

HOUSE BILL NO. 1057

Introduced by

Legislative Management

(Taxation Committee)

1 A BILL for an Act to create and enact section 57-02-53 of the North Dakota Century Code,
2 relating to notice to a property owner of an assessment increase; to amend and reenact
3 sections 57-09-04, 57-11-03, and 57-12-06 and subsection 2 of section 57-15-02.1 of the North
4 Dakota Century Code, relating to notice to a property owner of an assessment increase; to
5 repeal section 57-12-09 of the North Dakota Century Code, relating to notice to a property
6 owner of an assessment increase; to provide for a legislative management study; and to
7 provide an effective date.

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

9 **SECTION 1.** Section 57-02-53 of the North Dakota Century Code is created and enacted as
10 follows:

11 **57-02-53. Assessment increase notice to property owner.**

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

1 previous year's assessment, written notice of the amount of increase and the
2 amount of the previous year's assessment must be delivered to the property
3 owner. The written notice under this subdivision must be mailed or delivered at
4 the expense of the township, city, or county that made the assessment increase
5 or at the expense of the township, city, or county that was ordered to make the
6 increase by the state board of equalization. Delivery of written notice to a
7 property owner under this subdivision must be completed within fifteen days after
8 the meeting of the township, city, or county board of equalization that made or
9 ordered the assessment increase and within thirty days after the meeting of the
10 state board of equalization, if the state board of equalization ordered the
11 assessment increase.

12 c. The tax commissioner shall prescribe suitable forms for written notices under this
13 subsection. The written notice under subdivision a must show the true and full
14 value of the property, including improvements, that the assessor determined for
15 the current year and for the previous year and must also show the date
16 prescribed by law for the meeting of the local board of equalization of the
17 assessment district in which the property is located and the meeting date of the
18 county board of equalization.

19 d. Delivery of written notice under this section must be by personal delivery to the
20 property owner, mail addressed to the property owner at the property owner's
21 last-known address, or electronic mail to the property owner directed with
22 verification of receipt to an electronic mail address at which the property owner
23 has consented to receive notice.

24 2. The form of notice prescribed by the tax commissioner must require a statement to
25 inform the taxpayer that an assessment increase does not mean property taxes on the
26 parcel will increase. The notice must state that each taxing district must provide mailed
27 notice of public hearing to the property owner if a greater property tax levy is being
28 proposed than a zero increase number of mills. The notice may not contain an
29 estimate of a tax increase resulting from the assessment increase.

30 3. The assessor shall provide an electronic or printed list including the name and address
31 of the addressee of each assessment increase notice required under subdivision a of

1 subsection 1 and the officer responsible for providing notice under subdivision b of
2 subsection 1 shall provide an electronic or printed list including the name and address
3 of the addressee of each assessment increase notice required under subdivision b of
4 subsection 1 to each city, county, school district, or city park district in which the
5 subject property is located, but a copy does not have to be provided to any such taxing
6 district that levied a property tax levy of less than one hundred thousand dollars for the
7 prior year.

8 **SECTION 2. AMENDMENT.** Section 57-09-04 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **57-09-04. Duties of board - Limitation on increase - Notice.**

11 The township board of equalization shall ascertain whether all taxable property in its
12 township has been properly placed upon the assessment list and duly valued by the assessor.
13 In case any real property has been omitted by inadvertence or otherwise, the board shall place
14 the same upon the list with the true value thereof. The board shall proceed to correct the
15 assessment so that each tract or lot of real property is entered on the assessment list at the true
16 value thereof. ~~The assessment of the property of any person may not be raised until such~~
17 ~~person has been notified of the intent of the board to raise the same~~board may not increase the
18 valuation returned by the assessor to an amount that results in a cumulative increase of more
19 than fifteen percent from the amount of the previous year's assessment without giving the
20 owner or the owner's agent reasonable notice and opportunity to be heard regarding the
21 intention of the board to increase it. All complaints and grievances of residents of the township
22 must be heard and decided by the board and it may make corrections as appear to be just.
23 Complaints by nonresidents with reference to the assessment of any real property and
24 complaints by others with reference to any assessment made after the meeting of the township
25 board of equalization must be heard and determined by the county board of equalization. The
26 board must comply with any requirement for notice of an assessment increase under section
27 57-02-53.

28 **SECTION 3. AMENDMENT.** Section 57-11-03 of the North Dakota Century Code is
29 amended and reenacted as follows:

1 **57-11-03. Duties of board - Limitation on increase - Notice.**

2 At its meeting, the board of equalization shall proceed to equalize and correct the
3 assessment roll. It may change the valuation and assessment of any real property upon the roll
4 by increasing or diminishing the ~~assessed~~true and full valuation thereof as is reasonable and
5 just to render taxation uniform, except that the board may not increase the valuation of any
6 property returned by the assessor ~~may not be increased to~~ an amount that results in a
7 cumulative increase of more than ~~twenty-five~~fifteen percent from the amount of the previous
8 year's assessment without first giving the owner or the owner's agent reasonable notice ~~of and~~
9 opportunity to be heard regarding the intention of the board to increase it. ~~The notice must state~~
10 ~~the time when the board will be in session to act upon the matter and must be given by personal~~
11 ~~notice served upon the owner or the owner's agent or by leaving a copy at the owner's~~
12 ~~last known place of residence.~~All complaints and grievances of residents of the city must be
13 heard and decided by the board and it may make corrections as appear to be just. Complaints
14 by nonresidents with reference to the assessment of any real property and complaints by others
15 with reference to any assessment made after the meeting of the city board of equalization must
16 be heard and determined by the county board of equalization. The board shall comply with any
17 requirement for notice of an assessment increase under section 57-02-53.

