

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

ENGROSSED HOUSE BILL NO. 1572

Introduced by

Representatives Hagert, Dockter, Grueneich, Headland, J. Olson

Senators Meyer, Patten, Thomas

1 A BILL for an Act to create and enact a new section to chapter 57-01 of the North Dakota
2 Century Code, relating to a uniform taxing district financial and property tax data reporting
3 system; to amend and reenact subsection 11 of section 21-03-07 and sections 57-20-04
4 and section 57-20-07.1 of the North Dakota Century Code, relating to park district bonding
5 authority without a vote, reporting of legislative tax relief information, and delivery and contents
6 of the real estate tax statement; to provide for a legislative management study; and to provide
7 for a legislative management report.

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

9 **SECTION 1. AMENDMENT.** Subsection 11 of section 21-03-07 of the North Dakota Century
10 Code is amended and reenacted as follows:

11 11. The governing body of any park district that constitutes a distinct municipality may
12 issue general obligation bonds of the park district in an amount no greater than
13 one percent of the assessed valuation of the taxable property in the park district, up to
14 a maximum of fifteen million dollars, for the purpose of providing funds to acquire, lay
15 out, and improve parks, parkways, boulevards, and pleasure drives, and to acquire
16 land for these purposes, ~~but the~~ The indebtedness may not at any time exceed one
17 percent of the assessed valuation of the taxable property in the park district. The initial
18 resolution authorizing the issuance of general obligation bonds under this subsection
19 must be published in the official newspaper of the park district, and any owner of
20 taxable property within the park district may, within sixty days after publication, file with

1 the clerk of the park district a protest against the adoption of the resolution. Protests
2 must be in writing and must describe the property that is the subject of the protest. If
3 the governing body finds the protests have been signed by the owners of taxable
4 property having an assessed valuation equal to five percent or more of the assessed
5 valuation of all taxable property within the park district, as last finally equalized, all
6 further proceedings under the initial resolution are barred.

7 ~~SECTION 2. A new section to chapter 57-01 of the North Dakota Century Code is created~~
8 ~~and enacted as follows:~~

9 ~~**Uniform taxing district financial and property tax data reporting system - Report.**~~

10 ~~1. By January 1, 2026, the tax commissioner shall develop and implement a uniform~~
11 ~~reporting system for taxing district financial and property tax related data to provide a~~
12 ~~logical, consistent, and organized framework to record and report the data. At~~
13 ~~minimum, the tax commissioner shall include the following categories of taxing district~~
14 ~~data as part of the uniform reporting system:~~

15 ~~a. Fund balances; and~~

16 ~~b. Property tax levy calculation information, including information regarding:~~

17 ~~(1) The taxable status and property valuation of property situated in the taxing~~
18 ~~district; and~~

19 ~~(2) The total dollar amount and number of mills levied, separated by levy~~
20 ~~authority.~~

21 ~~2. The tax commissioner shall request the data in subsection 1 from each taxing district~~
22 ~~and specify the form and manner in which the data must be submitted. The tax~~
23 ~~commissioner may require a taxing district to report any other information deemed~~
24 ~~necessary by the tax commissioner to effectuate this section.~~

25 ~~3. The taxing districts shall timely respond to the tax commissioner's request under~~
26 ~~subsection 2 and provide the requested data without delay.~~

27 ~~4. By July first of each year beginning in 2026, the tax commissioner shall submit to the~~
28 ~~legislative management a written report, which must include:~~

29 ~~a. An overview of the uniform taxing district financial and property tax data reporting~~
30 ~~system developed and implemented under this section, including information~~

1 regarding the form and manner in which the data is required to be submitted to
2 the tax commissioner; and

3 ~~— b. — A summary of the taxing district financial and property tax related data submitted~~
4 ~~by the taxing districts to the tax commissioner under this section for the~~
5 ~~preceding taxable year.~~

6 ~~— SECTION 3. AMENDMENT. Section 57-20-04 of the North Dakota Century Code is~~
7 ~~amended and reenacted as follows:~~

