

Sixty-eighth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1245

Introduced by

Representatives Headland, Kasper, Nathe, D. Ruby

Senators Kannianen, Weber

1 A BILL for an Act to amend and reenact sections 57-02-53, 57-15-01, and 57-15-30.2 of the
2 North Dakota Century Code, relating to assessment and estimated tax increase notices to
3 property owners, communication of property tax levies with the public and financial reporting to
4 the state auditor; to provide for the tax commissioner to study property tax transparency; and to
5 provide for a legislative management report.

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

7 **SECTION 1. AMENDMENT.** Section 57-02-53 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **57-02-53. Assessment and estimated tax increase notice to property owner.**

- 10 1. a. When any assessor has increased the true and full valuation of any lot or tract of
11 land and improvements to an amount that is an increase of three thousand
12 dollars or more and ten percent or more from the amount of the previous year's
13 assessment, the assessor shall deliver written notice of the amount of increase
14 and the amount of the previous year's assessment to the property owner at the
15 expense of the assessment district for which the assessor is employed. Delivery
16 of written notice to a property owner under this subdivision must be completed at
17 least fifteen days before the meeting of the local board of equalization.
- 18 b. If written notice by the assessor was not required under subdivision a and action
19 by the township, city, or county board of equalization or order of the state board
20 of equalization has increased the true and full valuation of any lot or tract of land
21 and improvements to an amount that results in a cumulative increase of three
22 thousand dollars or more and ten percent or more from the amount of the
23 previous year's assessment, written notice of the amount of increase and the
24 amount of the previous year's assessment must be delivered to the property

- 1 owner. The written notice under this subdivision must be mailed or delivered at
2 the expense of the township, city, or county that made the assessment increase
3 or at the expense of the township, city, or county that was ordered to make the
4 increase by the state board of equalization. Delivery of written notice to a
5 property owner under this subdivision must be completed within fifteen days after
6 the meeting of the township, city, or county board of equalization that made or
7 ordered the assessment increase and within thirty days after the meeting of the
8 state board of equalization, if the state board of equalization ordered the
9 assessment increase.
- 10 c. The tax commissioner shall prescribe suitable forms for written notices under this
11 subsection. The written notice under subdivision a must show the true and full
12 value of the property, including improvements, that the assessor determined for
13 the current year and for the previous year and must also show the date
14 prescribed by law for the meeting of the local board of equalization of the
15 assessment district in which the property is located and the meeting date of the
16 county board of equalization.
- 17 d. Delivery of written notice under this section must be by personal delivery to the
18 property owner, mail addressed to the property owner at the property owner's
19 last-known address, or electronic mail to the property owner directed with
20 verification of receipt to an electronic mail address at which the property owner
21 has consented to receive notice.
- 22 2. The form of notice prescribed by the tax commissioner must ~~require a~~contain:
- 23 a. ~~A statement to inform the taxpayer that an assessment increase does not~~
24 ~~mean~~may result in an increase of property taxes on the parcel will increase. The
25 ~~notice may not contain an~~,
- 26 b. An estimate of a tax increase resulting from the assessment increase based on
27 the best information available. The estimate of tax increase may be calculated by
28 using the mill rate used to calculate property taxes levied against the parcel in the
29 immediately preceding taxable year; and
- 30 c. A statement explaining the method used to calculate the estimate of tax increase
31 under subdivision b.

1 | **SECTION 2. AMENDMENT.** Section 57-15-01 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **57-15-01. Levy in specific amounts - Exceptions.**

4 With the exception of special assessment taxes and such general taxes as may be
5 definitely fixed by law, all state, county, city, township, school district, and park district taxes
6 must be levied or voted in specific amounts of money. For purposes of communicating with the
7 public and comparing the amount levied in the current taxable year to the amount levied in the
8 preceding taxable year, taxing districts shall express levies in terms of dollars rather than mills.

9 **SECTION 3. AMENDMENT.** Section 57-15-30.2 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **57-15-30.2. Financial reporting requirements for taxing entities - County auditor -**
12 **State auditor.**

13 1. The governing body of any county, city, township, school district, park district,
14 recreation service district, rural fire protection district, rural ambulance service district,
15 soil conservation district, conservancy district, water authority, or any other taxing
16 entity authorized to levy property taxes or have property taxes levied on its behalf, in
17 the year for which the levy will apply, shall file with the county auditor of each county in
18 which the taxing entity is located, at a time and in a format prescribed by the county
19 auditor, a financial report for the preceding calendar year showing the ending balances
20 of each fund or account held by the taxing entity during that year.

21 2. By February first of each year, the county auditor of each county shall provide to the
22 state auditor in an electronic format a financial report showing the ending balances of
23 the county general fund and county road and bridge fund for the preceding calendar
24 year. The county auditor shall provide the report to the state auditor regardless of
25 whether the state auditor is conducting or has completed an audit of the county.

26 **SECTION 4. TAX COMMISSIONER STUDY - PROPERTY TAX TRANSPARENCY -**
27 **LEGISLATIVE MANAGEMENT REPORT.**

28 1. During the 2023-24 interim, the tax commissioner, state supervisor of assessments,
29 and the chairmen of the finance and taxation standing committees of the house of
30 representatives and the senate shall conduct a property tax transparency study. The
31 study must be conducted in consultation with city and county organizations, including

- 1 county auditors and county directors of tax equalization. The study must include
2 consideration of the following:
- 3 a. Historical changes in property valuations, mill rates levied, and impacts on
4 citizens' tax burdens in each taxing jurisdiction, including development of an
5 effective mechanism to make the information available to the public;
 - 6 b. Creation of a new uniform property tax statement form to increase transparency
7 in property taxation;
 - 8 c. Feasibility and desirability of transitioning counties to a uniform system of
9 collecting and reporting property tax information, including the process to
10 transition counties to a uniform chart of accounts, implementation and
11 administration of a uniform chart of accounts, and the associated costs; and
 - 12 d. Feasibility and desirability of implementation of a statewide property tax
13 information system and the associated costs.
- 14 2. Before June 1, 2024, the tax commissioner, state supervisor of assessments, and the
15 chairmen of the finance and taxation standing committees of the house of
16 representatives and the senate shall report their findings and recommendations,
17 together with any legislation required to implement the recommendations, to the
18 legislative management.