is paid.

- 1           b. For a tax increment district established after July 1, 2011, the base year for tax  
2           increments computed for a development or renewal area under this section or  
3           section 40-58-20.1 may not be used for more than twenty-five taxable years  
4           without the governing body of the municipality establishing a new base year  
5           using taxable values, established as of February first of the following year, or  
6           square footage taxes levied in the following taxable year, which are not more  
7           than fifteen years old. The new base year may be used to compute tax  
8           increments for up to an additional five years after which time the tax increment  
9           district must be closed.
- 10          2. Notwithstanding any other provision in this section, for a tax increment district  
11          established before January 1, 2026, the tax increment or tax losses must be  
12          calculated as the difference between the square footage tax and ad valorem tax levied  
13          in dollars against the lots and parcels of real estate in the district in the current taxable  
14          year and the amount of ad valorem property tax levied in dollars against the original  
15          taxable value of the lots and parcels of real estate in the district in taxable year 2025.  
16          For purposes of this subsection, "original taxable value" means the taxable value of  
17          the lots and parcels of real estate in the year the tax increment district was  
18          established.
- 19          3. For a tax increment district established on or after January 1, 2026:
- 20           a. The auditor shall compute and certify the original ~~taxable value of~~ square footage  
21           tax or ad valorem tax levied in dollars against each lot and parcel of real estate in  
22           the area, as last ~~assessed and equalized~~ levied before the date of the request,  
23           including the ~~taxable value of~~ tax levied against any lot or parcel previously  
24           acquired by the municipality or its urban renewal agency, as last ~~assessed and~~  
25           ~~equalized~~ taxed before it was acquired. However, any real property acquired by  
26           the city or the city's urban renewal agency prior to July 1, 1973, or more than five  
27           years prior to the approval of a development or renewal plan for any development  
28           or renewal area, whichever is later, is deemed to have ~~an original taxable value~~  
29           of a zero tax levy and the county auditor shall so certify.
- 30          3. b. In each subsequent year, the auditor shall compute and certify the net amount by  
31          which the original ~~taxable value of~~ square footage tax and ad valorem tax levied

1           ~~in dollars against~~ all lots and parcels of real estate in the area, as then assessed  
2           ~~and equalized levied~~, including real estate then held by the municipality or urban  
3           renewal agency ~~valued taxed~~ at zero, has increased or decreased in comparison  
4           with the original ~~taxable value of all such square footage tax and ad valorem tax~~  
5           ~~levied in dollars against the~~ real estate. The net amount of the increase or  
6           decrease is referred to in this section as the ~~incremental value tax increment~~ or  
7           the ~~lost value tax losses~~ for that year, ~~as the case may be~~ respectively.

8           4. ~~In any year when there is an incremental value, the auditor shall exclude it from the~~  
9           ~~taxable value upon which the auditor computes the mill rates of taxes levied in that~~  
10           ~~year by the state, the county, the municipality, the school district, and every other~~  
11           ~~political subdivision having power to tax the development or renewal area, until the~~  
12           ~~cost of development or renewal of the area has been reimbursed in accordance with~~  
13           ~~this section. However, the auditor shall extend the aggregate mill rate of those taxes~~  
14           ~~against the incremental value as well as the original taxable value, and the amount of~~  
15           ~~taxes received from that extension against the incremental value is referred to in this~~  
16           ~~section as the tax increment for that year.~~

17           5. ~~In any year when there is a lost value, the auditor shall compute and certify the~~  
18           ~~amounts of taxes which would have resulted from the extension against the lost value~~  
19           ~~of the mill rate of taxes levied that year by the state and each political subdivision~~  
20           ~~having power to tax the development or renewal area. The amounts so computed are~~  
21           ~~referred to in this section as the tax losses for that year.~~

22           6. The county auditor shall segregate all tax increments from the development or renewal  
23           area in a special fund, crediting to the fund an amount equal to the tax increment, in  
24           each year when there is an incremental value, ~~that proportion of each collection of~~  
25           ~~taxes on real estate within the area which the incremental value bears to the total~~  
26           ~~taxable value in that year a tax increment.~~

27           ~~7.5.~~ Upon receipt of any tax increments in the fund, the county treasurer, at the times when  
28           the county treasurer distributes collected taxes to the state and to each political  
29           subdivision for which a tax loss has previously been recorded, shall also remit to each  
30           of them from the tax increment fund an amount proportionate to the amount of that tax  
31           loss, until all those tax losses have been reimbursed. Thereafter, at the time of each

1 distribution, the county treasurer shall remit the entire balance then on hand in the  
2 fund to the municipality, until the cost of development or renewal of the area has been  
3 reimbursed to the municipality as provided in this section.

4 8-6. The cost of development or renewal subject to reimbursement from the tax increment  
5 fund for each development or renewal area must include all expenditures incident to  
6 carrying out the development or renewal plan for the area and any modifications  
7 thereof, not otherwise reimbursed in one of the ways referred to below, including all  
8 expenses of the clearance, development, redevelopment, rehabilitation, and  
9 conservation of the area, and all interest and redemption premiums paid on bonds,  
10 notes, or other obligations issued by the municipality or urban renewal agency to  
11 provide funds for payment of those expenses, subject to section 40-58-20.1 for the  
12 purpose of determining eligible cost of development of industrial or commercial  
13 property. From the total cost to be reimbursed there must be deducted, except as  
14 provided below, all amounts received from the federal government or others, and all  
15 special assessments, revenues, and other receipts except property taxes, which are  
16 actually collected and applied to the payment of the cost or the bonds, notes, or other  
17 obligations, at the times when those payments are due. However, if the proceeds of  
18 tax increments or of bonds, notes, or other obligations are loaned to finance part or all  
19 of the cost of a project comprising the restoration, reconstruction, and improvement of  
20 a privately owned state historical site situated within the development or renewal area  
21 or any buildings or structures thereon, as contemplated in section 55-10-08, or of a  
22 property listed in the national register of historic places, as contemplated in section  
23 55-10-11, in consideration of the grant to the city of a historic easement with respect  
24 thereto, repayments of the loan may not be deducted from the cost of development or  
25 renewal subject to reimbursement.

26 9-7. The tax increments from any development or renewal area may be appropriated by  
27 the governing body of the municipality for the payment of any general obligation  
28 bonds, special improvement warrants, or refunding improvement bonds issued by the  
29 municipality to provide funds for payment of the cost of development or renewal,  
30 together with interest and redemption premiums thereon, other than that portion, if  
31 any, of such principal, interest, and redemption premiums which can be paid when due

1 from collections of special assessments, revenues, or other funds, excluding property  
2 taxes, which are pledged for the payment thereof. When special improvement  
3 warrants or refunding improvement bonds are issued to pay the cost of public  
4 improvements of special benefit to properties within the development or renewal area,  
5 the governing body may cause those special benefits to be computed, together with  
6 the cost properly assessable against those properties, and may appropriate the tax  
7 increments from the area to the payment of that cost, in lieu of levying special  
8 assessments upon the property. In this event, the amount so appropriated, divided into  
9 the same number of installments as the special assessments and with interest at the  
10 same rate on the declining balance thereof, is deemed a part of the special  
11 assessments appropriated for payment of the cost, within the meaning of section  
12 40-26-08.

13 ~~40-8.~~ When the cost of development or renewal of any development or renewal area has  
14 been fully paid and all bonds, notes, or other obligations issued by the municipality to  
15 pay that cost have been retired, or funds sufficient for the retirement thereof have  
16 been received by the municipality, the governing body shall cause this to be reported  
17 to the county auditor, who shall thereafter ~~compute the mill rates of~~ levy all taxes upon  
18 the total taxable value, for property subject to ad valorem tax, or the total square  
19 footage, for property subject to the tax under section 18 of this Act, of the development  
20 or renewal area. Any balance then on hand in the tax increment fund must be  
21 distributed by the county treasurer to the state and all political subdivisions having  
22 power to tax property, including by ad valorem and square footage tax, in the area, in  
23 amounts proportionate to the amounts of the tax losses previously reimbursed to  
24 them.

25 ~~41-9.~~ As an alternative to the sale of bonds to be amortized with tax increments as provided  
26 in this section, the governing body of a municipality may, in its discretion, grant a total  
27 or partial tax exemption for the project in order to provide assistance to a project  
28 developer in a development or renewal area, pursuant to agreement with the  
29 municipality. However, if a developer of a development or renewal project receives a  
30 tax exemption for that project pursuant to this subsection, that project developer may  
31 not receive a tax exemption for that project under section 40-57.1-03, 40-57.1-04,

1 40-57.1-04.1, or 40-57.1-04.3. The amount of annual tax exemption under this  
2 subsection is limited to the tax increment as defined in this section as it applies to the  
3 development or renewal project and may extend for a period not to exceed fifteen  
4 years. In determining the total amount of the tax exemption to be authorized, the  
5 municipality shall give due consideration to the same elements as are involved in the  
6 sale of bonds to be amortized by tax increments. The amount to be reimbursed, by tax  
7 exemption, to the project developer must be all or a portion of eligible public costs  
8 which have been paid by the project developer, plus interest on those costs at a rate  
9 not to exceed ten percent per annum. The amount of tax exemption must be an  
10 amount sufficient to reimburse the project operator for those eligible costs, amortized  
11 pursuant to the agreement between the project developer and the municipality. If an  
12 exemption has been granted under this subdivision before taxable year 2026 for  
13 property that is subject to the square footage tax under section 18 of this Act in taxable  
14 year 2026 or later, the governing body of a municipality shall convert the exemption as  
15 necessary to allow the same tax benefit to be realized by the property owner under the  
16 square footage taxation system under section 18 of this Act as would have been  
17 realized under the ad valorem taxation system before taxable year 2026.

