

**HOUSE BILL NO. 1209  
with Senate Amendments**

Fifty-ninth  
Legislative Assembly  
of North Dakota

**HOUSE BILL NO. 1209**

Introduced by

Representatives Mueller, Boe, Devlin, Headland, Herbel, Onstad

1 A BILL for an Act to amend and reenact section 57-01-05 of the North Dakota Century Code,  
2 relating to an annual audit of property tax assessments and property tax exemption decisions;  
3 and to provide an appropriation.

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

5 **SECTION 1. AMENDMENT.** Section 57-01-05 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **57-01-05. State supervisor of assessments.** The state tax commissioner shall  
8 appoint a supervisor of assessments who must be a person trained and experienced in  
9 property appraisals and familiar with assessment and equalization procedures and techniques.  
10 The supervisor of assessments serves at the pleasure of the state tax commissioner and office  
11 space must be furnished to the supervisor of assessments by the commissioner.

12 The supervisor of assessments shall perform the following duties under the direction of  
13 the tax commissioner:

14 1. The supervisor of assessments shall advise and give the various assessors in the  
15 state the necessary instructions and directions as to their duties under the laws of  
16 this state, to the end that a uniform assessment of all real and personal property in  
17 this state will be attained.

18 2. The supervisor of assessments shall assist and instruct the various assessors in  
19 this state in the use of soil reconnaissance surveys, land classification methods, in  
20 the preparation and proper use of land maps and record cards, in the proper  
21 classification of real and personal property, and in the determination of proper  
22 standards of value.

- 1           3.    The supervisor of assessments may require the attendance of groups of assessors  
2                    at meetings called by the supervisor of assessments for the purpose of giving them  
3                    further assistance and instruction as to their duties.
- 4           4.    The supervisor of assessments may make sales, market, and productivity studies  
5                    and other studies of property assessments in the various counties and cities of this  
6                    state for the purpose of properly advising the various assessors and directors of  
7                    tax equalization in the state and for the purpose of recommending to the tax  
8                    commissioner changes to be made by the state board of equalization in the  
9                    performance of the equalization powers and duties prescribed for it by section  
10                  57-13-04. In any sales, market, and productivity study made according to section  
11                  57-01-06, the county directors of tax equalization or city assessors, as the case  
12                  may be, are responsible for compiling a record of sales of property made in the  
13                  county or city, and in conjunction with the county commissioners shall analyze the  
14                  sales for the purpose of advising the state supervisors of assessments as to the  
15                  value of using the sales in any such study. The compilations must be forwarded to  
16                  the state supervisor of assessments with the findings of the county director of tax  
17                  equalization, city assessors, and the board of county commissioners. In any  
18                  county or city or any part thereof where the number of sales of properties is  
19                  insufficient for making a sales, market, and productivity study, the county director  
20                  of tax equalization or city assessor, as the case may be, in cooperation with the  
21                  state supervisor of assessments or that person's assistants shall make appraisals  
22                  of properties in order to determine the market value.
- 23          5.    The supervisor of assessments shall cooperate with North Dakota state university  
24                    in the development of a soil mapping program, a land classification system,  
25                    valuation studies, and other matters relating to the assessment of property and  
26                    shall provide for the use of such information and procedure at the earliest possible  
27                    date by the assessors of this state.
- 28          6.    The supervisor of assessments has general supervision of assessors and county  
29                    directors of tax equalization pertaining to methods and procedures of assessment  
30                    of all property and has authority to require all county directors of tax equalization to  
31                    do any act necessary to obtain uniform methods and procedures of assessment.

1           7. Within the limits of legislative appropriations, the supervisor of assessments shall  
2           cause an annual random audit to be performed of property assessments statewide  
3           in each classification of property under section 57-02-27 and of property tax  
4           exemptions allowed or denied under subsection 15 of section 57-02-08 and of  
5           valuations under section 57-02-14 of real property exempt from taxation. Audits  
6           must focus on assessment and equalization decisions, accuracy, uniformity, and  
7           compliance with state law and directives and advice of the state supervisor of  
8           assessments. The state supervisor of assessments shall prepare results, findings,  
9           and recommendations of annual audits conducted under this subsection for  
10          presentation to the state board of equalization and to a committee designated by  
11          the legislative council.

12          8. The supervisor of assessments shall perform such other duties relating to  
13          assessment and taxation of property as the tax commissioner directs.

14          **SECTION 2. APPROPRIATION.** There is appropriated out of any moneys in the  
15          general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much  
16          of the sum as may be necessary, to the tax commissioner for the purpose of random property  
17          tax audits as directed by the supervisor of assessments under section 57-01-05, for the  
18          biennium beginning July 1, 2005, and ending June 30, 2007.