8 ~~— 57-20-04. Abstract of tax list and legislative tax relief information to be sent to tax~~
9 ~~commissioner — Reports.~~

10 ~~— 1. — The county auditor, on or before December thirty-first following the levy of the taxes,~~
11 ~~shall prepare and transmit to the tax commissioner a complete abstract of the tax list~~
12 ~~of the auditor's county.~~

13 ~~— 2. — a. — In addition to the tax list required in subsection 1, the county auditor, on or before~~
14 ~~December thirty-first following the levy of the taxes, shall prepare and transmit to~~
15 ~~the tax commissioner a:~~

16 ~~— (1) — A report providing each taxing district's property valuation and property tax~~
17 ~~levy and any other information the tax commissioner deems necessary to~~
18 ~~prepare the report required in subsection 3.~~

19 ~~— (2) — A report providing information identifying the property tax savings provided~~
20 ~~by the state of North Dakota which have been realized by taxpayers in the~~
21 ~~county as legislative tax relief under chapter 50-34 for taxable years before~~
22 ~~2019, chapter 50-35 for taxable years after 2018, and chapter 15.1-27. For~~
23 ~~purposes of this subdivision:~~

24 ~~— (a) — Property tax savings realized by taxpayers in the county as legislative~~
25 ~~tax relief under chapter 15.1-27 is determined by multiplying the~~
26 ~~taxable value for the taxable year for each parcel located in the county~~
27 ~~by the lesser of one hundred twenty-five mills or the sum of:~~

28 ~~— [1] — The number of mills of mill levy reduction grant under chapter~~
29 ~~57-64 for the 2012 taxable year; and~~

30 ~~— [2] — The 2012 taxable year mill rate of the school district excluding~~
31 ~~sixty mills.~~

1 ~~(b) Property tax savings realized by taxpayers in the county as legislative~~
2 ~~tax relief under chapter 50-35 is determined by multiplying the taxable~~
3 ~~value for the taxable year for each parcel located in the county by the~~
4 ~~number of mills of relief determined by dividing the amount calculated~~
5 ~~in subsection 1 of section 50-35-03 for a human service zone by the~~
6 ~~taxable value of taxable property in the zone for the taxable year.~~

7 ~~b. For taxing districts with property in more than one county, information required~~
8 ~~under this subsection must be collected and transmitted by the county auditor of~~
9 ~~the county in which the main office of that taxing district is located.~~

10 ~~3. The tax commissioner shall compile information received from the county auditors in~~
11 ~~subsection 2 and, prepare a statewide report of property tax increase and legislative~~
12 ~~tax relief, and submit the report to the legislative management by April first of each~~
13 ~~year. The report must include the:~~

14 ~~a. The annual increase in property taxes levied by each taxing district of the state~~
15 ~~after adjusting for property that was not taxable in the preceding year and~~
16 ~~property that is no longer taxable which was taxable in the preceding year. The~~
17 ~~report must be provided to the legislative management by April first of each year;~~

18 ~~b. The total property tax savings provided by the state of North Dakota which have~~
19 ~~been realized by taxpayers in each county; and~~

20 ~~c. The statewide total property tax savings provided by the state of North Dakota~~
21 ~~which have been realized by taxpayers.~~

22 ~~4. The tax commissioner shall prescribe the form and manner of providing the reports~~
23 ~~and certifications required under this section.~~

24 ~~5. On or before December 31, 2017, the county auditor shall provide a report to the tax~~
25 ~~commissioner providing the information identified in subsection 2 for the 2015 and~~
26 ~~2016 tax years.~~

27 **SECTION 2. AMENDMENT.** Section 57-20-07.1 of the North Dakota Century Code is
28 amended and reenacted as follows:

1 **57-20-07.1. County treasurer to mail deliver real estate tax statement - Contents of**
2 **statement.**