18 ~~42-10.~~ The governing body of a municipality with an active tax increment financing district  
19 may at any time identify funds on hand that are in excess of the costs it determines  
20 necessary to complete the activities included in the last approved urban renewal plan  
21 for that district. The governing body shall cause the identified surplus to be transferred  
22 to the county treasurer to be distributed to the state and all political subdivisions  
23 having power to tax property in the area, in amounts proportionate to the most recent  
24 five-year average of the ad valorem property tax or square footage tax levy within the  
25 district.

26 **SECTION 12. AMENDMENT.** Subsection 2 of section 40-58-20.2 of the North Dakota  
27 Century Code is amended and reenacted as follows:

- 28 2. Before granting a property tax incentive, including an ad valorem tax or square footage  
29 tax incentive, on any parcel of property that is anticipated to receive a property tax  
30 incentive for more than five years, the governing body of the municipality must comply  
31 with the requirements in section 40-05-24.



1       **SECTION 13. AMENDMENT.** Section 57-02-11 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **57-02-11. Listing of property - Assessment thereof - Determination of square footage.**

4 Certified assessment officials must list and assess property as follows:

- 5       1. All real property subject to taxation must be listed and assessed every year with  
6 reference to its value, on February first of that year.
- 7       2. An individual property record must be kept by the appropriate assessment official for  
8 each parcel of taxable property. The record may be in electronic or paper form and  
9 must include identifying information as prescribed by the state supervisor of  
10 assessments. Assessors shall prepare the records and provide copies of all property  
11 records prepared by the assessor to the county director of tax equalization. The  
12 county director of tax equalization shall maintain those records for ten years from the  
13 date the records were received from the assessors. A city with an assessor who holds  
14 a current certification as a class I assessor under section 57-02-01.1, and which has  
15 been determined by the state supervisor of assessments to have enough sales for an  
16 adequate sales ratio study, may elect to maintain the records required under this  
17 subsection on behalf of the county. A city that makes this election must include these  
18 records in a city database of taxable property to be maintained in the office of city  
19 assessor for ten years from the assessment date.
- 20       3. Whenever after the first day of February and before the first day of April in any year, it  
21 is made to appear to the assessor by the oath of the owner that any building,  
22 structure, or other improvement, or tangible personal property, which is listed for  
23 taxation for the current year has been destroyed or damaged by fire, flood, tornado, or  
24 other natural disaster, the assessor shall investigate the matter and deduct from the  
25 valuation of the property of the owner of such destroyed property an amount which in  
26 the assessor's judgment fairly represents such deduction as should be made.
- 27       4. By December 31, 2025, the assessor shall determine the land square footage and  
28 structure square footage of each parcel of residential property in the assessor's  
29 assessment district and record the land square footage and structure square footage  
30 in the individual property record for each parcel. For purposes of this subsection:

- 1           a. "Land square foot" or "land square footage" means the square footage  
2                   measurement of the land area of a parcel of property, excluding the square  
3                   footage of any structure or building situated on the land.
- 4           b. "Structure square foot" or "structure square footage" means the square footage  
5                   measurement of structures and buildings situated on a parcel of property above  
6                   ground level, exclusive of the land on which the structures or buildings are  
7                   situated. The term excludes any areas of a building or structure considered below  
8                   grade.

9           **SECTION 14. AMENDMENT.** Section 57-02-11 of the North Dakota Century Code is  
10 amended and reenacted as follows:

11           **57-02-11. Listing of property - Assessment thereof - Determination of square footage.**

12 Certified assessment officials must list and assess property as follows:

- 13           1. On February first of each year:
- 14                   a. All real property subject to ad valorem taxation must be listed and assessed  
15                   every year with reference to its value, ~~on February first of~~ for that year.
- 16                   b. The land square footage and structure square footage of real property subject to  
17                   the square footage tax under section 18 of this Act must be listed for that year.
- 18           2. An individual property record must be kept by the appropriate assessment official for  
19                   each parcel of taxable property. The record may be in electronic or paper form and  
20                   must include identifying information as prescribed by the state supervisor of  
21                   assessments. Assessors shall prepare the records and provide copies of all property  
22                   records prepared by the assessor to the county director of tax equalization. The  
23                   county director of tax equalization shall maintain those records for ten years from the  
24                   date the records were received from the assessors. A city with an assessor who holds  
25                   a current certification as a class I assessor under section 57-02-01.1, and which has  
26                   been determined by the state supervisor of assessments to have enough sales for an  
27                   adequate sales ratio study, may elect to maintain the records required under this  
28                   subsection on behalf of the county. A city that makes this election must include these  
29                   records in a city database of taxable property to be maintained in the office of city  
30                   assessor for ten years from the assessment date.

1           3. Whenever after the first day of February and before the first day of April in any year, it  
2           is made to appear to the assessor by the oath of the owner that any building,  
3           structure, or other improvement, or tangible personal property, which is listed for  
4           taxation for the current year has been destroyed or damaged by fire, flood, tornado, or  
5           other natural disaster, the assessor shall investigate the matter and deduct from the  
6           valuation or square footage of the property of the owner of such destroyed property an  
7           amount which in the assessor's judgment fairly represents such deduction as should  
8           be made.

9           4. ~~By December 31, 2025, the assessor shall determine the land square footage and~~  
10          ~~structure square footage of each parcel of residential property in the assessor's~~  
11          ~~assessment district and record the land square footage and structure square footage~~  
12          ~~in the individual property record for each parcel. For purposes of this subsection:~~

13          a. ~~"Land square foot" or "land square footage" means the square footage~~  
14          ~~measurement of the land area of a parcel of property, excluding the square~~  
15          ~~footage of any structure or building situated on the land.~~

16          b. ~~"Structure square foot" or "structure square footage" means the square footage~~  
17          ~~measurement of structures and buildings situated on a parcel of property above~~  
18          ~~ground level, exclusive of the land on which the structures or buildings are~~  
19          ~~situated. The term excludes any areas of a building or structure considered below~~  
20          ~~grade.~~

21          **SECTION 15. AMENDMENT.** Section 57-02-51 of the North Dakota Century Code is  
22          amended and reenacted as follows:

23          **57-02-51. Notice of township and city equalization meetings to be published - Date of**  
24          **equalization meeting.**

25          1. Each year the county auditor shall publish in the official county newspaper for two  
26          successive weeks, a notice that proceedings for the equalization of assessments will  
27          be held by the several local equalization boards.

28          2. The first publication of the notice may not be more than forty-five days before the date  
29          of the equalization proceedings and the second publication may not be less than  
30          fourteen days before the equalization proceedings.

31          3. The notice must contain a statement that ~~the~~

- 1           a. The proceedings will be held at the regular meeting place of the governing board  
2           or other place designated by that board of the township or city, ~~as the case may~~  
3           ~~be. The notice must also contain a statement that each; and~~  
4           b. Each taxpayer has the right to appear before the appropriate board of review or  
5           equalization and petition for correction of the taxpayer's assessment of property  
6           valuation or square footage determination under section 18 of this Act.  
7           4. The equalization proceedings in a city must be held within the first fifteen days of April  
8           and the equalization proceedings in an organized township must be held in the month  
9           of April.

10           **SECTION 16. AMENDMENT.** Section 57-02-52 of the North Dakota Century Code is  
11 amended and reenacted as follows:

12           **57-02-52. Notice of county equalization meetings to be published - Date of**  
13 **equalization meeting.**

- 14           1. Each year the county auditor shall publish in the official county newspaper for two  
15           successive weeks, a notice that proceedings for the equalization of assessments for  
16           all real property in the county will be held by the county board of equalization.  
17           2. The first publication of the notice may not be earlier than May first and the second  
18           publication may not be later than May twentieth, however, the second notice must be  
19           published more than ten days prior to the date of the meeting.  
20           3. The notice must contain ~~the~~:  
21           a. The date, time, and location of the meeting. ~~The notice must also contain a; and~~  
22           b. A statement that each taxpayer has the right to appear before the appropriate  
23           board of review or equalization and petition for correction of the taxpayer's  
24           assessment of property valuation or square footage determination under  
25           section 18 of this Act.  
26           4. The county equalization proceedings must be held no later than June tenth.

