

**SECOND ENGROSSMENT
with Senate Amendments**

Sixtieth
Legislative Assembly
of North Dakota

REENGROSSED HOUSE BILL NO. 1051

Introduced by

Representatives Belter, Herbel

Senators Cook, Wardner

1 A BILL for an Act to create and enact section 57-20-07.2 of the North Dakota Century Code,
2 relating to a state-paid property tax relief credit; to amend and reenact sections 57-02-08.1,
3 57-20-07.1, 57-20-09, 57-20-21.1, and 57-32-03, subsection 1 of section 57-38-30.3, and
4 section 57-51.1-07.2 of the North Dakota Century Code, relating to contents of property tax
5 statements, income tax rates, priority for delinquent taxes, the homestead property tax credit,
6 the discount for early payment of property taxes, and to provide property tax relief funding from
7 the permanent oil tax trust fund; to provide for a legislative council study; to provide a
8 continuing appropriation for state-paid property tax relief; to provide an appropriation; and to
9 provide an effective date.

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

11 **SECTION 1. AMENDMENT.** Section 57-02-08.1 of the North Dakota Century Code is
12 amended and reenacted as follows:

13 **57-02-08.1. Homestead credit.**

- 14 1. a. Any person sixty-five years of age or older or permanently and totally
15 disabled, in the year in which the tax was levied, with an income that does not
16 exceed the limitations of subdivision c is entitled to receive a reduction in the
17 assessment on the taxable valuation on the person's homestead. An
18 exemption under this subsection applies regardless of whether the person is
19 the head of a family.
- 20 b. The exemption under this subsection continues to apply if the person does
21 not reside in the homestead and the person's absence is due to confinement
22 in a nursing home, hospital, or other care facility, for as long as the portion of
23 the homestead previously occupied by the person is not rented to another
24 person.

- 1 c. The exemption must be determined according to the following schedule:
- 2 (1) If the person's income is not in excess of ~~eight~~ ten thousand ~~five~~
- 3 ~~hundred~~ dollars, a reduction of one hundred percent of the taxable
- 4 valuation of the person's homestead up to a maximum reduction of
- 5 three thousand thirty-eight dollars of taxable valuation.
- 6 (2) If the person's income is in excess of ~~eight~~ ten thousand ~~five-hundred~~
- 7 dollars and not in excess of ~~ten~~ twelve thousand dollars, a reduction of
- 8 eighty percent of the taxable valuation of the person's homestead up to
- 9 a maximum reduction of two thousand four hundred thirty dollars of
- 10 taxable valuation.
- 11 (3) If the person's income is in excess of ~~ten~~ twelve thousand dollars and
- 12 not in excess of ~~eleven~~ fourteen thousand ~~five-hundred~~ dollars, a
- 13 reduction of sixty percent of the taxable valuation of the person's
- 14 homestead up to a maximum reduction of one thousand eight hundred
- 15 twenty-three dollars of taxable valuation.
- 16 (4) If the person's income is in excess of ~~eleven~~ fourteen thousand ~~five~~
- 17 ~~hundred~~ dollars and not in excess of ~~thirteen~~ sixteen thousand dollars,
- 18 a reduction of forty percent of the taxable valuation of the person's
- 19 homestead up to a maximum reduction of one thousand two hundred
- 20 fifteen dollars of taxable valuation.
- 21 (5) If the person's income is in excess of ~~thirteen~~ sixteen thousand dollars
- 22 and not in excess of ~~fourteen~~ seventeen thousand five hundred dollars,
- 23 a reduction of twenty percent of the taxable valuation of the person's
- 24 homestead up to a maximum reduction of six hundred eight dollars of
- 25 taxable valuation.
- 26 d. Persons residing together, as spouses or when one or more is a dependent of
- 27 another, are entitled to only one exemption between or among them under
- 28 this subsection. Persons residing together, who are not spouses or
- 29 dependents, who are coowners of the property are each entitled to a
- 30 percentage of a full exemption under this subsection equal to their ownership
- 31 interests in the property.

