

Introduced by

1 A BILL for an Act to create and enact a new section to chapter 57-55 of the North Dakota  
2 Century Code, relating to transitional payment by the state of 2013 mobile home taxes to avoid  
3 double taxation of mobile homes which could result from synchronizing taxable years for mobile  
4 homes and real property; to amend and reenact subsections 2 and 3 of section 57-15-01.1 and  
5 sections 57-15-02, 57-55-01.1, 57-55-03, 57-55-04, and 57-55-04.1 of the North Dakota  
6 Century Code, relating to synchronizing taxable years for mobile homes and real property; to  
7 provide a penalty; to provide an appropriation; to provide an effective date; and to provide an  
8 expiration date.

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

10 **SECTION 1. AMENDMENT.** Subsections 2 and 3 of section 57-15-01.1 of the North Dakota  
11 Century Code are amended and reenacted as follows:

- 12 2. For purposes of this section:
- 13 a. "Base year" means the taxing district's taxable year with the highest amount  
14 levied in dollars in property taxes and mobile home taxes of the three taxable  
15 years immediately preceding the budget year. For a park district general fund, the  
16 "amount levied in dollars in property taxes and mobile home taxes" is the sum of  
17 amounts levied in dollars in property taxes and mobile home taxes for the general  
18 fund under section 57-15-12 including any additional levy approved by the  
19 electors, the insurance reserve fund under section 32-12.1-08, the employee  
20 health care program under section 40-49-12, the public recreation system under  
21 section 40-55-09 including any additional levy approved by the electors, forestry  
22 purposes under section 57-15-12.1 except any additional levy approved by the  
23 electors, pest control under section 4-33-11, and handicapped person programs  
24 and activities under section 57-15-60;

- 1           b. "Budget year" means the taxing district's year for which the levy is being  
2           determined under this section;
- 3           c. "Calculated mill rate" means the mill rate that results from dividing the base year  
4           taxes levied by the sum of the taxable value of the taxable property and taxable  
5           mobile homes in the base year plus the taxable value of the property exempt by  
6           local discretion or charitable status, calculated in the same manner as the taxable  
7           property; and
- 8           d. "Property exempt by local discretion or charitable status" means property  
9           exempted from taxation as new or expanding businesses under chapter 40-57.1;  
10          improvements to property under chapter 57-02.2; or buildings belonging to  
11          institutions of public charity, new single-family residential or townhouse or  
12          condominium property, property used for early childhood services, or pollution  
13          abatement improvements under section 57-02-08.
- 14          3. A taxing district may elect to levy the amount levied in dollars in the base year. Any  
15          levy under this section must be specifically approved by a resolution approved by the  
16          governing body of the taxing district. Before determining the levy limitation under this  
17          section, the dollar amount levied in the base year must be:
- 18           a. Reduced by an amount equal to the sum determined by application of the base  
19           year's calculated mill rate for that taxing district to the final base year taxable  
20           valuation of any taxable property, taxable mobile homes, and property exempt by  
21           local discretion or charitable status which is not included in the taxing district for  
22           the budget year but was included in the taxing district for the base year.
- 23           b. Increased by an amount equal to the sum determined by the application of the  
24           base year's calculated mill rate for that taxing district to the final budget year  
25           taxable valuation of any taxable property ~~or~~, taxable mobile homes, and property  
26           exempt by local discretion or charitable status which was not included in the  
27           taxing district for the base year but which is included in the taxing district for the  
28           budget year.
- 29           c. Reduced to reflect expired temporary mill levy increases authorized by the  
30           electors of the taxing district. For purposes of this subdivision, an expired  
31           temporary mill levy increase does not include a school district general fund mill

1 rate exceeding one hundred ten mills which has expired or has not received  
2 approval of electors for an extension under subsection 2 of section 57-64-03.

3 d. Increased, for a school district determining its levy limitation under this section,  
4 by the amount the school district's mill levy reduction grant under section  
5 57-64-02 for the base year exceeds the amount of the school district's mill levy  
6 reduction grant under section 57-64-02 for the budget year.

7 e. Reduced for a school district determining its levy limitation under this section, by  
8 the amount the school district's mill levy reduction grant under section 57-64-02  
9 for the budget year exceeds the amount of the school district's mill levy reduction  
10 grant under section 57-64-02 for the base year.

11 **SECTION 2. AMENDMENT.** Section 57-15-02 of the North Dakota Century Code is  
12 amended and reenacted as follows:

13 **57-15-02. Determination of rate.**

14 The tax rate of all taxes, except taxes the rate of which is fixed by law, must be calculated  
15 and fixed by the county auditor within the limitations prescribed by statute. If any  
16 ~~municipality~~taxing district levies a greater amount than the prescribed maximum legal rate of  
17 levy will produce, the county auditor shall extend only such amount of tax as the prescribed  
18 maximum legal rate of levy will produce. The rate must be based and computed on the taxable  
19 valuation of taxable property and taxable mobile homes in the ~~municipality or~~taxing district  
20 levying the tax. The rate of all taxes must be calculated by the county auditor in mills, and  
21 tenths, and hundredths of mills.