27           **SECTION 17.** A new section to chapter 57-02 of the North Dakota Century Code is created  
28 and enacted as follows:

29           **Valuation of property subject to square footage tax - Exemption.**

30           Notwithstanding any other provision of law:

- 1       1. Except as provided in subsection 2, property subject to the square footage tax under  
2       section 18 of this Act is exempt from the valuation requirements under this chapter.
- 3       2. For purposes of calculating the debt limits under sections 15 and 16 of article X of the  
4       Constitution of North Dakota:
  - 5       a. The true and full value of a property subject to the square footage tax under  
6       section 18 of this Act must be calculated as the sum of:
    - 7       (1) The land square footage of the property multiplied by the average price per  
8       square foot of similarly situated land in the county based on real estate  
9       sales; and
    - 10       (2) The structure square footage of the property multiplied by the average price  
11       per square foot of a similarly situated structure in the county based on real  
12       estate sales.
  - 13       b. The assessed value of a property subject to the square footage tax under  
14       section 18 of this Act is fifty percent of the amount calculated in subdivision a.

15       **SECTION 18.** A new chapter to title 57 of the North Dakota Century Code is created and  
16 enacted as follows:

17       **Definitions.**

18       For purposes of this chapter:

- 19       1. "Land square foot" or "land square footage" means the square footage measurement  
20       of the land area of a parcel of property, excluding the square footage of any structure  
21       or building situated on the land.
- 22       2. "Structure square foot" or "structure square footage" means the square footage  
23       measurement of structures and buildings situated on a parcel of property above  
24       ground level, exclusive of the land on which the structures or buildings are situated.  
25       The term excludes any areas of a building or structure considered below grade.

26       **Residential square footage tax - Imposition.**

27       Property classified as residential property, which is not otherwise subject to a payment in  
28 lieu of tax, is subject to a tax at a rate equal to a price per land square foot and a price per  
29 structure square foot as approved by each taxing district as provided in this chapter.

1       **Taxes in lieu of ad valorem property taxes.**

2       Taxes imposed under this chapter are in lieu of all ad valorem property taxes levied by the  
3 state or any of its political subdivisions upon property subject to the tax under this chapter.

4       **Exemptions.**

5       1. Property subject to tax under this chapter which meets the criteria of the exemptions  
6 listed in section 57-02-08, except subsection 27 of section 57-02-08, are exempt from  
7 the tax under this chapter to the extent provided in section 57-02-08.

8       2. Notwithstanding any other provision of law:

9       a. If an exemption or payment in lieu of tax was calculated based on the valuation of  
10 residential property and the applicable mill rate before taxable year 2026, and a  
11 conversion method is not provided under law, the county auditor shall convert the  
12 exemption or payment in lieu of tax as necessary to allow the same tax benefit to  
13 be realized by the property owner under this chapter as would have been  
14 realized by the property owner under the ad valorem taxation system before  
15 taxable year 2026.

16       b. If a specific exemption or payment in lieu of tax was granted by a taxing district  
17 for a parcel of residential property for a specified number of taxable years under  
18 the ad valorem taxation system before taxable year 2026, the county auditor shall  
19 apply the exemption or payment in lieu of tax to the tax levied under this chapter  
20 for the remaining taxable years. If a conversion method is not provided under law,  
21 the county auditor shall convert the exemption or payment in lieu of tax as  
22 necessary to allow the same tax benefit to be realized by the property owner  
23 under this chapter as would have been realized under the ad valorem taxation  
24 system before taxable year 2026.

25       **Tax exemption certificate for real property to be filed - Exceptions.**

26       1. A person owning residential property located within a taxing district which claims that  
27 the real property is exempt from taxation under this chapter shall file with the assessor  
28 and with the county auditor a certificate setting out the facts on which the claim for  
29 exemption is based, including the names of owners, the date the property was  
30 acquired, the legal description, the use to which the property was put during the twelve

1           months preceding the assessment date, and any other information which the assessor  
2           may request.

3           2. Unless otherwise provided by law, the certificate shall be filed with the assessor and  
4           the county auditor each year before February first.

5           3. If the certificate is not filed as provided in this section, the assessor shall regard the  
6           property as nonexempt property.

7           4. The provisions of this section do not apply in any case when the real property is  
8           owned by the United States or the state of North Dakota or any of its departments,  
9           institutions, agencies, or political subdivisions.

10       **Solar, wind, or geothermal energy device credit.**

11       1. An owner is entitled to a credit of five percent of the taxes levied under this chapter  
12       against the structure square footage of a new or existing building in which a solar or  
13       wind energy device or geothermal energy device is installed. The credit may be  
14       applied for up to five taxable years following the installation of the system.

15       2. To qualify for the credit under subsection 1, an applicant shall sign and file with the  
16       county assessor, by April first of each year, an application containing a verified  
17       statement of facts establishing the applicant's eligibility as of the date of the claim on a  
18       form and in the manner prescribed by the tax commissioner.

19       3. For the purposes of this subsection:

20       a. "Geothermal energy device" has the meaning provided in section 57-38-01.8.

21       b. "Solar or wind energy device" has the meaning provided in section 57-38-01.8.

22       **New single-family, condominium, and townhouse residential property credit.**

23       1. An owner is entitled to a credit equal to thirty percent of the taxes levied under this  
24       chapter against the structure square footage of a new single-family, condominium, and  
25       townhouse residential property if the following conditions are met:

26       a. The governing body of the city, for property within city limits, or the governing  
27       body of the county, for property outside city limits, has approved the credit under  
28       this section by resolution. A resolution adopted under this subdivision may be  
29       rescinded or amended at any time. The governing body of the city or county may  
30       limit or impose conditions upon a credit under this section, including limitations on  
31       the time during which a credit is allowed.

- 1           b. Special assessments and taxes on the property upon which the residence is  
2                 situated are not delinquent.
- 3           2. The credit may be applied for up to two taxable years after the taxable year in which  
4                 construction is completed and the residence is owned and occupied for the first time.

5           **Land and structure square footage - Determination - Certification.**

- 6           1. On or before February first of each year, certified assessment officials shall determine  
7                 the land square footage and structure square footage of residential property subject to  
8                 the tax under this chapter. The assessment official shall record the information in the  
9                 individual property record for each parcel of property subject to the tax under this  
10                chapter.
- 11          2. For purposes of determining structure square footage of a townhouse, the structure  
12                 square footage of the townhouse property must be increased by the square footage  
13                 added by the right to use any common areas in connection with the townhouse  
14                 development. The common areas of the development may not be separately taxed.  
15                 The square footage of a common area of the townhouse development must be  
16                 apportioned in an equal amount to each townhouse in the development unless a  
17                 declaration setting out a different apportionment is recorded in the office of the county  
18                 recorder. The total structure square footage of the townhouse property, including the  
19                 square footage added as provided in this subsection, must have the benefit of any  
20                 credit, exemption, or other special classification if the townhouse otherwise qualifies.
- 21          3. The assessor shall certify the land square footage and structure square footage of  
22                 each parcel of real property subject to the tax under this chapter to the:
- 23                 a. Governing board of each taxing district in which the parcel is situated;  
24                 b. County director of tax equalization; and  
25                 c. County auditor.
- 26          4. The assessor shall deliver written notice of the certified land square footage and  
27                 structure square footage to the property owner of each parcel of real property subject  
28                 to the tax under this chapter at least fifteen days before the meeting of the local board  
29                 of equalization.
- 30                 a. The tax commissioner shall prescribe suitable forms for written notices under this  
31                 subsection. The written notice must include the date prescribed by law for the



1 meeting of the local board of equalization of the assessment district in which the  
2 property is located and the meeting date of the county board of equalization.

3 b. Delivery of written notice under this subdivision must be by personal delivery to  
4 the property owner, mail addressed to the property owner at the property owner's  
5 last-known address, or electronic mail to the property owner directed with  
6 verification of receipt to an electronic mail address at which the property owner  
7 has consented to receive notice.

8 5. The determination of taxable land square footage and structure square footage may  
9 be appealed through the equalization or abatement process.

10 **Square footage determination of real property exempt from taxation.**

11 1. At the time of making the determination of land square footage and structure square  
12 footage, the assessor shall enter in a separate list each description of property exempt  
13 from taxation under this chapter and shall determine the land square footage and  
14 structure square footage of the property in the same manner as other property subject  
15 to taxation under this chapter, designating in each case to whom the property belongs  
16 and for what purpose used.

17 2. This section does not apply to property of the United States, this state, or a political  
18 subdivision of this state or farm buildings or farm residences exempt from property  
19 taxes by law.