- 1 e. This subsection does not reduce the liability of any person for special
2 assessments levied upon any property.
- 3 f. Any person claiming the exemption under this subsection shall sign a verified
4 statement of facts establishing the person's eligibility.
- 5 g. A person is ineligible for the exemption under this subsection if the value of
6 the assets of the person and any dependent residing with the person,
7 excluding the unencumbered value of the person's residence that the person
8 claims as a homestead, exceeds fifty thousand dollars, including the value of
9 any assets divested within the last three years. For purposes of this
10 subdivision, the unencumbered valuation of the homestead is limited to one
11 hundred thousand dollars.
- 12 h. The assessor shall attach the statement filed under subdivision f to the
13 assessment sheet and shall show the reduction on the assessment sheet.
- 14 i. An exemption under this subsection terminates at the end of the taxable year
15 of the death of the applicant.
- 16 2. a. Any person who would qualify for an exemption under subdivisions a and c of
17 subsection 1 except for the fact that the person rents living quarters is eligible
18 for refund of a portion of the person's annual rent deemed by this subsection
19 to constitute the payment of property tax.
- 20 b. For the purpose of this subsection, twenty percent of the annual rent,
21 exclusive of any federal rent subsidy and of charges for any utilities, services,
22 furniture, furnishings, or personal property appliances furnished by the
23 landlord as part of the rental agreement, whether expressly set out in the
24 rental agreement, must be considered as payment made for property tax.
25 When any part of the twenty percent of the annual rent exceeds four percent
26 of the annual income of a qualified applicant, the applicant is entitled to
27 receive a refund from the state general fund for that amount in excess of four
28 percent of the person's annual income, but the refund may not be in excess of
29 two hundred forty dollars. If the calculation for the refund is less than five
30 dollars, a minimum of five dollars must be sent to the qualifying applicant.

- 1 c. Persons who reside together, as spouses or when one or more is a
2 dependent of another, are entitled to only one refund between or among them
3 under this subsection. Persons who reside together in a rental unit, who are
4 not spouses or dependents, are each entitled to apply for a refund based on
5 the rent paid by that person.
- 6 d. Each application for refund under this subsection must be made to the tax
7 commissioner before the first day of June of each year by the person claiming
8 the refund. The tax commissioner may grant an extension of time to file an
9 application for good cause. The tax commissioner shall issue refunds to
10 applicants.
- 11 e. This subsection does not apply to rents or fees paid by a person for any living
12 quarters, including a nursing home licensed pursuant to section 23-16-01, if
13 those living quarters are exempt from property taxation and the owner is not
14 making a payment in lieu of property taxes.
- 15 f. A person may not receive a refund under this section for a taxable year in
16 which that person received an exemption under subsection 1.
- 17 3. All forms necessary to effectuate this section must be prescribed, designed, and
18 made available by the tax commissioner. The county directors of tax equalization
19 shall make these forms available upon request.
- 20 4. A person whose homestead is a farm structure exempt from taxation under
21 subsection 15 of section 57-02-08 may not receive any property tax credit under
22 this section.
- 23 5. For the purposes of this section:
- 24 a. "Dependent" has the same meaning it has for federal income tax purposes.
25 b. "Homestead" has the same meaning as provided in section 47-18-01.
26 c. "Income" means income for the most recent complete taxable year from all
27 sources, including the income of any dependent of the applicant, and
28 including any county, state, or federal public assistance benefits, social
29 security, or other retirement benefits, but excluding any federal rent subsidy,
30 any amount excluded from income by federal or state law, and medical

1 expenses paid during the year by the applicant or the applicant's dependent
2 which is not compensated by insurance or other means.

3 d. "Medical expenses" has the same meaning as it has for state income tax
4 purposes, except that for transportation for medical care the person may use
5 the standard mileage rate allowed for state officer and employee use of a
6 motor vehicle under section 54-06-09.

7 e. "Permanently and totally disabled" means the inability to engage in any
8 substantial gainful activity by reason of any medically determinable physical
9 or mental impairment which can be expected to result in death or has lasted
10 or can be expected to last for a continuous period of not less than twelve
11 months as established by a certificate from a licensed physician.

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

14 **57-20-07.1. County treasurer to mail real estate tax statement.** On or before
15 December twenty-sixth of each year, the county treasurer shall mail a real estate tax statement
16 to the owner of each parcel of real property at the owner's last-known address. The statement
17 must be provided in a manner that allows the taxpayer to retain a printed record of the
18 obligation for payment of taxes and special assessments as provided in the statement. If a
19 parcel of real property is owned by more than one individual, the county treasurer shall send
20 only one statement to one of the owners of that property. Additional copies of the tax statement
21 will be sent to the other owners upon their request and the furnishing of their names and
22 addresses to the county treasurer. ~~Such tax statements~~ The tax statement must include a
23 dollar valuation of the true and full value as defined by law of the property and the total mill levy
24 applicable for the taxable year to which the tax statement applies. The tax statement must
25 include a line item with the statement "State-paid property tax relief credit" and the dollar
26 amount of the credit for the parcel under section 57-20-07.2, if that credit applies to that parcel.
27 Failure of an owner to receive a statement will not relieve that owner of liability, nor extend the
28 discount privilege past the February fifteenth deadline. The real estate tax statement must
29 include, or be accompanied by, information showing for the taxable year to which the tax
30 statement applies for each major taxing district, including cities, counties, and school districts,
31 the dollar amount and percentage change in dollars levied from the previous year for each

1 major taxing district and the total change in the dollar amount and percentage of dollars levied
2 against the property by all taxing districts from the previous taxable year.

