

SECOND ENGROSSMENT

Sixty-third  
Legislative Assembly  
of North Dakota

REENGROSSED HOUSE BILL NO. 1290

Introduced by

Representatives Kasper, Brabandt, Grande, Headland, Heller, Rohr, Ruby, Streyle, Thoreson  
Senators Miller, Sitte

1 A BILL ~~for an Act to create and enact section 57-15-01.2 of the North Dakota Century Code,~~  
2 ~~relating to property tax levy dollar increase limitations; to amend and reenact section 57-20-07.1-~~  
3 ~~of the North Dakota Century Code, relating to contents of property tax statements; and to~~  
4 ~~provide an effective date.~~ for an Act to amend and reenact sections 57-12-09, 57-15-02.1, and  
5 57-20-07.1 of the North Dakota Century Code, relating to notices of property assessment  
6 increases, hearings on proposed property tax increases, and contents of property tax  
7 statements; to provide for a study; and to provide an effective date.

8 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

9 ~~SECTION 1. Section 57-15-01.2 of the North Dakota Century Code is created and enacted~~  
10 ~~as follows:~~

11 ~~**57-15-01.2. Limitation on levies by taxing districts.**~~

12 ~~1. Notwithstanding that a taxing district may have unused or excess levy authority under~~  
13 ~~any other provision of law, this section limits that authority. This section may not be~~  
14 ~~interpreted as authority to increase any levy limitation otherwise provided by law and~~  
15 ~~may be applied only to limit any unused or excess levy authority that a taxing district~~  
16 ~~may otherwise be entitled to use. Property taxes levied in dollars by a taxing district~~  
17 ~~may not exceed the amount the taxing district levied in dollars in the preceding taxable~~  
18 ~~year by more than three percent, except:~~

19 ~~a. When a taxable improvement to property has been made or property has been~~  
20 ~~added to the taxing district which was not taxable in the previous taxable year,~~  
21 ~~the amount levied in dollars in the previous taxable year by the taxing district~~  
22 ~~must be adjusted to reflect the taxes that would have been imposed against the~~  
23 ~~additional taxable valuation attributable to the improvements or additional~~  
24 ~~property.~~

- 1 ~~b. When a property tax exemption existed in the previous taxable year which has~~  
2 ~~been reduced or no longer exists, the amount levied in dollars in the previous~~  
3 ~~taxable year by the taxing district must be adjusted to reflect the taxes that would~~  
4 ~~have been imposed against the portion of the taxable valuation of the property~~  
5 ~~which is no longer exempt.~~
- 6 ~~c. When temporary mill levy increases authorized by the electors of the taxing~~  
7 ~~district or mill levies authorized by state law existed in the previous taxable year~~  
8 ~~but are no longer applicable or have been reduced, the amount levied in dollars~~  
9 ~~in the previous taxable year by the taxing district must be adjusted to reflect the~~  
10 ~~expired temporary mill levy increases and the reduced or eliminated mill levies~~  
11 ~~authorized by state law before the percentage increase allowable under this~~  
12 ~~subsection is applied.~~
- 13 ~~2. The limitation on the total amount levied by a taxing district under subsection 1 does~~  
14 ~~not apply to:~~
- 15 ~~a. New or increased mill levies authorized by state law or the electors of the taxing~~  
16 ~~district which did not exist in the previous taxable year.~~
- 17 ~~b. Any irrevocable tax to pay bonded indebtedness levied under section 16 of~~  
18 ~~article X of the Constitution of North Dakota.~~
- 19 ~~3. The mill rate applied to property or improvements to property that was not taxed in the~~  
20 ~~previous taxable year may not exceed the mill rate determined by law for the current~~  
21 ~~taxable year for property that was taxed in the previous taxable year.~~
- 22 ~~4. Application of the percentage increase limitation under this section may be suspended~~  
23 ~~upon approval of the dollar amount and percentage of the tax levy increase by sixty~~  
24 ~~percent or more of the qualified electors of the taxing district voting on the question at~~  
25 ~~a regular or special election of the taxing district. This section may not be superseded~~  
26 ~~under city or county home rule authority. Suspension of the percentage increase~~  
27 ~~limitation under this subsection may be approved by electors for not more than one~~  
28 ~~taxable year at a time.~~