22 **SECTION 3. AMENDMENT.** Section 57-55-01.1 of the North Dakota Century Code is  
23 amended and reenacted as follows:

24 **57-55-01.1. Taxation and tax permits for mobile homes - Penalty.**

25 The owner of each mobile home is subject to taxes as determined under this chapter and  
26 shall file an application for a mobile home tax permit with the director of tax equalization in the  
27 county in which the mobile home is located within ten days after the mobile home is acquired,  
28 ~~moved,~~ or first brought into this state. Application must be made on forms approved by the tax  
29 commissioner and furnished by the county director of tax equalization and must contain the  
30 necessary information to carry out the provisions of this chapter. ~~A mobile home tax permit may~~  
31 ~~not be issued unless the owner pays the tax and any penalties in full to the county treasurer.~~

1 Upon ~~payment of the tax~~proper application to the county director of tax equalization, a mobile  
2 home tax permit must be issued to the owner of the mobile home. The tax permit is valid  
3 throughout the state for the mobile home during the period for which it was issued. If a mobile  
4 home is moved within this state from one county to another county, the mobile home tax permit  
5 must be presented to and endorsed by the director of tax equalization of the county to which the  
6 mobile home is moved within ten days after the mobile home is moved into the county. The  
7 director of tax equalization shall record the date on which the mobile home was first brought into  
8 this state, if within the taxable year. Failure to obtain a mobile home tax permit or endorsement  
9 within the time requirements of this section is subject to a penalty of fifty dollars for each month  
10 or fraction of a month of noncompliance.

11 **SECTION 4. AMENDMENT.** Section 57-55-03 of the North Dakota Century Code is  
12 amended and reenacted as follows:

13 **57-55-03. When taxes become due and delinquent - Penalty.**

- 14 1. a. The tax imposed in this chapter is due and payable on the first day of January  
15 tenth of each~~following the year or ten days after the mobile home is purchased or~~  
16 ~~first moved into this state~~for which the taxes were levied. If the tax due for the  
17 entire year is paid in full by February fifteenth, the county treasurer shall allow a  
18 five percent discount.
- 19 b. ~~If the tax imposed by this chapter is paid in full within thirty days after the mobile~~  
20 ~~home is purchased or moved into this state, the county treasurer shall allow a~~  
21 ~~five percent discount. However, if the tax is not paid within forty days it is subject~~  
22 ~~to a penalty and interest. The penalty is one percent of the tax. The interest is~~  
23 ~~one-half percent of the tax for each full and fractional month of delay.~~
- 24 2. ~~Except as provided in subdivision b of subsection 1, the~~The tax imposed by this  
25 chapter may be paid in two equal installments if the amount of the tax due is ~~fortytwo~~two  
26 hundred dollars or more. The first installment is due on ~~January tenth and becomes~~  
27 ~~delinquent on~~after ~~March first and is then subject to a penalty of~~ ~~two~~three percent, and  
28 ~~on~~ ~~April~~May first an additional penalty of ~~two~~three percent, and on ~~May~~July first an  
29 additional penalty of ~~two~~three percent, and on ~~June first~~October fifteenth an additional  
30 penalty of ~~two~~three percent. The second installment is ~~due June first and is delinquent~~  
31 ~~on~~ ~~July first~~after October fifteenth and is then subject to a penalty of ~~two~~six percent,

1           ~~and on August first an additional penalty of two percent, and on September first an~~  
2           ~~additional penalty of two percent, and on October first an additional penalty of two~~  
3           ~~percent. If any tax remains due after January first of the next year, interest is due at~~  
4           ~~the monthly rate of one-half percent of the tax due for each month or fraction of a~~  
5           ~~month until the tax and penalties have been paid in full.~~

6           **SECTION 5. AMENDMENT.** Section 57-55-04 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8           **57-55-04. Taxes - How determined - Disbursement.**