3 **SECTION 3.** Section 57-20-07.2 of the North Dakota Century Code is created and
4 enacted as follows:

5 **57-20-07.2. State-paid property tax relief credit.**

6 1. The owner of a parcel of taxable residential, agricultural, or commercial property,
7 or property containing one or more of those classifications of taxable property, is
8 entitled to a credit against property taxes levied against that property.

9 a. The credit applies to the total amount of property taxes in dollars levied
10 against the taxable value of the property. The credit is equal to:

11 (1) Ten percent of property taxes in dollars levied against residential
12 property owned and occupied by an individual as that individual's
13 homestead;

14 (2) Five percent of property taxes in dollars levied against commercial or
15 agricultural property. The credit under this section applies to
16 agricultural property only if the individual primarily responsible for
17 management decisions regarding that property has an ownership
18 interest of at least twenty percent in that property and owns and
19 occupies residential property or a mobile home in this state;

20 (3) Ten percent of mobile home taxes in dollars levied against residential
21 mobile homes under chapter 57-55 if the mobile home is owned and
22 occupied by an individual as that individual's homestead; or

23 (4) Five percent of mobile home taxes in dollars levied against commercial
24 mobile homes under chapter 57-55.

25 b. If a parcel of property contains residential property and agricultural or
26 commercial property, or residential and both agricultural and commercial
27 property, the county treasurer shall allow the credit in the appropriate
28 percentage under subdivision a against property taxes in dollars levied
29 against each classification of property on the parcel.

30 2. The owner, operator, or lessee of railroad property assessed by the state board of
31 equalization under chapter 57-05 is entitled to a credit against property taxes

- 1 levied within each county against that property in the amount of five percent of
2 property taxes levied in dollars against that property.
- 3 3. The owner, operator, or lessee of operative property of an air carrier transportation
4 company assessed and taxed under chapter 57-32 is entitled to a credit in the
5 amount of five percent of taxes in dollars levied against that property. The tax
6 commissioner shall determine the total amount of credits under this subsection and
7 certify the amount to the state treasurer for transfer from the general fund to the air
8 transportation fund. The credit for each air transportation company must be
9 allocated to each city or municipal airport authority where that company makes
10 regularly scheduled landings, in the same manner as the tax collected from that
11 company is allocated.
- 12 4. The tax commissioner shall determine the total amount of credits under
13 subsections 1 and 2 for each county from the abstract of the tax list filed by the
14 county auditor under section 57-20-04, as audited and corrected by the tax
15 commissioner. The tax commissioner shall certify to the state treasurer for
16 payment, by June first following receipt of the abstract of the tax list, the amount
17 determined for each county under this subsection. No penalty or interest applies
18 to any state payment under this section, regardless of when the payment is made.
- 19 5. Upon receipt of the payment from the state treasurer under subsection 4, the
20 county treasurer shall apportion and distribute it to the county and the taxing
21 districts in the county on the basis on which the general real estate tax for the
22 preceding year is apportioned and distributed.
- 23 6. After payments to counties under subsection 4 have been made, the tax
24 commissioner shall certify to the state treasurer as necessary any supplemental
25 amounts payable to counties or the air transportation fund or any amounts that
26 must be returned by counties or returned from the air transportation fund for
27 deposit in the state general fund to correct any errors in payments or reflect any
28 abatement or compromise of taxes, court-ordered tax reduction or increase, or levy
29 of taxes against omitted property. The county auditor shall provide any
30 supplemental information requested by the tax commissioner after submission of
31 the abstract of the tax list. The county treasurer shall apply to the tax

1 commissioner for any supplemental payments to which the county treasurer
2 believes the county is entitled.

3 7. Notwithstanding any other provision of law, the property tax credit under this
4 section does not apply to any property other than mobile homes subject to
5 payments or taxes in lieu of personal or real property taxes.