20 **Square footage tax rate - Determination - Limitation - Hearing.**

21 1. A taxing district shall:

22 a. Propose square footage tax rates in an amount per structure square foot and an  
23 amount per land square foot, calculated as follows:

24 (1) Subject to the requirements and limitations in subsections 4 and 5, for  
25 taxable year 2026:

26 (a) The proposed price per structure square foot of residential property is  
27 equal to the ad valorem property tax levied in dollars in taxable year  
28 2025 attributable to residential structures situated in the taxing district  
29 divided by the total residential structure square footage in the taxing  
30 district.

- 1                   (b) The proposed price per land square foot of residential property is  
2                   equal to the ad valorem property tax levied in dollars in taxable year  
3                   2025 attributable to residential land situated in the taxing district  
4                   divided by the total residential land square footage in the taxing  
5                   district.
- 6                   (2) Subject to the requirements and limitations in subsections 4 and 5, for  
7                   taxable years after 2026:
- 8                   (a) The proposed price per structure square foot of residential property is  
9                   equal to the price per structure square foot imposed in the preceding  
10                  taxable year multiplied by the percentage increase or decrease of the  
11                  taxing district's proposed budget for the current taxable year  
12                  compared to the preceding taxable year.
- 13                  (b) The proposed price per land square foot of residential property is  
14                  equal to the price per land square foot imposed in the preceding  
15                  taxable year multiplied by the percentage increase or decrease of the  
16                  taxing district's proposed budget for the current taxable year  
17                  compared to the preceding taxable year.
- 18                  b. Notify the county auditor of the proposed square footage tax rates under  
19                  subdivision a according to the procedures in section 57-15-02.2 on or before  
20                  August tenth of each year.
- 21                  c. Notify members of the taxing district of the proposed square footage tax rates  
22                  under subdivision a according to the procedures in section 57-15-02.2 on or  
23                  before August thirty-first of each year.
- 24                  2. The taxing district shall consider the proposed square footage tax rates under  
25                  subsection 1 during the taxing district's budget and proposed square footage tax rate  
26                  hearing required under section 57-15-02.2.
- 27                  3. Subject to the requirements and limitations in subsections 4 and 5, after the taxing  
28                  district's budget and proposed square footage tax rate hearing required under section  
29                  57-15-02.2, the taxing district shall approve the following square footage tax rates by a  
30                  resolution approved by the governing body of the taxing district:
- 31                  a. Price per structure square foot of residential property.

1            b. Price per land square foot of residential property.

2            4. For purposes of the square footage tax rates under this chapter, a taxing district shall  
3            impose a square footage tax rate at a rate which will generate sufficient revenue,  
4            together with the ad valorem tax assessed against commercial, agricultural, and  
5            centrally assessed property, to pay outstanding bonded indebtedness secured with ad  
6            valorem property tax in taxable years before 2026.

7            5. The governing board of a taxing district, in levying taxes, including ad valorem taxes  
8            and square footage taxes under this chapter, is limited by the amount necessary to  
9            meet the appropriations included in the taxing district's budget for the ensuing fiscal  
10           year, and to provide a reserve fund as limited by law, together with a tax sufficient in  
11           amount to pay the interest on the bonded debt of the taxing district and to provide a  
12           sinking fund to pay the principal at maturity.

13           **Certification of square footage tax rates.**

14           The square footage tax rates approved by the governing board of a taxing district to be  
15           applied to a parcel subject to the tax under this chapter must be certified by the officer acting as  
16           business manager or clerk of the governing body of the taxing district to the county auditor of  
17           the county in which the parcel is situated immediately following the action of the governing body,  
18           or within ten days thereafter.

19           **Duty of county auditor upon certification of square footage tax rate.**

20           The county auditor of each county, upon receipt of the square footage tax rates certified to  
21           the county auditor by the proper authorities of a taxing district, shall acknowledge receipt of the  
22           certification to the official so certifying them immediately upon receiving the certification.

23           **Square footage tax levy - Calculation.**

24           The county auditor shall compute the amount of square footage tax to be levied against a  
25           parcel of residential property as the sum of:

- 26           1. The combined land square footage tax rates for each taxing district in which the parcel  
27           is situated multiplied by the land square footage of the parcel; and  
28           2. The combined structure square footage rates for each taxing district in which the  
29           parcel is situated multiplied by the structure square footage of the parcel.

1        **Enforcement - Administration - Collection - Penalties - Delinquency.**

2        Provisions of law relating to enforcement, administration, collection, penalties, and  
3 delinquency proceedings for ad valorem taxes apply to taxes levied under this chapter.

4        **Abatement procedure.**

5        The procedures for abatement under chapter 57-23 apply to the tax levied under this  
6 chapter.

7        **SECTION 19. AMENDMENT.** Section 57-09-04 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9        **57-09-04. Duties of board - Limitation on increase - Notice - Review of square footage**  
10 **determination.**

- 11        1. The township board of equalization shall ascertain whether all ~~taxable~~ property subject  
12 to ad valorem taxation in its township has been properly placed upon the assessment  
13 list and duly valued by the assessor. In case any real property has been omitted by  
14 inadvertence or otherwise, the board shall place the same upon the list with the true  
15 value thereof. The board shall proceed to correct the assessment so that each tract or  
16 lot of real property is entered on the assessment list at the true value thereof. The  
17 board may not increase the valuation returned by the assessor to an amount that  
18 results in a cumulative increase of more than fifteen percent from the amount of the  
19 previous year's assessment without giving the owner or the owner's agent reasonable  
20 notice and opportunity to be heard regarding the intention of the board to increase it.  
21 All complaints and grievances of residents of the township must be heard and decided  
22 by the board and it may make corrections as appear to be just. Complaints by  
23 nonresidents with reference to the assessment of any real property and complaints by  
24 others with reference to any assessment made after the meeting of the township  
25 board of equalization must be heard and determined by the county board of  
26 equalization. The board must comply with any requirement for notice of an  
27 assessment increase under section 57-02-53.
- 28        2. The township board of equalization shall hear complaints and grievances of residents  
29 of the township regarding the determination of land square footage and structure  
30 square footage for purpose of taxation under section 18 of this Act. The board shall

1           resolve the complaints and grievances and may make corrections to the square  
2           footage determinations as appear to be just.

3           **SECTION 20.** A new section to chapter 57-09 of the North Dakota Century Code is created  
4 and enacted as follows:

5           **Equalization of valuation of property subject to square footage tax - Exemption.**

6           Notwithstanding any other provision of law, property subject to the square footage tax under  
7 section 18 of this Act is exempt from the equalization requirements under this chapter pertaining  
8 to the valuation of the property.

9           **SECTION 21. AMENDMENT.** Section 57-11-03 of the North Dakota Century Code is  
10 amended and reenacted as follows:

11           **57-11-03. Duties of board - Limitation on increase - Notice - Review of square footage**  
12 **determination.**

- 13           1. At its meeting, the board of equalization shall proceed to equalize and correct the  
14 assessment roll. It may change the valuation and assessment of any real property  
15 subject to ad valorem taxation upon the roll by increasing or diminishing the true and  
16 full valuation thereof as is reasonable and just to render taxation uniform, except that  
17 the board may not increase the valuation of any property returned by the assessor to  
18 an amount that results in a cumulative increase of more than fifteen percent from the  
19 amount of the previous year's assessment without first giving the owner or the owner's  
20 agent reasonable notice and opportunity to be heard regarding the intention of the  
21 board to increase it. All complaints and grievances of residents of the city must be  
22 heard and decided by the board and it may make corrections as appear to be just.  
23 Complaints by nonresidents with reference to the assessment of any real property and  
24 complaints by others with reference to any assessment made after the meeting of the  
25 city board of equalization must be heard and determined by the county board of  
26 equalization. The board shall comply with any requirement for notice of an assessment  
27 increase under section 57-02-53.
- 28           2. The board of equalization shall hear complaints and grievances of residents of the city  
29 regarding the determination of land square footage and structure square footage for  
30 purpose of taxation under section 18 of this Act. The board shall resolve the

1 complaints and grievances and may make corrections to the square footage  
2 determinations as appear to be just.

3 **SECTION 22.** A new section to chapter 57-11 of the North Dakota Century Code is created  
4 and enacted as follows:

5 **Equalization of valuation of property subject to square footage tax - Exemption.**

6 Notwithstanding any other provision of law, property subject to the square footage tax under  
7 section 18 of this Act is exempt from the equalization requirements under this chapter pertaining  
8 to the valuation of the property.

9 **SECTION 23.** A new section to chapter 57-12 of the North Dakota Century Code is created  
10 and enacted as follows:

11 **Review and correction of taxable square footage determination.**

12 1. The county board of equalization shall hear complaints and grievances of residents of  
13 the county regarding the determination of land square footage and structure square  
14 footage for purpose of taxation under section 18 of this Act. The board shall resolve  
15 the complaints and grievances and may make corrections to the square footage  
16 determinations as appear to be just.

17 2. The owner of a parcel of real estate for which the square footage for purposes of  
18 taxation under section 18 of this Act has been calculated may appeal the square  
19 footage determination to the state board of equalization as provided in section 25 of  
20 this Act; provided that the owner has first appealed the assessment to the local  
21 equalization board of the taxing district in which the property is situated and to the  
22 county board of equalization of the county in which the property is situated.