29 **SECTION 1. AMENDMENT.** Section 57-12-09 of the North Dakota Century Code is  
30 amended and reenacted as follows:

**57-12-09. Notice of increased assessment to real estate owner.**

1. When any assessor has increased the true and full valuation of any lot or tract of land including any improvements thereon by three thousand dollars or more and to ten percent or more than the amount of the last assessment, written notice of the amount of increase and the amount of the last assessment must be delivered in writing by the assessor to the property owner, mailed in writing to the property owner at the property owner's last-known address, or provided to the property owner by electronic mail directed with verification of receipt to an electronic mail address at which the property owner has consented to receive notice. Delivery of notice to a property owner under this section must be completed not fewer than fifteen days before the meeting of the local equalization board. The tax commissioner shall prescribe suitable forms for this notice and the notice must show the true and full value as defined by law of the property, including improvements, that the assessor used in making the assessment for the current year and for the year in which the last assessment was made and must also show the date prescribed by law for the meeting of the local equalization board of the assessment district in which the property is located and the meeting date of the county equalization board. The notice must be mailed or delivered at the expense of the assessment district for which the assessor is employed.

2. The form of notice prescribed by the tax commissioner must require a statement to inform the taxpayer that an assessment increase does not mean property taxes on the parcel will increase. The notice must state that each taxing district must base its tax rate on the number of dollars raised from property taxes in the previous taxable year by the taxing district and that notice of public hearing will be mailed to the property owner if a greater property tax levy is being proposed by the taxing district. The notice may not contain an estimate of a tax increase resulting from the assessment increase.

3. The assessor shall provide an electronic or printed list including the name and address of the addressee of each assessment increase notice required under this section to each city, county, school district, or city park district in which the subject property is located, but a copy does not have to be provided to any such taxing district that levied a property tax levy of less than one hundred thousand dollars for the prior year.

1       **SECTION 2. AMENDMENT.** Section 57-15-02.1 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **57-15-02.1. Property tax levy increase notice and public hearing.**

4       Notwithstanding any other provision of law, a taxing district may not impose a property tax  
5 levy in a greater number of mills than the zero increase number of mills, unless the taxing  
6 district is in substantial compliance with this section.

7       1. The governing body shall cause publication of notice in its official newspaper at least  
8 seven days before a public hearing on its property tax levy. A public hearing under this  
9 section may not be scheduled to begin earlier than six p.m. The notice must have at  
10 least one-half inch [1.27 centimeters] white space margin on all four sides and must be  
11 at least two columns wide by five inches [12.7 centimeters] high. The heading must be  
12 capitalized in boldface type of at least eighteen point stating "IMPORTANT NOTICE  
13 TO (name of taxing district) TAXPAYERS". The proposed percentage increase must  
14 be printed in a boldface type size no less than two points less than the heading, while  
15 the remaining portion of the advertisement must be printed in a type face size no less  
16 than four points less than the heading. The text of the notice must contain:

- 17       a. The date, time, and place of the public hearing.  
18       b. A statement that the public hearing will be held to consider increasing the  
19 property tax levy by a stated percentage, expressed as a percentage increase  
20 exceeding the zero increase number of mills.  
21       c. A statement that there will be an opportunity for citizens to present oral or written  
22 comments regarding the property tax levy.  
23       d. Any other information the taxing district wishes to provide to inform taxpayers.

24       2. At least seven days before a public hearing on its property tax levy under this section,  
25 the governing body shall cause notice of the information required under subsection 1  
26 to be mailed to each property owner who received notice of an assessment increase  
27 for the taxable year under section 57-12-09.

28       3. If the governing body of the taxing district does not make a final decision on imposing  
29 a property tax levy exceeding the zero increase number of mills at the public hearing  
30 required by this section, the governing body shall announce at that public hearing the  
31 scheduled time and place of the next public meeting at which the governing body will

1 consider final adoption of a property tax levy exceeding the tax district's zero increase  
2 number of mills.

