

CHAPTER 57-02.3 PAYMENTS IN LIEU OF PROPERTY TAXES

57-02.3-01. Definition.

As used in this chapter, unless the context or subject matter otherwise clearly indicates, "property subject to valuation" means real property owned by the board of university and school lands or by the state treasurer as trustee for the state of North Dakota, title to which was obtained after January 1, 1980, by foreclosure or deed in lieu of foreclosure of a mortgage given to the Bank of North Dakota, including a mortgage assigned to the state treasurer under section 54-30-02. "Property subject to valuation" also means real property owned by the board of university and school lands or by the state treasurer as trustee for the state of North Dakota, title to which was obtained on or before January 1, 1980, and which is leased to a leaseholder who uses the property for growing hay or crops.

57-02.3-02. Imposition of in lieu of tax payments.

The board of university and school lands shall annually make payments, subject to legislative appropriations, to any county in which property subject to valuation is located. The payments are in lieu of ad valorem taxes that would be payable to the county if the real property for which the payments are made were not owned by the state. This chapter does not affect the provisions of chapter 57-29.

57-02.3-03. Assessment of property - Notice to county auditors.

All property subject to valuation must be assessed for the purpose of making the payments under section 57-02.3-02, in the same manner as other real property in this state is assessed for tax purposes, except that improvements made to any real property after foreclosure may not be considered in the valuation. Before June thirtieth of each year, the county auditor of any county in which property subject to valuation is located shall give written notice to the board of university and school lands and the state tax commissioner of the value placed by the county board of equalization upon each parcel of property subject to valuation in the county.

57-02.3-04. Appearance before state board of equalization.

The state board of equalization shall equalize the values placed upon property subject to valuation. Representatives of the board of university and school lands may appear before the state board of equalization to oppose unreasonable or unjust valuations placed upon property subject to valuation as equalized by the county board of equalization, or to oppose any change in valuations as proposed by the state board of equalization, to the end that all valuations of property subject to valuation may be uniform with valuations of comparable property throughout the state.

57-02.3-05. Computation of payment - Remittance to counties.

Upon receipt of the decision of the state board of equalization, the board of university and school lands shall compute the payments due to the counties in which property subject to valuation is located by extending the mill levies that apply to taxable property in the taxing districts in which the property is located in the same manner as is used for other taxable property in the taxing districts. After computing the payments due to each county, the board of university and school lands shall, within the limits of legislative appropriations, remit to the counties the amounts due on or before March first of the year following the year for which the assessments were made.

57-02.3-06. Allocation of revenue within counties.

The revenue to which taxing districts are entitled under this chapter must be determined according to the proportion that the taxing district's mill levy on other real property bears to the total mill levies of all taxing districts on other real property in the taxing districts in which the property subject to valuation is located. The revenue remaining after apportionment to the county must be apportioned and distributed by the county treasurer among the various taxing

districts in which the property for which payments are made is located. The amount of revenue allocated to each taxing district in which property subject to valuation is located must be divided among the various funds of the district according to the proportion that the mill levy for any fund bears to the total of all mill levies of the taxing district.

57-02.3-07. Appropriation.

There is hereby appropriated to the board of university and school lands, as a standing and continuing appropriation from the lease rentals of property subject to valuation under this chapter, the funds necessary to make the payments required by this chapter.