6 **SECTION 4. AMENDMENT.** Section 57-20-09 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **57-20-09. Discount for early payment of tax.** Except as provided in section
9 57-20-21.1, the county treasurer shall allow a five percent discount to all taxpayers who shall
10 pay all of the real estate taxes levied on any tract or parcel of real property in any one year in
11 full on or before February fifteenth prior to the date of delinquency. Such discount applies, after
12 deduction of any credit allowed under section 57-20-07.2, to the net remaining amount of all
13 general real estate taxes levied for state, county, city, township, school district, fire district, park
14 district, and any other taxing districts but does not apply to personal property taxes or special
15 assessment installments. Whenever the board of county commissioners, by resolution,
16 determines that an emergency exists in the county by virtue of weather or other catastrophe, it
17 may extend the discount period for an additional thirty days.

18 **SECTION 5. AMENDMENT.** Section 57-20-21.1 of the North Dakota Century Code is
19 amended and reenacted as follows:

20 **57-20-21.1. Priority for delinquent taxes.** When payment is made for any real or
21 personal property taxes or special assessments, payments must be applied first to the oldest
22 unpaid delinquent taxes or special assessments due, if any, shown to exist upon the property
23 for which the tax payments are made, including any penalty and interest, except payments of
24 state-paid property tax relief credit made by the state must be applied to taxes for the year for
25 which the state-paid property tax relief credit is granted. The discounts applicable to payment
26 of taxes set out in section 57-20-09 do not apply to payment of taxes made on property upon
27 which tax payments are delinquent.

28 **SECTION 6. AMENDMENT.** Section 57-32-03 of the North Dakota Century Code is
29 amended and reenacted as follows:

30 **57-32-03. Tax statements prepared by state tax commissioner - When due and**
31 **delinquent.** On or before the thirty-first day of March in each year, the tax commissioner shall

1 provide each company assessed under the provisions of this chapter a statement of its taxes
2 due for the preceding year, with the valuations and taxes assessed in each case. The tax
3 statement must include a line item with the statement "State-paid property tax relief credit" and
4 the dollar amount of the credit that applies against the taxes due for the preceding year under
5 section 57-20-07.2. Such taxes are due upon the fifteenth day of April next following the date
6 of the statement of taxes due. The taxes become delinquent on the first day of May next
7 following the due date and, if not paid on or before said date, are subject to a penalty of two
8 percent and, on June first following delinquency, an additional penalty of two percent and, on
9 July first following delinquency, an additional penalty of two percent and, an additional penalty
10 of two percent on October fifteenth following delinquency. From and after January first of the
11 year following the year in which the taxes became due and payable, simple interest at the rate
12 of twelve percent per annum upon the principal of the unpaid taxes must be charged until such
13 taxes and penalties are paid, with such interest charges to be prorated to the nearest full month
14 for a fractional year of delinquency. All the provisions of the law respecting delinquency of
15 personal property assessments generally so far as may be consistent with the provisions of this
16 chapter are applicable equally to the assessments and taxes provided for in this chapter.

17 **SECTION 7. AMENDMENT.** Subsection 1 of section 57-38-30.3 of the North Dakota
18 Century Code is amended and reenacted as follows:

19 1. A tax is hereby imposed for each taxable year upon income earned or received in
20 that taxable year by every resident and nonresident individual, estate, and trust. A
21 taxpayer computing the tax under this section is only eligible for those adjustments
22 or credits that are specifically provided for in this section. Provided, that for
23 purposes of this section, any person required to file a state income tax return
24 under this chapter, but who has not computed a federal taxable income figure,
25 shall compute a federal taxable income figure using a pro forma return in order to
26 determine a federal taxable income figure to be used as a starting point in
27 computing state income tax under this section. The tax for individuals is equal to
28 North Dakota taxable income multiplied by the rates in the applicable rate schedule
29 in subdivisions a through d corresponding to an individual's filing status used for
30 federal income tax purposes. For an estate or trust, the schedule in subdivision e
31 must be used for purposes of this subsection.