18 **SECTION 4. AMENDMENT.** Section 57-12-06 of the North Dakota Century Code is
19 amended and reenacted as follows:

20 ~~**57-12-06. Requirements to be followed in equalizing**~~**County board of equalization -**
21 **Equalizing between assessment districts and in equalizing between property**
22 **owners between properties - Limitation on increase - Notice.**

- 23 1. The rules prescribed in section 57-12-05 apply when the board of county
24 commissioners is equalizing assessments between the several assessment and taxing
25 districts in the county provided that in such case, except as otherwise provided in
26 subsection 2, the board may raise or lower the valuation of classes of property only so
27 as to equalize the assessments as between districts. If the board orders an increase
28 under this subsection, the board must comply with any requirement for notice of an
29 assessment increase under section 57-02-53.
- 30 2. Notwithstanding any other provision of this section:

- 1 a. The county board of equalization after notice to the local board of equalization
2 may reduce the assessment on any separate piece or parcel of real estate even
3 though such property was assessed in a city or township having a local board of
4 equalization; ~~provided, that the~~. ~~The~~ county board of equalization ~~does not have~~
5 ~~authority to~~may not reduce any such assessment unless the owner of the
6 property or the person to whom it was assessed first appeals to the county board
7 of equalization, either by appearing personally or by a representative before the
8 board or by mail or other communication to the board, in which the owner's
9 reasons for asking for the reduction are made known to the board. The
10 proceedings of the board shall show the manner in which the appeal was made
11 known to the board and the reasons for granting any reduction in any such
12 assessment.
- 13 b. The county board of equalization after notice to the local board of equalization
14 may increase the assessment on any separate piece or parcel of real property
15 even though such property was assessed in a city or township having a local
16 board of equalization; ~~provided, that the~~. ~~The~~ county board of equalization
17 ~~does~~may not have authority to increase any such assessment unless it first
18 ~~gives~~the valuation returned by the assessor or the local board of equalization to
19 an amount that results in a cumulative increase of more than fifteen percent from
20 the amount of the previous year's assessment without giving the owner or the
21 owner's agent notice by mail to the owner of the property that such person may
22 appear before the board on the date designated in the notice, which date must be
23 at least five days after the mailing of the notice. The county auditor as clerk of the
24 board shall send such notice to the person or persons concerned. If the board
25 orders an increase under this subdivision, the board must comply with any
26 requirement for notice of an assessment increase under section 57-02-53.
- 27 c. If the county board of equalization during the course of its equalization sessions
28 determines that any property of any person has been listed and assessed in the
29 wrong classification, it shall direct the county auditor to correct the listing so as to
30 include such assessment in the correct classification.

1 3. The owner of any separate piece or parcel of real estate that has been assessed may
2 appeal the assessment thereon to the state board of equalization as provided in
3 section 57-13-04; provided, however, that such owner has first appealed the
4 assessment to the local equalization board of the taxing district in which the property
5 was assessed and to the county board of equalization of the county in which the
6 property was assessed. Notwithstanding this requirement, an owner of property which
7 has been subjected to a new assessment authorized under section 57-14-08 may
8 appeal the new assessment to the state board of equalization in the manner provided
9 for in section 57-14-08.

10 **SECTION 5. AMENDMENT.** Subsection 2 of section 57-15-02.1 of the North Dakota
11 Century Code is amended and reenacted as follows:

12 2. At least seven days before a public hearing on its property tax levy under this section,
13 the governing body shall cause notice of the information required under subsection 1
14 to be mailed to each property owner who received notice of an assessment increase
15 for the taxable year under section ~~57-12-09~~57-02-53.

16 **SECTION 6. REPEAL.** Section 57-12-09 of the North Dakota Century Code is repealed.

17 **SECTION 7. LEGISLATIVE MANAGEMENT STUDY - PROPERTY TAX INFORMATION.**

18 During the 2015-16 interim, the legislative management shall consider studying delivery and
19 contents of property tax information to taxpayers when the property assessment has been
20 determined by the assessor, when the budget hearing will be held for each taxing district in
21 which the property is located, and when the property tax statement for the taxable year is
22 delivered. The study must consider the feasibility and desirability of changes to the timing of
23 events scheduled by law for the taxable year and must consider improvements to the
24 transparency, administration, and understanding of the property tax system. The legislative
25 management shall report its findings and recommendations, together with any legislation
26 necessary to implement the recommendations, to the sixty-fifth legislative assembly.

27 **SECTION 8. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
28 December 31, 2015.