23 **SECTION 24.** A new section to chapter 57-12 of the North Dakota Century Code is created  
24 and enacted as follows:

25 **Equalization of valuation of property subject to square footage tax - Exemption.**

26 Notwithstanding any other provision of law, property subject to the square footage tax under  
27 section 18 of this Act is exempt from the equalization requirements under this chapter pertaining  
28 to the valuation of the property.

29 **SECTION 25.** A new section to chapter 57-13 of the North Dakota Century Code is created  
30 and enacted as follows:

1        **Review of appeals regarding taxable square footage determination.**

- 2        1. If a property owner has properly appealed the property's square footage  
3        determination, the board may hear and resolve the appeal and may make corrections  
4        to the square footage determination as appear to be just.
- 5        2. In the case of an appeal, the owner of the property must establish to the satisfaction of  
6        the board that the owner of the property had first appealed the square footage  
7        determination to the local equalization board of the taxing district in which the property  
8        is situated and to the county board of equalization of the county in which the property  
9        is situated.

10       **SECTION 26.** A new section to chapter 57-13 of the North Dakota Century Code is created  
11 and enacted as follows:

12       **Equalization of valuation of property subject to square footage tax - Exemption.**

13       Notwithstanding any other provision of law, property subject to the square footage tax under  
14 section 18 of this Act is exempt from the equalization requirements under this chapter pertaining  
15 to the valuation of the property.

16       **SECTION 27. AMENDMENT.** Section 57-15-02 of the North Dakota Century Code is  
17 amended and reenacted as follows:

18       **57-15-02. Determination of rate.**

19       The tax rate of all taxes, except taxes the rate of which is fixed by law and the square  
20 footage tax under section 18 of this Act, must be calculated and fixed by the county auditor  
21 within the limitations prescribed by statute. If any municipality levies a greater amount than the  
22 prescribed maximum legal rate of levy will produce, the county auditor shall extend only such  
23 amount of tax as the prescribed maximum legal rate of levy will produce. The rate must be  
24 based and computed on the taxable valuation of taxable property in the municipality or district  
25 levying the tax. The rate of all taxes must be calculated by the county auditor in mills, tenths,  
26 and hundredths of mills.

27       **SECTION 28. AMENDMENT.** Section 57-15-02.2 of the North Dakota Century Code is  
28 amended and reenacted as follows:

1           **57-15-02.2. Estimated property tax, square footage tax, and budget and proposed**  
2 **square footage tax rate hearing notice.**

- 3           1. On or before August tenth of each year the governing body of a taxing district shall  
4           provide to the county auditor in each county in which the taxing district has taxable  
5           property a preliminary budget statement, proposed square footage tax rates for  
6           property subject to the tax under section 18 of this Act, and the date, time, and  
7           location of the taxing district's public hearing on its property tax levy and square  
8           footage tax rates, which may be no earlier than September seventh. A taxing district  
9           that fails to provide the information required under this subsection on or before August  
10          tenth may not impose a property tax levy or square footage tax in a greater amount of  
11          dollars than was imposed by the taxing district in the prior year.
- 12          2. By August thirty-first of each year the county treasurer shall provide a written notice to  
13          the owner of each parcel of taxable property subject to ad valorem taxation with a total  
14          estimated property tax of at least one hundred dollars and the owner of each parcel of  
15          taxable property subject to the square footage tax under section 18 of this Act. The  
16          text of the notice must contain the following information:
- 17          a. For property subject to ad valorem taxation:
- 18                (1) The date, time, and location of the public budget hearing for each of the  
19                taxing districts in which the property owner's parcel is located, which  
20                anticipate levying in excess of one hundred thousand dollars in the current  
21                year, and the location at which the taxing district's budget is available for  
22                review;\_
- 23                ~~b.~~(2) The true and full value of the property based on the best information  
24                available;\_
- 25                ~~c.~~(3) A column showing the actual property tax levy in dollars against the parcel  
26                by the taxing district that levied taxes against the parcel in the immediately  
27                preceding taxable year and a column showing the estimated property tax  
28                levy in dollars against the parcel by the taxing district levying tax in the  
29                taxable year for which the notice applies based on the preliminary budget  
30                statements of all taxing jurisdictions;\_



- 1            ~~d.~~(4) A column indicating the difference between the taxing district's total levy  
2            from the previous year and the taxing district's estimated levy with the word  
3            "INCREASE" printed in boldface type if the proposed tax levy is larger in  
4            dollars than the levy in dollars in the previous year;.
- 5            ~~e.~~(5) Information identifying the estimated property tax savings that will be  
6            provided pursuant to section 57-20-07.1 based on the best information  
7            available;.
- 8            b. For property subject to the square footage tax under section 18 of this Act:
- 9            (1) The date, time, and location of the public budget and square footage tax  
10           rate hearing for each of the taxing districts in which the property owner's  
11           parcel is located and the location at which the taxing district's budget is  
12           available for review.
- 13           (2) The preliminary land square footage and structure square footage tax rates  
14           for residential property under section 18 of this Act.
- 15           (3) The total land square footage and structure square footage for each parcel  
16           of land.
- 17           (4) Beginning in taxable year 2027:
- 18           (a) A column showing the actual land square footage and structure  
19           square footage tax rates to be applied against the square footage of  
20           the parcel by the taxing district that levied taxes against the parcel in  
21           the immediately preceding taxable year and a column showing the  
22           proposed land square footage and structure square footage tax rates  
23           to be applied against the square footage of the parcel by the taxing  
24           district levying tax in the taxable year for which the notice applies.
- 25           (b) A column indicating the difference between the taxing district's actual  
26           land square footage and structure square footage tax rates in the  
27           previous year and the taxing district's proposed land square footage  
28           and structure square footage tax rates with the word "INCREASE"  
29           printed in boldface type if the proposed square footage rate is larger  
30           than the actual square footage rate in the previous year.

- 1            f.c. A statement that there will be an opportunity for citizens to present oral or written  
2            comments regarding each taxing district's property tax levy; and proposed square  
3            footage tax rates.
- 4            g.d. The actual amount of the special assessment installment payable against the  
5            parcel in the immediately preceding taxable year.
- 6            3. Delivery of written notice under this section must be by personal delivery to the  
7            property owner, mail addressed to the property owner at the property owner's  
8            last-known address, or electronic mail to the property owner directed with verification  
9            of receipt to an electronic mail address at which the property owner has consented to  
10           receive notice. If a parcel of taxable property is owned by more than one owner, notice  
11           must be sent to only one owner of the property. Failure of an owner to receive a notice  
12           under this section will not relieve the owner of ad valorem property tax or square  
13           footage tax liability or modify the qualifying date under section 57-20-09 for which an  
14           owner may receive a discount for early payment of tax.
- 15           4. The tax commissioner shall prescribe suitable forms for written notices under this  
16           section.
- 17           5. The direct cost of providing taxpayer notices under this section may be allocated in a  
18           manner proportionate to the number of notices mailed on behalf of each taxing district  
19           that intends to levy in excess of one hundred thousand dollars in property taxes in the  
20           current year under this section.

21           **SECTION 29.** A new section to chapter 57-15 of the North Dakota Century Code is created  
22           and enacted as follows:

23           **Application of mill levy limitation and levy authority provisions.**

24           Provisions of this chapter which provide mill levy limitations or mill levy authority calculated  
25           as a specific number of mills of taxable valuation of property in a taxing district are applicable to  
26           ad valorem tax levies and do not apply to the square footage tax levied by the governing board  
27           of a taxing district pursuant to section 18 of this Act.

28           **SECTION 30. AMENDMENT.** Section 57-15-05 of the North Dakota Century Code is  
29           amended and reenacted as follows:

1       **57-15-05. County tax levy.**

2       1.    The board of county commissioners, in levying county taxes, including square footage  
3       taxes levied by the board of county commissioners under section 18 of this Act and  
4       ad valorem taxes, is limited to the amount necessary to meet the appropriations  
5       included in the county budget for the ensuing fiscal year, and to provide a reserve fund  
6       as limited in this chapter, together with a tax sufficient in amount to pay the interest on  
7       the bonded debt of the county and to provide a sinking fund to pay the principal at  
8       maturity.

9       2.    The county budget shall show the complete expenditure program of the county for the  
10       ensuing fiscal year and the sources of revenue from which it is to be financed.

11       **SECTION 31. AMENDMENT.** Section 57-15-07 of the North Dakota Century Code is  
12       amended and reenacted as follows:

13       **57-15-07. City tax levies.**

14       The governing body, in levying city taxes, including square footage taxes levied by the  
15       governing body under section 18 of this Act and ad valorem taxes, is limited by the amount  
16       necessary to meet the appropriations included in the city budget for the ensuing fiscal year and  
17       to provide a reserve fund as limited in this chapter, together with a tax sufficient in amount to  
18       pay the interest on the bonded debt of the municipality, and to provide a sinking fund to pay the  
19       principal at maturity.