- 3 1. On or before December twenty-sixth of each year, the county treasurer shall
4 mail deliver a real estate tax statement to the owner of each parcel of real property
5 at by mail addressed to the property owner at the property owner's last-known address
6 or by email to the property owner directed with verification of receipt to an email
7 address at which the property owner has consented to receive the real estate tax
8 statement. The form of the real estate tax statement to be used in every county must
9 be prescribed and approved for use by the tax commissioner. The statement must be
10 displayed in color and provided in a manner that allows the taxpayer to retain a printed
11 record, or electronic record if the taxpayer consents to receive the statement by email,
12 of the obligation for payment of taxes and special assessments as provided in the
13 statement. If a parcel of real property is owned by more than one individual, the county
14 treasurer shall send only one statement to one of the owners of that property.
15 Additional copies of the tax statement will be sent to the other owners upon their
16 request and the furnishing of their names and addresses or email addresses to the
17 county treasurer. ~~The~~ After the information identifying the property owner and parcel,
18 the tax statement must contain information displayed in the following order:
19 a. ~~Include a~~ Three columns showing, for the taxable year to which the tax statement
20 applies and the two immediately preceding taxable years, the dollar valuation of
21 the true and full value, taxable value, and net taxable value of the parcel as
22 defined by law of the property and the total mill levy applicable.
23 b. ~~Include, or be accompanied by a separate sheet, with three~~ Information identifying
24 the property tax levy against the parcel by each taxing district followed by the
25 consolidated tax levied against the parcel. The information must be displayed in a
26 textual and graphical depiction of taxes levied against each parcel and listed in:
27 (1) Three columns showing, for the taxable year to which the tax statement
28 applies and the two immediately preceding taxable years, the property tax
29 levy in dollars against the parcel by the county and school district and any
30 city or township that levied taxes against the parcel each taxing district,
31 excluding any amounts levied as a result of voter-approved levy authority,

1 ~~which must be separately stated for each taxing district with voter approved~~
2 ~~levy authority.~~

3 ~~(2) A pie chart for the taxable year to which the statement applies, which shows~~
4 ~~the percentage of the total tax levied against the parcel by each of the~~
5 ~~taxing districts that levied taxes against the parcel, excluding any amounts~~
6 ~~levied as a result of voter approved levy authority, which must be combined~~
7 ~~and represented as a single item in the pie chart.~~

8 ~~(3) A separate color to represent each taxing district and the separately stated~~
9 ~~voter approved levy authority, which must correspond to the color used to~~
10 ~~identify the tax levied against the parcel in the pie chart required under~~
11 ~~paragraph 2.~~

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 50-34 for taxable years before 2019,
16 chapter 50-35 for taxable years after 2018, and chapter 15.1-27.

17 (1) For purposes of this subdivision, legislative tax relief under chapter 15.1-27
18 is determined by multiplying the taxable value for the taxable year for each
19 parcel shown on the tax statement by ~~the number of mills of mill levy~~
20 ~~reduction grant under chapter 57-64 for the 2012 taxable year plus the~~
21 ~~number of mills determined by subtracting from the 2012 taxable year mill~~
22 ~~rate of the school district in which the parcel is located the lesser of one~~
23 ~~hundred twenty-five mills or the sum of:~~

24 (a) ~~Fifty mills~~ The number of mills of mill levy reduction grant under
25 chapter 57-64 for the 2012 taxable year; or and

26 (b) The 2012 taxable year mill rate of the school district ~~minus~~ excluding
27 sixty mills.

28 (2) Legislative tax relief under chapter 50-35 is determined by multiplying the
29 taxable value for the taxable year for each parcel shown on the tax
30 statement by the number of mills of relief determined by dividing the amount
31 calculated in subsection 1 of section 50-35-03 for a human service zone by

1 the taxable value of taxable property in the zone for the taxable ~~year. Three~~
2 ~~columns showing, for the taxable year to which the tax statement applies,~~
3 ~~and the two immediately preceding taxable years, the net effective tax rate~~
4 ~~applied to the parcel.~~

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

7 **SECTION 3. LEGISLATIVE TAX REFORM AND RELIEF ADVISORY COMMITTEE - TAX**
8 **REFORM AND RELIEF STUDY - REPORT TO LEGISLATIVE MANAGEMENT.**

9 1. During the 2025-26 interim, the legislative management shall appoint a legislative tax
10 reform and relief advisory committee.

