

Introduced by

Finance and Taxation Committee

(At the request of the Tax Commissioner)

1 A BILL for an Act to amend and reenact subsection 6 of section 11-18-02.2, section 57-02-51,
2 subsection 14 of section 57-36-01, and sections 57-39.2-17 and 57-51-02.2 of the North Dakota
3 Century Code, relating to statements of full consideration, notice of township and city
4 equalization meetings, the definition of snuff, service of notice for sales and use tax purposes,
5 and notice of the gas base rate adjustment and gas production tax rate; and to provide an
6 effective date.

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

8 **SECTION 1. AMENDMENT.** Subsection 6 of section 11-18-02.2 of the North Dakota
9 Century Code is amended and reenacted as follows:

- 10 6. This section does not apply to deeds transferring title to the following types of property,
11 or to deeds relating to the following transactions:
- 12 a. Property owned or used by public utilities.
 - 13 b. Property classified as personal property.
 - 14 c. A sale when the grantor and the grantee are of the same family or corporate
15 affiliate, if known.
 - 16 d. A sale that resulted as a settlement of an estate.
 - 17 e. All forced sales, mortgage foreclosures, and tax sales.
 - 18 f. All sales to or from religious, charitable, or nonprofit organizations.
 - 19 g. All sales when there is an indicated change of use by the new owners.
 - 20 h. All transfer of ownership of property for which is given a quitclaim deed.
 - 21 i. Sales of property not assessable by law.
 - 22 j. Agricultural lands of less than eighty acres [32.37 hectares].
 - 23 k. ~~A transfer that is pursuant to a judgment.~~

1 **SECTION 2. AMENDMENT.** Section 57-02-51 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **57-02-51. Notice of township and city equalization meetings to be published - Date of**
4 **equalization meeting.**

5 Each year the county auditor shall publish in the official county newspaper for two
6 successive weeks, a notice that proceedings for the equalization of assessments will be held by
7 the several local equalization boards. The first publication of the notice may not be ~~earlier~~more
8 ~~than March first~~forty-five days before the date of the equalization proceedings and the second
9 ~~publication may not be later than March twentieth~~less than ~~twenty-five~~fourteen days before the
10 equalization proceedings. The notice must contain a statement that the proceedings will be held
11 at the regular meeting place of the governing board or other place designated by that board of
12 the township or city, as the case may be. The notice must also contain a statement that each
13 taxpayer has the right to appear before the appropriate board of review or equalization and
14 petition for correction of the taxpayer's assessment. The equalization proceedings in an
15 ~~organized township~~ and a city must be held within the first fifteen days of April and the
16 equalization proceedings in an organized township must be held in the month of April.

17 **SECTION 3. AMENDMENT.** Subsection 14 of section 57-36-01 of the North Dakota
18 Century Code is amended and reenacted as follows:

19 14. "Snuff" means any finely cut, ground, or powdered tobacco that is intended to be
20 placed in the mouth or nose.

21 **SECTION 4. AMENDMENT.** Section 57-39.2-17 of the North Dakota Century Code is
22 amended and reenacted as follows:

23 **57-39.2-17. Service of notice.**

24 Any notice, ~~except notice of appeals,~~ authorized or required under the provisions of this
25 chapter may be given by mailing the ~~same~~notice to the person for whom it is intended by
26 ~~registered or certified~~first-class mail with proof of mailing addressed to ~~such~~the person at the
27 address given in the last return filed by that person ~~pursuant to~~under the provisions of this
28 chapter, or if no return has been filed, then ~~such~~by mailing the notice to the person's last known
29 ~~address as may be obtainable~~with proof of mailing. ~~The mailing~~Mailing of suchthe notice in the
30 manner prescribed by this section is presumptive evidence of ~~the receipt of the same~~the notice
31 was received by the person to whom the notice is addressed. ~~Any period of time which is~~

1 ~~determined according to the provisions of this chapter by giving of notice commences to run~~
2 ~~from the date of registration and posting of such notice.~~

3 **SECTION 5. AMENDMENT.** Section 57-51-02.2 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **57-51-02.2. Gross production tax - Gas.**

6 A gross production tax is levied upon all gas produced within North Dakota except gas that
7 is exempt from taxation. The tax levied must attach to the whole production, including the
8 royalty interest. The tax on gas must be calculated by taking the taxable production in mcf times
9 the gas tax rate.

- 10 1. The gas tax rate is four cents times the gas base rate adjustment for each fiscal year
11 as calculated under subsection 2.
- 12 2. a. The tax department shall annually determine the gas base rate adjustment and
13 the resulting gas tax rate for each fiscal year beginning on July first.
- 14 b. The gas base rate adjustment for the fiscal year is a fraction, the numerator of
15 which is the annual average of the gas fuels producer price index, commodity
16 code 05-3, as calculated and published by the United States department of labor,
17 bureau of labor statistics, for the previous calendar year, and the denominator of
18 which is seventy-five and seven-tenths.
- 19 c. The tax department shall provide the gas base rate adjustment and the gas tax
20 rate for the fiscal year, as determined under this subsection, to affected
21 producers ~~by written notice mailed on or before June first~~ by posting the notice on
22 the tax department's website.
- 23 d. If the index used to determine the gas base rate adjustment is substantially
24 revised, or if the base year for the index is changed, the department by
25 administrative rule shall make appropriate adjustment to the method used to
26 determine the gas base rate adjustment to ensure a result which is reasonably
27 consistent with the result which would have been obtained had the index not
28 been revised or the base year changed.
- 29 e. If the gas fuels producer price index is discontinued, a comparable index must be
30 adopted by the department by an administrative rule.

1 **SECTION 6. EFFECTIVE DATE.** Sections 4 and 5 of this Act are effective for notices issued
2 after June 30, 2023.