20       **SECTION 32. AMENDMENT.** Section 57-15-11 of the North Dakota Century Code is  
21       amended and reenacted as follows:

22       **57-15-11. Park district tax levies.**

23       The board of park commissioners, in levying park district taxes, including square footage  
24       taxes levied by the governing body under section 18 of this Act and ad valorem taxes, is limited  
25       by the amount necessary to meet the appropriations included in the park district budget for the  
26       ensuing fiscal year, and to provide a reserve fund as limited in this chapter, together with a tax  
27       sufficient in amount to pay the interest on the bonded debt of the municipality and to provide a  
28       sinking fund to pay the principal at maturity.

29       **SECTION 33. AMENDMENT.** Section 57-15-13 of the North Dakota Century Code is  
30       amended and reenacted as follows:

1       **57-15-13. School district tax levies.**

2       1. School district taxes must be levied by the governing body of each school district on or  
3       before the tenth day of August of each year.

4       2. The governing body of the school district may increase or decrease its tax levy and  
5       budget for the current fiscal year on or before the tenth day of October of each year  
6       but the certification must be filed with the county auditor within the time limitations  
7       under section 57-15-31.1.

8       3. Taxes for school district purposes must be based upon an itemized budget statement  
9       which must show the complete expenditure program of the district for the current fiscal  
10      year and the sources of the revenue from which it is to be financed.

11      4. The school board of each public school district, in levying taxes, including square  
12      footage taxes levied by the school board under section 18 of this Act and ad valorem  
13      taxes, is limited by the amount necessary to be raised for the purpose of meeting the  
14      appropriations included in the school budget of the current fiscal year, and the sum  
15      necessary to be provided as an interim fund, together with a tax sufficient in amount to  
16      pay the interest on the bonded debt of the district and to provide a sinking fund to pay  
17      and discharge the principal thereof at maturity.

18      **SECTION 34. AMENDMENT.** Section 57-15-31 of the North Dakota Century Code is  
19      amended and reenacted as follows:

20      **57-15-31. Determination of ad valorem property tax levy.**

21      1. The amount of ad valorem property taxes to be levied by any county, city, township,  
22      school district, park district, or other municipality authorized to levy taxes must be  
23      computed by deducting from the amount of estimated expenditures for the current  
24      fiscal year as finally determined, plus the required reserve fund determined upon by  
25      the governing board from the past experience of the taxing district, the total of the  
26      following items:

27      a. The available surplus consisting of the free and unencumbered cash balance;

28      b. Estimated revenues from sources other than direct ad valorem property taxes,  
29      including the amount of square footage taxes levied under section 18 of this Act;

30      c. The total estimated collections from tax levies for previous years;

31      d. Expenditures that must be made from bond sources;

- 1 e. The amount of distributions received from an economic growth increment pool
- 2 under section 57-15-61; and
- 3 f. The estimated amount to be received from payments in lieu of taxes on a project
- 4 under section 40-57.1-03.
- 5 2. Allowance may be made for a permanent delinquency or loss in tax collection not to
- 6 exceed five percent of the amount of the levy.

7 **SECTION 35. AMENDMENT.** Section 57-15-31.1 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9 **57-15-31.1. Deadline date for amending budgets and certifying taxes.**

- 10 1. No taxing district may certify any taxes, including ad valorem tax and square footage
- 11 tax levied under section 18 of this Act, or amend its current budget and no county
- 12 auditor may accept a certification of taxes, including ad valorem tax and square
- 13 footage tax levied under section 18 of this Act, or amended budget after the tenth day
- 14 of October of each year if such certification or amendment results in a change in the
- 15 amount of tax levied.
- 16 2. The current budget, except for property taxes and square footage tax under section 18
- 17 of this Act, may be amended during the year for any revenues and appropriations not
- 18 anticipated at the time the budget was prepared.

19 **SECTION 36. AMENDMENT.** Section 57-20-01 of the North Dakota Century Code is  
20 amended and reenacted as follows:

21 **57-20-01. Real and personal property taxes - When due and delinquent - Penalties.**

- 22 1. All real ~~and~~ property taxes, including ad valorem taxes and square footage taxes levied
- 23 under section 18 of this Act, all personal property taxes, and yearly installments of
- 24 special assessment taxes become due on the first day of January following the year
- 25 for which the taxes were levied.
- 26 2. The first installment of real estate taxes, including ad valorem taxes and square
- 27 footage taxes levied under section 18 of this Act, all personal property taxes, and
- 28 yearly installments of special taxes become delinquent after the first day of March
- 29 following and, if not paid on or before said date, are subject to a penalty of three
- 30 percent, and on May first following an additional penalty of three percent, and on July

1 first following an additional three percent, and an additional penalty of three percent on  
2 October fifteenth following.

3 3. From and after January first of the year following the year in which the taxes become  
4 due and payable, simple interest at the rate of twelve percent per annum upon the  
5 principal of the unpaid taxes on personal property must be charged until the taxes and  
6 penalties are paid, with the interest charges to be prorated to the nearest full month for  
7 a fractional year of delinquency.

8 4. The second installment of real estate taxes, including ad valorem taxes and square  
9 footage taxes levied under section 18 of this Act, becomes delinquent after October  
10 fifteenth, and, if not paid on or before that date becomes subject to a penalty of six  
11 percent.

12 **SECTION 37. AMENDMENT.** Section 57-20-01.1 of the North Dakota Century Code is  
13 amended and reenacted as follows:

14 **57-20-01.1. Extension of due date for property taxes when county treasurer's office is**  
15 **closed.**

16 When the due date for full or installment payment of any property taxes, including  
17 ad valorem taxes and square footage taxes levied under section 18 of this Act, or special  
18 assessments falls on a day on which the county treasurer's office is not open for business, the  
19 payment may be made on the first day following on which the office is open without penalty or  
20 loss of discount.

21 **SECTION 38. AMENDMENT.** Section 57-20-02 of the North Dakota Century Code is  
22 amended and reenacted as follows:

23 **57-20-02. Tax list made out by county auditor.**

24 1. As soon as practicable after the taxes, including ad valorem taxes and square footage  
25 taxes levied under section 18 of this Act, are levied, and after the levies of the several  
26 taxing districts within the county have been certified, the county auditor shall make out  
27 the tax lists according to the prescribed form to correspond with the assessment  
28 districts of the county.

29 2. The ad valorem tax percentage rate necessary to raise the required amount of the  
30 various taxes must be calculated on the taxable valuation of property after equalization  
31 by the state board of equalization, but no ad valorem tax rate may be used which

1 results in any fraction of less than one-half of one-tenth of a mill, and in extending any  
2 tax, it, whenever it amounts to the fractional part of a cent, must be made one cent.

3 **SECTION 39. AMENDMENT.** Section 57-20-03 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5 **57-20-03. Form of tax list.**

- 6 1. The tax list must be made out to correspond with the assessment books with respect  
7 to ownership and description of property, with columns for the valuation, square  
8 footage, and for the various items of tax included in the total amount of all taxes set  
9 down opposite such description of property.
- 10 2. The amounts of special taxes must be entered in appropriate columns, but the general  
11 taxes and square footage taxes, if appropriate, may be shown by entering the rate of  
12 each tax at the head of the proper column without extending the same, in which case  
13 a schedule of the rates of such taxes must be made on the first page of each tax list.
- 14 3. The tax lists also must show, in a separate column, the years for which a tax lien has  
15 been foreclosed upon any piece or parcel, if the same has not been redeemed or  
16 deeded for such taxes.

17 **SECTION 40. AMENDMENT.** Section 57-20-04 of the North Dakota Century Code is  
18 amended and reenacted as follows:

19 **57-20-04. Abstract of tax list to be sent to tax commissioner - Reports.**

- 20 1. The county auditor, on or before December thirty-first following the levy of the taxes,  
21 shall prepare and transmit to the tax commissioner a complete abstract of the tax list  
22 of the auditor's county.
- 23 2. In addition to the tax list required in subsection 1, the county auditor, on or before  
24 December thirty-first following the levy of the taxes, shall prepare and transmit to the  
25 tax commissioner a report providing, for property subject to ad valorem taxation, each  
26 taxing district's property valuation and property tax levy, for property subject to a  
27 square footage tax under section 18 of this Act, each taxing district's square footage,  
28 square footage tax rates, and square footage tax levy, and any other information the  
29 tax commissioner deems necessary to prepare the report required in subsection 3. For  
30 taxing districts with property in more than one county, information must be collected

1 and transmitted by the county auditor of the county in which the main office of that  
2 taxing district is located.

3 3. The tax commissioner shall compile information received from the county auditors in  
4 subsection 2 and prepare a statewide report of ad valorem property tax and square  
5 footage tax increase. The report must include the annual increase in ad valorem  
6 property taxes and square footage taxes levied by each taxing district of the state after  
7 adjusting for property that was not taxable in the preceding year and property that is  
8 no longer taxable which was taxable in the preceding year. The report must be  
9 provided to the legislative management by April first of each year.

