

**SECOND ENGROSSMENT  
with Conference Committee Amendments  
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 amend and reenact sections 57-12-09, 57-15-02.1, and 57-20-07.1 of the  
2 North Dakota Century Code, relating to notices of property assessment increases, hearings on  
3 proposed property tax increases, and contents of property tax statements; to provide for a  
4 study; and to provide an effective date.

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

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

8 **57-12-09. Notice of increased assessment to real estate owner.**

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

1 county equalization board. The notice must be mailed or delivered at the expense of  
2 the assessment district for which the assessor is employed.

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

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

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

17 **57-15-02.1. Property tax levy increase notice and public hearing.**

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

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

31 a. The date, time, and place of the public hearing.

- 1           b. A statement that the public hearing will be held to consider increasing the  
2           property tax levy by a stated percentage, expressed as a percentage increase  
3           exceeding the zero increase number of mills.
- 4           c. A statement that there will be an opportunity for citizens to present oral or written  
5           comments regarding the property tax levy.
- 6           d. Any other information the taxing district wishes to provide to inform taxpayers.
- 7        2. At least seven days before a public hearing on its property tax levy under this section,  
8        the governing body shall cause notice of the information required under subsection 1  
9        to be mailed to each property owner who received notice of an assessment increase  
10       for the taxable year under section 57-12-09.
- 11       3. If the governing body of the taxing district does not make a final decision on imposing  
12       a property tax levy exceeding the zero increase number of mills at the public hearing  
13       required by this section, the governing body shall announce at that public hearing the  
14       scheduled time and place of the next public meeting at which the governing body will  
15       consider final adoption of a property tax levy exceeding the tax district's zero increase  
16       number of mills.
- 17       ~~3.4.~~ For purposes of this section:
- 18       a. "New growth" means the taxable valuation of any property that was not taxable in  
19       the prior year.
- 20       b. "Property tax levy" means the tax rate, expressed in mills, for all property taxes  
21       levied by the taxing district.
- 22       c. "Taxing district" means a city, county, school district, or city park district but does  
23       not include any such taxing district that levied a property tax levy of less than one  
24       hundred thousand dollars for the prior year and sets a budget for the current year  
25       calling for a property tax levy of less than one hundred thousand dollars.
- 26       d. "Zero increase number of mills" means the number of mills against the taxing  
27       district's current year taxable valuation, excluding consideration of new growth,  
28       which will provide the same amount of property tax revenue as the property tax  
29       levy in the prior year.
- 30       5. For the taxable year 2013 only, for purposes of determining the zero increase number  
31       of mills for a school district, the amount of property tax revenue from the property tax

1           levy in the 2012 taxable year must be recalculated by reducing the 2012 mill rate of  
2           the school district by the lesser of:

3           a. Sixty mills; or

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

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

7           **57-20-07.1. County treasurer to mail real estate tax statement.**

8           1. On or before December twenty-sixth of each year, the county treasurer shall mail a  
9           real estate tax statement to the owner of each parcel of real property at the owner's  
10           last-known address. The form of the real estate tax statement to be used in every  
11           county must be prescribed and approved for use by the tax commissioner. The  
12           statement must be provided in a manner that allows the taxpayer to retain a printed  
13           record of the obligation for payment of taxes and special assessments as provided in  
14           the statement. If a parcel of real property is owned by more than one individual, the  
15           county treasurer shall send only one statement to one of the owners of that property.  
16           Additional copies of the tax statement will be sent to the other owners upon their  
17           request and the furnishing of their names and addresses to the county treasurer. The  
18           tax statement must ~~include~~:

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

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

26           c. Provide information identifying the property tax savings provided by the state of  
27           North Dakota. The tax statement must include a line item that is entitled  
28           "legislative tax relief" and identifies the dollar amount of property tax savings  
29           realized by the taxpayer under chapter 15.1-27. For purposes of this subdivision,  
30           legislative tax relief is determined by multiplying the taxable value for the taxable  
31           year for each parcel shown on the tax statement by the number of mills of mill

1                   levy reduction grant under chapter 57-64 for the 2012 taxable year plus the  
2                   number of mills determined by subtracting from the 2012 taxable year mill rate of  
3                   the school district in which the parcel is located the lesser of:

4                   (1) Sixty mills; or

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

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

8           **SECTION 4. LEGISLATIVE MANAGEMENT STUDY.** The legislative management shall  
9           consider studying development of standard procedures and classification of accounts to provide  
10          a means of accumulating financial information that will be uniform for all counties, regardless of  
11          their size or various approaches to budgeting and accounting that may be in use, with the  
12          objective of achieving uniformity of financial information to guide preparation of financial reports  
13          required by law and preparation of management reports on county government performance.  
14          The legislative management shall report its findings and recommendations, together with any  
15          legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

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