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1	a.	Single, other than head of household or surviving spouse.	
2	If North Dakota taxable income is:	The tax is equal to:	
3	Not over \$27,050 <u>\$31,850</u>	2.10%	
4	Over \$27,050 <u>\$31,850</u> but not over	\$568.05 <u>\$668.85</u> plus 3.92% of amount	
5	\$65,550 <u>\$77,100</u>	over \$27,050 <u>\$31,850</u>	
6	Over \$65,550 <u>\$77,100</u> but not over	\$2,077.25 <u>\$2,442.65</u> plus 4.34% of amount	
7	\$136,750 <u>\$160,850</u>	over \$65,550 <u>\$77,100</u>	
8	Over \$136,750 <u>\$160,850</u> but not	\$5,167.33 <u>\$6,077.40</u> plus 5.04% of amount	
9	over \$297,350 <u>\$349,700</u>	over \$136,750 <u>\$160,850</u>	
10	Over \$297,350 <u>\$349,700</u>	\$13,261.57 <u>\$15,595.44</u> plus 5.54% of amount	
11		over \$297,350 <u>\$349,700</u>	
12	b.	Married filing jointly and surviving spouse.	
13	If North Dakota taxable income is:	The tax is equal to:	
14	Not over \$45,200 <u>\$63,700</u>	2.10%	
15	Over \$45,200 <u>\$63,700</u> but not over	\$949.20 <u>\$1,337.70</u> plus 3.92% of amount	
16	\$109,250 <u>\$128,500</u>	over \$45,200 <u>\$63,700</u>	
17	Over \$109,250 <u>\$128,500</u> but not	\$3,459.96 <u>\$3,877.86</u> plus 4.34% of amount	
18	over \$166,500 <u>\$195,850</u>	over \$109,250 <u>\$128,500</u>	
19	Over \$166,500 <u>\$195,850</u> but not	\$5,944.61 <u>\$6,800.85</u> plus 5.04% of amount	
20	over \$297,350 <u>\$349,700</u>	over \$166,500 <u>\$195,850</u>	
21	Over \$297,350 <u>\$349,700</u>	\$12,539.45 <u>\$14,554.89</u> plus 5.54% of amount	
22		over \$297,350 <u>\$349,700</u>	
23	c.	Married filing separately.	
24	If North Dakota taxable income is:	The tax is equal to:	
25	Not over \$22,600 <u>\$31,850</u>	2.10%	
26	Over \$22,600 <u>\$31,850</u> but not over	\$474.60 <u>\$668.85</u> plus 3.92% of amount	
27	\$54,625 <u>\$64,250</u>	over \$22,600 <u>\$31,850</u>	
28	Over \$54,625 <u>\$64,250</u> but not over	\$1,729.98 <u>\$1,938.93</u> plus 4.34% of amount	
29	\$83,250 <u>\$97,925</u>	over \$54,625 <u>\$64,250</u>	
30	Over \$83,250 <u>\$97,925</u> but not over	\$2,972.31 <u>\$3,400.43</u> plus 5.04% of amount	

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1	\$148,675 <u>\$174,850</u>	over \$83,250 <u>\$97,925</u>
2	Over \$148,675 <u>\$174,850</u>	\$6,269.73 <u>\$7,277.45</u> plus 5.54% of amount
3		over \$148,675 <u>\$174,850</u>
4	d. Head of household.	
5	If North Dakota taxable income is:	The tax is equal to:
6	Not over \$36,250 <u>\$42,650</u>	2.10%
7	Over \$36,250 <u>\$42,650</u> but not over	\$761.25 <u>\$895.65</u> plus 3.92% of amount
8	\$93,650 <u>\$110,100</u>	over \$36,250 <u>\$42,650</u>
9	Over \$93,650 <u>\$110,100</u> but not over	\$3,011.33 <u>\$3,539.69</u> plus 4.34% of amount
10	\$151,650 <u>\$178,350</u>	over \$93,650 <u>\$110,100</u>
11	Over \$151,650 <u>\$178,350</u> but not	\$5,528.53 <u>\$6,501.74</u> plus 5.04% of amount
12	over \$297,350 <u>\$349,700</u>	over \$151,650 <u>\$178,350</u>
13	Over \$297,350 <u>\$349,700</u>	\$12,871.81 <u>\$15,137.78</u> plus 5.54% of amount
14		over \$297,350 <u>\$349,700</u>

15	e. Estates and trusts.	
16	If North Dakota taxable income is:	The tax is equal to:
17	Not over \$1,800 <u>\$2,150</u>	2.10%
18	Over \$1,800 <u>\$2,150</u> but not over	\$37.80 <u>\$45.15</u> plus 3.92% of amount
19	\$4,250 <u>\$5,000</u>	over \$1,800 <u>\$2,150</u>
20	Over \$4,250 <u>\$5,000</u> but not over	\$133.84 <u>\$156.87</u> plus 4.34% of amount
21	\$6,500 <u>\$7,650</u>	over \$4,250 <u>\$5,000</u>
22	Over \$6,500 <u>\$7,650</u> but not over	\$231.49 <u>\$271.88</u> plus 5.04% of amount
23	\$8,900 <u>\$10,450</u>	over \$6,500 <u>\$7,650</u>
24	Over \$8,900 <u>\$10,450</u>	\$352.45 <u>\$413.00</u> plus 5.54% of amount
25		over \$8,900 <u>\$10,450</u>