10 4. The tax commissioner shall prescribe the form and manner of providing the reports  
11 and certifications required under this section.

12 5. ~~On or before December 31, 2017, the county auditor shall provide a report to the tax~~  
13 ~~commissioner providing the information identified in subsection 2 for the 2015 and~~  
14 ~~2016 tax years.~~

15 **SECTION 41. AMENDMENT.** Section 57-20-07.1 of the North Dakota Century Code is  
16 amended and reenacted as follows:

17 **57-20-07.1. County treasurer to mail real estate tax statement - Contents of statement.**

18 1. On or before December twenty-sixth of each year, the county treasurer shall mail aan  
19 ad valorem or square footage real estate tax statement to the owner of each parcel of  
20 real property at the owner's last-known address. The form of the ad valorem or square  
21 footage real estate tax statement to be used in every county must be prescribed and  
22 approved for use by the tax commissioner. The statement must be provided in a  
23 manner that allows the taxpayer to retain a printed record of the obligation for payment  
24 of ad valorem or square footage taxes and special assessments as provided in the  
25 statement. If a parcel of real property is owned by more than one individual, the county  
26 treasurer shall send only one statement to one of the owners of that property.  
27 Additional copies of the tax statement will be sent to the other owners upon their  
28 request and the furnishing of their names and addresses to the county treasurer. The  
29 tax statement must:

30 a. For property subject to ad valorem tax:



- 1           (1) Include a dollar valuation of the true and full value as defined by law of the
- 2   property and the total mill levy applicable.
- 3           ~~b~~. (2) Include, or be accompanied by a separate sheet, with three columns
- 4   showing, for the taxable year to which the tax statement applies and the two
- 5   immediately preceding taxable years, the property tax levy in dollars against
- 6   the parcel by the county and school district and any city or township that
- 7   levied taxes against the parcel.
- 8           e. (3) Provide information identifying the property tax savings provided by the
- 9   state of North Dakota. The tax statement must include a line item that is
- 10    entitled "legislative tax relief" and identifies the dollar amount of property tax
- 11    savings realized by the taxpayer under chapter 50-34 for taxable years
- 12    before 2019, chapter 50-35 for taxable years after 2018, and chapter
- 13    15.1-27.
- 14    ~~(1)~~(a) For purposes of this subdivision, legislative tax relief under chapter
- 15    15.1-27 is determined by multiplying the taxable value for the taxable
- 16    year for each parcel shown on the tax statement by the number of
- 17    mills of mill levy reduction grant under chapter 57-64 for the 2012
- 18    taxable year plus the number of mills determined by subtracting from
- 19    the 2012 taxable year mill rate of the school district in which the parcel
- 20    is located the lesser of:
- 21    ~~(a)~~[1] Fifty mills; or
- 22    ~~(b)~~[2] The 2012 taxable year mill rate of the school district minus sixty
- 23    mills.
- 24    ~~(2)~~(b) Legislative tax relief under chapter 50-35 is determined by multiplying
- 25    the taxable value for the taxable year for each parcel shown on the
- 26    tax statement by the number of mills of relief determined by dividing
- 27    the amount calculated in subsection 1 of section 50-35-03 for a
- 28    human service zone by the taxable value of taxable property in the
- 29    zone for the taxable year.
- 30           b. For property subject to the square footage tax under section 18 of this Act:

- 1           (1) Include the total land square footage and structure square footage for the  
2                     parcel of land and the the land square footage and structure square footage  
3                     tax rates applicable to the parcel of land.
- 4           (2) For taxable year 2027, include, or be accompanied by a separate sheet,  
5                     with two columns showing, for the taxable year to which the tax statement  
6                     applies and the immediately preceding taxable year, the square footage tax  
7                     levy in dollars against the parcel by the county and school district and any  
8                     city or township that levied taxes against the parcel.
- 9           (3) For taxable years after 2027, include, or be accompanied by a separate  
10                    sheet, with three columns showing, for the taxable year to which the tax  
11                    statement applies and the two immediately preceding taxable years, the  
12                    square footage tax levy in dollars against the parcel by the county and  
13                    school district and any city or township that levied taxes against the parcel.

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

16           **SECTION 42. AMENDMENT.** Section 57-20-09 of the North Dakota Century Code is  
17 amended and reenacted as follows:

18           **57-20-09. Discount for early payment of tax.**

- 19           1. Except as provided in section 57-20-21.1, the county treasurer shall allow a five  
20                    percent discount to all taxpayers who shall pay all of the ad valorem or square footage  
21                    real estate taxes levied on any tract or parcel of real property in any one year in full on  
22                    or before February fifteenth prior to the date of delinquency. ~~Such~~
- 23           2. The discount applies to all general real estate taxes, including ad valorem taxes and  
24                    square footage taxes levied under section 18 of this Act, levied for state, county, city,  
25                    township, school district, fire district, park district, and any other taxing districts but  
26                    does not apply to personal property taxes or special assessment installments.
- 27           3. Whenever the board of county commissioners, by resolution, determines that an  
28                    emergency exists in the county by virtue of weather or other catastrophe, it may  
29                    extend the discount period for an additional thirty days.

30           **SECTION 43. AMENDMENT.** Section 57-20-10 of the North Dakota Century Code is  
31 amended and reenacted as follows:

1       **57-20-10. Installment payments of real estate tax.**

2       ~~Real~~Ad valorem and square footage real estate taxes, either current or delinquent, may be  
3 paid in installments of not less than ten percent of the amount of the tax, plus penalty and  
4 interest if any, but each such installment in no event may be less than ten dollars. Credit must  
5 be given on the tax records for the installment payments so made, and penalty and interest  
6 must be computed only upon the balance of the tax remaining unpaid.

7       **SECTION 44. AMENDMENT.** Section 57-20-21.1 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9       **57-20-21.1. Priority for delinquent taxes.**

10       1. When payment is made for any real or personal property taxes, including ad valorem  
11 taxes and square footage taxes levied under section 18 of this Act, or special  
12 assessments, payments must be applied first to the oldest unpaid delinquent taxes or  
13 special assessments due, if any, shown to exist upon the property for which the tax  
14 payments are made, including any penalty and interest.

15       2. The discounts applicable to payment of taxes set out in section 57-20-09 do not apply  
16 to payment of taxes made on property upon which tax payments are delinquent.

17       **SECTION 45. AMENDMENT.** Subdivision a of subsection 1 of section 57-23-04 of the North  
18 Dakota Century Code is amended and reenacted as follows:

19       a. When an error has been made in any identifying entry or description of the  
20 property, in entering the valuation or square footage thereof, or in the extension  
21 of the tax, to the injury of the complainant.

22       **SECTION 46. AMENDMENT.** Section 57-23-06 of the North Dakota Century Code is  
23 amended and reenacted as follows:

24       **57-23-06. Hearing on application.**

25       1. Within ten days after receiving an application for abatement, the city auditor or the  
26 township clerk shall give the applicant a notice of a hearing to be held before the  
27 governing body of the city or township, or such other committee as it may designate, in  
28 which the assessed property is located. Said hearing must be set for no more than  
29 sixty days after the date of the notice of hearing, and in any event, must be held  
30 before the recommendations provided for in subsection 2 are made. The applicant  
31 may waive, in writing, the hearing before such governing body or designated

1 committee at any time before the hearing. Any recommendations provided for in  
2 subsection 2 must be transmitted to the county auditor no more than thirty days after  
3 the date set for the hearing. The provisions of this subsection do not apply to  
4 applications for abatement pursuant to section 57-02-08.2.

5 2. At the next regular meeting of the board of county commissioners following the filing of  
6 an application for abatement or, if forthcoming, at the next regular meeting of the  
7 board of county commissioners following transmittal of the recommendations of the  
8 governing body of the municipality, the applicant may appear, in person or by a  
9 representative or attorney, and may present such evidence as may bear on the  
10 application. The applicant shall furnish any additional information or evidence  
11 requested by the board of county commissioners. The recommendations of the  
12 governing body of the municipality in which such assessed property is located must be  
13 endorsed upon or attached to every application for an abatement or refund, and the  
14 board of county commissioners shall give consideration to such recommendations.  
15 The board of county commissioners, by a majority vote, either shall approve or reject  
16 the application, in whole or in part. If rejected, in whole or in part, a written explanation  
17 of the rationale for the decision, signed by the chairman of the board, must be  
18 attached to the application, and a copy thereof must be mailed by the county auditor to  
19 the applicant at the post-office address specified in the application.

20 3. At a hearing before the board of county commissioners on an application for  
21 abatement, the applicant or the applicant's representative or attorney is limited to the  
22 relief claimed in the application for abatement submitted to the board of county  
23 commissioners. The applicant or applicant's representative or attorney may not submit  
24 evidence during a hearing on an application for abatement suggesting a lower  
25 valuation, a lower square footage determination, a lower square footage tax rate, a  
26 lower tax levy, or a different taxable status than was requested in the application for  
27 abatement submitted to the board of county commissioners.