9           The director of tax equalization shall determine the tax for each mobile home by ~~placing an~~  
10 ~~evaluation on~~assessing the true and full valuation of the mobile home ~~based upon its assessed~~  
11 ~~value and by adjusting the valuation of the mobile home by the percentage provided in section~~  
12 ~~57-02-27 to determine~~and determining its taxable valuation under standards and guides  
13 determined by the state tax commissioner and ~~applying~~multiplying that ~~evaluation to~~taxable  
14 valuation by the preceding year's total mill levies applying to property within the taxing  
15 ~~district~~districts in which the mobile home ~~is~~was located on December first of the taxable year.  
16 ~~The~~On or before December twenty-sixth of each year, the county treasurer shall provide a tax  
17 statement for each mobile home subject to taxation under this chapter, including three columns  
18 showing, for the taxable year to which the tax statement applies and the two immediately  
19 preceding taxable years, the property tax levy in dollars against the mobile home by the county  
20 and school district and any city or township that levied taxes against the mobile home. If a  
21 mobile home is acquired or moved into this state during the ~~calendar~~taxable year ~~and a tax~~  
22 ~~permit has not been previously issued for such mobile home in this state for such year, the tax~~  
23 ~~is determined by computing the remaining number of months of the current~~taxable year to the  
24 nearest full month and multiplying that number by one-twelfth of the amount which would be  
25 due for the full year. The taxes collected under this chapter must be disbursed ~~in the same year~~  
26 ~~they are collected and in the same manner as real estate taxes for the preceding year are~~  
27 ~~disbursed.~~

28           **SECTION 6. AMENDMENT.** Section 57-55-04.1 of the North Dakota Century Code is  
29 amended and reenacted as follows:

1        **57-55-04.1. Procedure for abatement, refund, or compromise of tax or equalization.**

2        Any person having any estate, right, title, or interest in or lien upon any mobile home which  
3 has been assessed for taxation purposes pursuant to this chapter may apply for abatement,  
4 refund, or compromise, as the case may be, pursuant to chapter 57-23. ~~The application must be~~  
5 ~~made in writing on the form prescribed by the tax commissioner and must be filed in triplicate~~  
6 ~~with the county auditor of the county where the mobile home was assessed. The county auditor~~  
7 ~~shall promptly serve the county director of tax equalization with one copy of the application. The~~  
8 ~~abatement or compromise must be granted by the county commissioners if the facts upon~~  
9 ~~which the application is based establish that the assessment contains error, or that the value~~  
10 ~~placed upon the mobile home by the county director of tax equalization was excessive, or that~~  
11 ~~the mobile home is exempt from taxation pursuant to section 57-55-10. The decision of the~~  
12 ~~county commissioners may be appealed or may apply to the county and state boards of~~  
13 ~~equalization for the correction of alleged errors in the assessment of the mobile home in the~~  
14 ~~manner provided by law for unorganized territory and property subject to a new assessment.~~

15        **SECTION 7.** A new section to chapter 57-55 of the North Dakota Century Code is created  
16 and enacted as follows:

17        **(Effective through December 31, 2014) State payments in lieu of 2013 mobile home**  
18 **taxes - Tax statements - Allocation and distribution.**

19        In addition to any taxes due under this chapter as it existed in taxable year 2013, mobile  
20 homes are subject to payments in lieu of mobile home taxes for taxable year 2013 as provided  
21 in this section. Mobile homes must be valued and 2013 payments in lieu of property taxes  
22 calculated as provided in section 57-55-04. By December 26, 2013, each county auditor shall  
23 submit to the state treasurer for payment a statement of the amount of payments in lieu of  
24 mobile home taxes for taxable year 2013 against mobile homes in the county as provided in this  
25 section. By December 26, 2013, the county treasurer shall provide the owner of a mobile home  
26 taxable in the county a tax statement for taxable year 2013 in the format prescribed in section  
27 57-55-04 but showing no taxes due from the owner and that the tax obligation for taxable year  
28 2013 will be paid by the state.

29        By March 1, 2014, the state treasurer shall make the required payment in lieu of mobile  
30 home taxes for taxable year 2013 to each county from funds appropriated for that purpose.  
31 Supplemental certifications by the county auditor and supplemental payments by the state

1 treasurer may be made after the dates prescribed in this section to make such corrections as  
2 may be necessary because of errors, abatements, or omitted property. The county treasurer  
3 shall apportion and distribute payments under this section among taxing districts in the manner  
4 the general real estate tax levy is apportioned and distributed.

5 **SECTION 8. APPROPRIATION.** There is appropriated out of any moneys in the general  
6 fund in the state treasury, not otherwise appropriated, the sum of \$4,000,000, or so much of the  
7 sum as may be necessary, to the state treasurer for the purpose of payments in lieu of mobile  
8 home taxes for taxable year 2013 as provided in section 7 of this Act, for the biennium  
9 beginning July 1, 2013, and ending June 30, 2015.

10 **SECTION 9. EFFECTIVE DATE - EXPIRATION DATE.** Sections 1 through 6 of this Act are  
11 effective for taxable years beginning after December 31, 2013. Section 7 of this Act is effective  
12 from August 1, 2013, through December 31, 2014, and is thereafter ineffective.