3 ~~3.4.~~ For purposes of this section:

- 4 a. "New growth" means the taxable valuation of any property that was not taxable in  
5 the prior year.
- 6 b. "Property tax levy" means the tax rate, expressed in mills, for all property taxes  
7 levied by the taxing district.
- 8 c. "Taxing district" means a city, county, school district, or city park district but does  
9 not include any such taxing district that levied a property tax levy of less than one  
10 hundred thousand dollars for the prior year and sets a budget for the current year  
11 calling for a property tax levy of less than one hundred thousand dollars.
- 12 d. "Zero increase number of mills" means the number of mills against the taxing  
13 district's current year taxable valuation, excluding consideration of new growth,  
14 which will provide the same amount of property tax revenue as the property tax  
15 levy in the prior year.

16 5. For the taxable year 2013 only, for purposes of determining the zero increase number  
17 of mills for a school district, the amount of property tax revenue from the property tax  
18 levy in the 2012 taxable year must be recalculated by reducing the 2012 mill rate of  
19 the school district by the lesser of:

20 a. Sixty mills; or

21 b. The 2012 general fund mill rate of the school district minus fifty mills.

22 **SECTION 3. AMENDMENT.** Section 57-20-07.1 of the North Dakota Century Code is  
23 amended and reenacted as follows:

24 **57-20-07.1. County treasurer to mail real estate tax statement.**

25 1. On or before December twenty-sixth of each year, the county treasurer shall mail a  
26 real estate tax statement to the owner of each parcel of real property at the owner's  
27 last-known address. The form of the real estate tax statement to be used in every  
28 county must be prescribed and approved for use by the tax commissioner. The  
29 statement must be provided in a manner that allows the taxpayer to retain a printed  
30 record of the obligation for payment of taxes and special assessments as provided in  
31 the statement. If a parcel of real property is owned by more than one individual, the

1 county treasurer shall send only one statement to one of the owners of that property.  
2 Additional copies of the tax statement will be sent to the other owners upon their  
3 request and the furnishing of their names and addresses to the county treasurer. The  
4 tax statement must ~~include~~:

5 a. Include a dollar valuation of the true and full value as defined by law of the  
6 property and the total mill levy applicable. ~~The tax statement must include~~

7 b. Include, or be accompanied by a separate sheet, with three columns showing, for  
8 the taxable year to which the tax statement applies and the two immediately  
9 preceding taxable years, the property tax levy in dollars against the parcel by the  
10 county and school district and any city or township that levied taxes against the  
11 parcel.

12 c. Provide information identifying the property tax savings provided by the state of  
13 North Dakota. The tax statement must include a line item that is entitled  
14 "legislative tax relief" and identifies the dollar amount of property tax savings  
15 realized by the taxpayer under chapter 15.1-27. For purposes of this subdivision,  
16 legislative tax relief is determined by multiplying the taxable value for the taxable  
17 year for each parcel shown on the tax statement by the number of mills of mill  
18 levy reduction grant under chapter 57-64 for the 2012 taxable year plus the  
19 number of mills determined by subtracting from the 2012 taxable year mill rate of  
20 the school district in which the parcel is located the lesser of:

21 (1) Sixty mills; or

22 (2) The 2012 taxable year mill rate of the school district minus fifty mills.

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

25 **SECTION 4. LEGISLATIVE MANAGEMENT STUDY.** The legislative management shall  
26 consider studying development of standard procedures and classification of accounts to provide  
27 a means of accumulating financial information that will be uniform for all counties, regardless of  
28 their size or various approaches to budgeting and accounting that may be in use, with the  
29 objective of achieving uniformity of financial information to guide preparation of financial reports  
30 required by law and preparation of management reports on county government performance.

1 The legislative management shall report its findings and recommendations, together with any  
2 legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

3 **SECTION 5. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
4 December 31, 2012.