28 **SECTION 47. AMENDMENT.** Subsection 2 of section 57-28-03 of the North Dakota  
29 Century Code is amended and reenacted as follows:

- 1           2.    The amount of delinquent ad valorem property taxes, square footage taxes levied  
2                   under section 18 of this Act, and special assessments, with penalties, interest, and  
3                   foreclosure costs, for the tax year foreclosed.

4           **SECTION 48. AMENDMENT.** Subdivision c of subsection 1 of section 57-28-20 of the North  
5 Dakota Century Code is amended and reenacted as follows:

- 6                   c.    Sold for less than the total amount of the taxes due, the treasurer shall write tax  
7                   receipts beginning with the earliest year and for as many subsequent years as  
8                   the proceeds realized from the sale will satisfy, and the remainder of any unpaid  
9                   general taxes, including ad valorem taxes and square footage taxes levied under  
10                   section 18 of this Act, or special assessments must be canceled by the board of  
11                   county commissioners.

12           **SECTION 49. AMENDMENT.** Section 57-28-26 of the North Dakota Century Code is  
13 amended and reenacted as follows:

14           **57-28-26. Disposition of rental revenue.**

- 15           1.    All the net revenue from leases of property under this chapter and all federal payments  
16                   for property acquired by the county by tax deed must be paid into the county treasury.  
17           2.    On or before January tenth in each year, the county treasurer shall apportion these  
18                   amounts received in the previous calendar year to the county, city, school district,  
19                   township, or other taxing districts in which the property is located in the proportion that  
20                   the previous year's general fund and square footage tax levy in the taxing district  
21                   bears to the total of general fund and square footage tax levies of all taxing districts in  
22                   which the property is located.

23           **SECTION 50. AMENDMENT.** Section 57-55-01.2 of the North Dakota Century Code is  
24 amended and reenacted as follows:

25           **57-55-01.2. Statements of full consideration and square footage to be filed with**  
26 **application for title to mobile homes –~~Sales ratio study~~ - Penalty.**

- 27           1.    Any person who has purchased a mobile home and is applying for a title under section  
28                   39-18-03 shall present, with the application, a certified statement of the full  
29                   consideration paid for the mobile home and the square footage of the mobile home.  
30           2.    The director of the department of transportation may not issue a certificate of title to  
31                   the mobile home until the certified statement is received. The director of the

1 department of transportation shall accumulate and at least monthly forward to the  
2 state board of equalization a report containing the information filed in the director's  
3 office pursuant to this section.

4 3. The state board of equalization shall prescribe the necessary forms for the statements  
5 and reports to be used in carrying out the purposes of this section, and the forms must  
6 contain a space for the explanation of special circumstances which may have  
7 contributed to the amount of the consideration or square footage. The state board of  
8 equalization shall furnish this information to the state tax commissioner ~~who shall~~  
9 ~~conduct a sales ratio study to determine the proper assessment values of mobile~~  
10 ~~homes under this chapter.~~

11 4. Any person who, in the statement provided for in this section, willfully falsifies the  
12 consideration paid for or square footage of the transferred mobile home is guilty of a  
13 class B misdemeanor.

14 **SECTION 51. AMENDMENT.** Section 57-55-04 of the North Dakota Century Code is  
15 amended and reenacted as follows:

16 **57-55-04. Taxes - How determined - Disbursement.**

17 1. The director of tax equalization shall determine the tax for each mobile home by  
18 ~~placing an evaluation on~~determining the square footage of the mobile home based  
19 ~~upon its assessed value and by adjusting the valuation of the mobile home by the~~  
20 ~~percentage provided in section 57-02-27 to determine its taxable valuation under~~  
21 ~~standards and guides determined by the state tax commissioner and applying that~~  
22 ~~evaluation~~the square footage to the preceding year's total mill levies  
23 ~~applying residential structure square footage tax rates determined under section 18 of~~  
24 this Act which apply to property within the taxing district in which the mobile home is  
25 located. The director of tax equalization may refer to the statement required under  
26 section 57-55-01.2 to determine the square footage of the mobile home.

27 2. The county treasurer shall provide a tax statement for each mobile home subject to  
28 taxation under this chapter, ~~including.~~

29 a. For taxable year 2028, the tax statement must include two columns showing, for  
30 the taxable year to which the tax statement applies and the immediately  
31 preceding taxable year, the square footage tax levy in dollars against the mobile

1                    home by the county and school district and any city or township that levied taxes  
2                    against the mobile home.

3                    b. For taxable years after 2028, the tax statement must include three columns  
4                    showing, for the taxable year to which the tax statement applies and the two  
5                    immediately preceding taxable years, the ~~property~~square footage tax levy in  
6                    dollars against the mobile home by the county and school district and any city or  
7                    township that levied taxes against the mobile home.

8                    3. If a mobile home is acquired or moved into this state during the calendar year and a  
9                    tax permit has not been previously issued for such mobile home in this state for such  
10                    year, the tax is determined by computing the remaining number of months of the  
11                    current year to the nearest full month and multiplying that number by one-twelfth of the  
12                    amount which would be due for the full year.

13                    4. The taxes collected under this chapter must be disbursed in the same year they are  
14                    collected and in the same manner as ~~real-estate~~square footage taxes for the  
15                    preceding year are disbursed.

16                    **SECTION 52. AMENDMENT.** Section 57-55-04.1 of the North Dakota Century Code is  
17                    amended and reenacted as follows:

18                    **57-55-04.1. Procedure for abatement, refund, or compromise of tax.**

19                    1. Any person having any estate, right, title, or interest in or lien upon any mobile home  
20                    which has been assessed for taxation purposes pursuant to this chapter may apply for  
21                    abatement, refund, or compromise, as the case may be, pursuant to chapter 57-23.

22                    2. The application must be made in writing on the form prescribed by the tax  
23                    commissioner and must be filed in triplicate with the county auditor of the county  
24                    where the mobile home was assessed.

25                    3. The county auditor shall promptly serve the county director of tax equalization with one  
26                    copy of the application.

27                    4. The abatement or compromise must be granted by the county commissioners if the  
28                    facts upon which the application is based establish that the assessment contains error,  
29                    or that the ~~value placed upon~~square footage determination of the mobile home by the  
30                    county director of tax equalization was excessive, or that the mobile home is exempt  
31                    from taxation pursuant to section 57-55-10.

1        5. The decision of the county commissioners may be appealed in the manner provided  
2                    by law.

3        **SECTION 53. AMENDMENT.** Section 57-55-05 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5        **57-55-05. Taxes in lieu of other property taxes.**

6        The taxes provided for in this chapter are in lieu of all property taxes, including ad valorem  
7 taxes and square footage taxes levied under section 18 of this Act, upon such mobile homes for  
8 the calendar year for which the tax permit is valid. However, such taxes may in no way be  
9 construed as exempting any mobile home owner from the requirements of registering such  
10 mobile home with the director of the department of transportation or securing license plates  
11 entitling such mobile home to be hauled upon the state's highways pursuant to section  
12 39-18-03.

13        **SECTION 54. AMENDMENT.** Section 61-24-09 of the North Dakota Century Code is  
14 amended and reenacted as follows:

15        **61-24-09. District budget - Determination of amount to be levied - Adoption of levy -**  
16 **Limitation.**

17        1. In July of each year, the board of directors shall estimate and itemize all the expenses  
18 and obligations of the district, including expenses of directors, expenses of operating  
19 the office, debt service and retirement, and obligations and liabilities to the United  
20 States for which provision must be made.

21        2. The board of directors may include in such budget funds deemed necessary to create  
22 reserve funds to meet future payments under district contracts.

23        3. Upon the completion and adoption of such budget, the board of directors shall make a  
24 tax levy, including ad valorem taxes and square footage taxes under section 18 of this  
25 Act, in an amount sufficient to meet such budget. ~~Such~~

26        4. The levy shall be in the form of a resolution, adopted by a majority vote of the  
27 members of the board of directors of the district. ~~Such~~

28        5. ~~The~~ resolution ~~shall~~ must include an ad valorem levy in mills, but not exceeding one  
29 mill, and a square footage tax levy sufficient to meet all the expenses, obligations, and  
30 liabilities of the district as provided in the budget.



1       **SECTION 55. REPEAL.** Subsection 35 of section 57-02-08 of the North Dakota Century  
2 Code is repealed.

3       **SECTION 56. EFFECTIVE DATE.** Sections 1 through 5, 7 through 12, 14 through 49, and  
4 54 and 55 of this Act are effective for taxable years beginning after December 31, 2025.  
5 Section 6 of this Act is effective July 1, 2026. Sections 51, 52, and 53 of this Act are effective for  
6 taxable years beginning after December 31, 2026.