



# North Dakota Legislative Council

Prepared for the Tax Reform and Relief Advisory Committee -  
Property Tax Statement Subcommittee  
LC# 27.9234.01000  
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## **PROPERTY TAX STATEMENT STUDY - BACKGROUND INFORMATION**

Pursuant to Section 27 of House Bill No. 1176 (2025), the Legislative Management appointed a Tax Reform and Relief Advisory Committee to study property tax reform and relief. Pursuant to the directive of the Tax Reform and Relief Advisory Committee Chairman and approval by the Chairman of the Legislative Management, a portion of the committee's property tax reform and relief study related to the feasibility and desirability of revising the content of the real estate tax statements has been delegated to a subcommittee.

Based on information provided by the Tax Department and input from local taxing districts, the subcommittee is directed to study the feasibility and desirability of revising the content of the real estate tax statement to improve transparency in property taxation, which may include a review of the statutory requirements related to the contents and delivery of the statement, historical statement examples, and information regarding administrative costs associated with statement modifications.

### **PROPERTY TAX STATEMENT STATUTORY PROVISIONS**

North Dakota Century Code Section 57-20-07.1 requires the county treasurer to mail a real estate tax statement to the owner of each parcel of real property at the owner's last-known address on or before December 26 of each year. The section also requires the Tax Commissioner to prescribe and approve the form of the real estate tax statement to be used in every county and contains specific items that must be included on the statement, including information related to property valuation, taxing district levy information, and specified information related to legislative tax relief efforts.

### **RECENT LEGISLATIVE CHANGES**

Senate Bill No. 2036 (2013) required the Tax Commissioner to prescribe and approve the form of the real estate tax statement to be used in every county. The bill also required the inclusion of a "legislative tax relief" line item based on a statutory calculation reflecting specific legislative tax relief efforts, including relief provided through the K-12 state school aid funding formula and a 12-percent state-paid credit that was in effect for the 2013-15 and 2015-17 bienniums.

In 2019, Senate Bill No. 2124 amended the calculation to incorporate additional legislative tax relief associated with the state takeover of social service costs.

Most recently, House Bill No. 1176 (2025) revised the required contents of the tax statement to separately identify the amount levied by a school district to pay principal and interest on certain bonded debt. For primary residence statements, the bill also required the statement to include the primary residence credit amount and the portion of the credit derived from funding distributed from the Legacy Fund.

### **RECENT LEGISLATIVELY DIRECTED STUDY**

The property tax statement has been reviewed and discussed as part of many broader property tax studies conducted in past interims. The most recent study focused specifically on property tax transparency was a legislatively directed Tax Commissioner study established through House Bill No. 1245 (2023). The bill directed the Tax Commissioner, State Supervisor of Assessments, and the

Chairmen of the Finance and Taxation Standing Committees of the House of Representatives and the Senate, in consultation with local government organizations and county officials, to study issues related to property tax transparency, including ways to improve public access to property tax information and the creation of a new uniform property tax statement form.

The 2023-24 interim Taxation Committee received a report that outlined the findings and recommendations of the study. The report did not include any recommended legislative changes but noted the Tax Department and other stakeholders planned to continue evaluating potential modifications to the property tax statement to improve transparency and more clearly communicate property tax relief. As a result of the report, the 2023-24 interim Taxation Committee did not recommend legislation related to the study.

### **POSSIBLE STUDY APPROACH**

The following is a possible study approach for the committee's consideration in its study of property tax statements:

1. Receive background information from representatives of the:
  - a. Tax Department regarding the department's role in prescribing and approving the form of the real estate tax statement.
  - b. North Dakota Association of Counties, county auditors, and county treasurers regarding the county-level property tax statement preparation process and estimated costs to prepare and mail property tax statements.
  - c. North Dakota Association of Counties and property tax software vendors regarding software capabilities and cost considerations.
2. Conduct roundtable discussions with representatives of the North Dakota Association of Counties, county auditors, county treasurers, representatives of property tax software vendors, and representatives of the Tax Department regarding the feasibility and desirability of revising the contents of the property tax statement.
3. Receive comments from interested persons.
4. Develop recommendations and any bill drafts necessary to implement the recommendations.
5. Report recommendations to the Tax Reform and Relief Advisory Committee for consideration.