- 26 f. For an individual who is not a resident of this state for the entire year, or for a
27 nonresident estate or trust, the tax is equal to the tax otherwise computed
28 under this subsection multiplied by a fraction in which:
- 29 (1) The numerator is the federal adjusted gross income allocable and
30 apportionable to this state; and

1 (2) The denominator is the federal adjusted gross income from all sources
2 reduced by the net income from the amounts specified in subdivisions a
3 and b of subsection 2.

4 In the case of married individuals filing a joint return, if one spouse is a
5 resident of this state for the entire year and the other spouse is a nonresident
6 for part or all of the tax year, the tax on the joint return must be computed
7 under this subdivision.

8 g. For taxable years beginning after December 31, ~~2004~~ 2007, the tax
9 commissioner shall prescribe new rate schedules that apply in lieu of the
10 schedules set forth in subdivisions a through e. The new schedules must be
11 determined by increasing the minimum and maximum dollar amounts for each
12 income bracket for which a tax is imposed by the cost-of-living adjustment for
13 the taxable year as determined by the secretary of the United States treasury
14 for purposes of section 1(f) of the United States Internal Revenue Code of
15 1954, as amended. For this purpose, the rate applicable to each income
16 bracket may not be changed, and the manner of applying the cost-of-living
17 adjustment must be the same as that used for adjusting the income brackets
18 for federal income tax purposes.

19 **SECTION 8. AMENDMENT.** Section 57-51.1-07.2 of the North Dakota Century Code
20 is amended and reenacted as follows:

21 **57-51.1-07.2. Permanent oil tax trust fund - Deposits - Interest - Adjustment of**
22 **distribution formula - Continuing appropriation for property tax relief.** All revenue
23 deposited in the general fund during a biennium derived from taxes imposed on oil and gas
24 under chapters 57-51 and 57-51.1 which exceeds seventy-one million dollars must be
25 transferred by the state treasurer to a special fund in the state treasury known as the
26 permanent oil tax trust fund. The state treasurer shall transfer interest earnings of the
27 permanent oil tax trust fund to the general fund at the end of each fiscal year. The principal of
28 the permanent oil tax trust fund may not be expended except upon a two-thirds vote of the
29 members elected to each house of the legislative assembly.

30 If the distribution formulas under chapter 57-51 or 57-51.1 are amended effective after
31 June 30, 1997, the director of the budget shall adjust the seventy-one million dollar amount in

1 this section by the same percentage increase or decrease in the amount of revenue allocable
2 to the general fund after the change in the allocation formula, and transfers to the permanent oil
3 tax trust fund shall thereafter be made using that adjusted figure so that the dollar amount of
4 the transfers to the permanent oil tax trust fund is not increased or decreased merely because
5 of changes in the distribution formulas.

6 To the extent moneys are available in the permanent oil tax trust fund, the amount
7 necessary to provide property tax relief payments to county treasurers under section
8 57-20-07.2 is appropriated during each biennium as a standing and continuing appropriation to
9 the state treasurer.

10 **SECTION 9. APPROPRIATION.** There is appropriated out of any moneys in the
11 general fund in the state treasury, not otherwise appropriated, the sum of \$3,800,000, or so
12 much of the sum as may be necessary, to the state tax commissioner for the purpose of paying
13 the state reimbursement for the homestead tax credit as provided in section 1 of this Act, for
14 the biennium beginning July 1, 2007, and ending June 30, 2009.

15 **SECTION 10. LEGISLATIVE COUNCIL STUDY.** During the 2007-08 interim, the
16 legislative council shall study property tax assessment, limitations, imposition, and
17 administration and the effectiveness of property tax relief provided by enactment of this Act.
18 The legislative council shall report its findings and recommendations, together with any
19 legislation required to implement the recommendations, to the sixty-first legislative assembly.

20 **SECTION 11. EFFECTIVE DATE.** This Act is effective for taxable years beginning
21 after December 31, 2006, for ad valorem property taxes and for taxable years beginning after
22 December 31, 2007, for mobile home taxes. Section 7 of this Act is effective for taxable years
23 beginning after December 31, 2006.