11 2. The committee must consist of three members of the finance and taxation standing
12 committee of the house of representatives and three members of the finance and
13 taxation standing committee of the senate, appointed by the respective majority
14 leaders of the house of representatives and senate. The legislative management shall
15 designate the chairman of the committee. The committee shall operate according to
16 the statutes and procedures governing the operation of other legislative management
17 interim committees.

18 3. The committee shall study tax reform and relief, including income and property tax
19 reform and relief. Based on information provided by the tax department and input from
20 local taxing districts, the committee shall:

21 a. Review historical income and property tax relief provided by the legislative
22 assembly.

23 b. Receive information regarding tax reform and relief legislation enacted by the
24 sixty-ninth legislative assembly, including:

25 (1) Analysis of the tax reform and relief legislation, including data regarding the
26 estimated and actual fiscal impact of the legislation.

27 (2) Information from the tax department, local taxing district representatives,
28 and other interested persons regarding the progress of implementing the tax
29 reform and relief legislation.

30 4. The committee chairman may invite the tax commissioner or the commissioner's
31 designee, the state supervisor of assessments, and a representative of the North

- 1 Dakota association of counties, North Dakota league of cities, North Dakota township
2 officers association, and North Dakota school boards association to participate at the
3 table in committee discussion, without compensation, for purposes of discussion
4 limited to the following topics:
- 5 a. Creation of a new uniform property tax statement form to increase transparency
6 in property taxation.
- 7 b. The feasibility and desirability of implementing a statewide uniform taxing district
8 financial and property tax data reporting system to compile, record, and report
9 property tax data for all taxing districts in a logical, consistent, and organized
10 framework, including consideration of potential costs associated with developing
11 a reporting system.
- 12 c. The feasibility and desirability of implementing an alternative reporting method for
13 information related to legislative tax relief as calculated under subdivision c of
14 subsection 1 of section 57-20-07.1, including compiling and reporting the
15 information on a statewide basis.
- 16 5. The committee shall report its findings and recommendations, together with any
17 legislation required to implement the recommendations, to the seventieth legislative
18 assembly.

19 **SECTION 4. TAX COMMISSIONER STUDY - TAX EXEMPT PROPERTY - LEGISLATIVE**
20 **MANAGEMENT REPORT.**

- 21 1. During the 2025-26 interim, the tax commissioner and state supervisor of
22 assessments shall, in consultation with the county directors of tax equalization and
23 city, county, and township assessors, compile the following data for each parcel of tax
24 exempt property located in the state:
- 25 a. The true and full valuation.
- 26 b. The county in which the parcel is located.
- 27 c. The property classification.
- 28 d. The property tax exemption under which the parcel is considered tax exempt.
- 29 2. The tax commissioner and state supervisor of assessments shall establish the
30 procedure by which the tax commissioner and state supervisor of assessments will
31 compile the data.

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- 1 3. If necessary to meet the deadline to submit the report required under subsection 4, the
2 tax commissioner and state supervisor of assessments may develop a uniform method
3 to be used by the county directors of tax equalization and city, county, and township
4 assessors to estimate the true and full value per square foot or acre of corresponding
5 property classification in the county in which the property is situated for the most
6 recent taxable year.
- 7 4. Before July 1, 2026, the tax commissioner and state supervisor of assessments shall
8 submit to the legislative management a written report summarizing the information
9 received under this section. The report must include the total true and full valuation of
10 exempt property in each county, separated by property tax exemption and property
11 classification, a description of the uniform method to estimate the true and full value of
12 parcels of tax exempt property, and the number of parcels of tax exempt property in
13 each county for which the uniform method was applied to estimate true and full value.