

FISCAL NOTE
Requested by Legislative Council
04/27/2015

Revised
 Amendment to: HB 1059

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(25,000)		
Expenditures			\$252,400,000			
Appropriations			\$252,400,000			

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Reengrossed HB 1059 with Conference Committee amendments modifies the transmission line tax rate, authorizes certain transmission line tax payments to participate in the state-paid property tax relief credit, deals with certification of assessors, and expands the homestead tax credit program.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Sections 1, 2, 4, 5, and 11 of the second engrossment with Conference Committee amendments relate to the certification of assessors. The amended bill creates two education and certificate levels for assessors and requires all assessors to be certified within two years of appointment, or July 31, 2017, whichever is later. The amended bill proposes 180 hours of education to obtain a class I assessor certificate and 80 hours to obtain a class II assessor certificate. The cost to local governments for assessors to obtain certification with 180 hours of education is estimated to be \$5,500 per assessor; the cost to obtain certification with 80 hours of education is estimated to be \$1,680 per assessor. The overall fiscal impact cannot be determined because it is unknown what number of current assessor certificate holders will choose to remain an assessor with the increased education requirements.

Section 6 of the bill relates to the homestead tax credit program and expands the maximum homestead value to which the credit applies from a true and full value of \$100,000 to \$125,000. This provision becomes effective January 1, 2016. The estimated fiscal impact is an increase of \$1.2 million in 2015-17 biennium state expenditures to reimburse counties for the value of the credit. The appropriation for this program contained in the Office of Tax Commissioner budget bill (SB 2006) is expected to be adequate to fund this expansion. Sections 8 and 10 of the bill change the taxation of certain transmission lines to the rate of \$300 per mile. The effect of this change is an estimated reduction of \$25,000 in the electrical, generation, transmission, and distribution tax fund for the 2015-17 biennium.

Section 9 removes the sunset date on NDCC 57-20-07.2, which would provide for continuation of the state-paid 12% property tax credit program, estimated to cost \$250 million for the 2015-17 biennium. This section also includes transmission line per mile taxes in the state-paid property tax credit provisions. This change is expected to increase expenditures for the credit by an estimated \$2.4 million in the 2015-17 biennium.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The \$20 million appropriation for the homestead credit program contained in the Office of Tax Commissioner budget (SB 2006) is expected to be adequate to fund the program including the expansion of homestead value to \$125,000 that is contained in this bill.

An appropriation of \$252.4 million would be required to fully fund the 12% state paid property tax credit program for the 2015-17 biennium, with the changes proposed in this bill.

Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 04/28/2015

FISCAL NOTE
Requested by Legislative Council
04/27/2015

Amendment to: HB 1059

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(25,000)		
Expenditures			\$253,600,000			
Appropriations			\$253,600,000			

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Reengrossed HB 1059 with Conference Committee amendments modifies the transmission line tax rate, authorizes certain transmission line tax payments to participate in the state-paid property tax relief credit, deals with certification of assessors, and expands the homestead tax credit program.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Sections 1, 2, 4, 5, and 11 of the second engrossment with Conference Committee amendments relate to the certification of assessors. The amended bill creates two education and certificate levels for assessors and requires all assessors to be certified within two years of appointment, or July 31, 2017, whichever is later. The amended bill proposes 180 hours of education to obtain a class I assessor certificate and 100 hours to obtain a class II assessor certificate. The cost to local governments for assessors to obtain certification with 180 hours of education is estimated to be \$5,500 per assessor; the cost to obtain certification with 100 hours of education is estimated to be \$2,100 per assessor. The overall fiscal impact cannot be determined because it is unknown what number of current assessor certificate holders will choose to remain an assessor with the increased education requirements.

Section 6 of the bill relates to the homestead tax credit program and expands the maximum homestead value to which the credit applies from a true and full value of \$100,000 to \$125,000. This provision becomes effective January 1, 2016. The estimated fiscal impact is an increase of \$1.2 million in 2015-17 biennium state expenditures to reimburse counties for the value of the credit.

Sections 8 and 10 of the bill change the taxation of certain transmission lines to the rate of \$300 per mile. The effect of this change is an estimated reduction of \$25,000 in the electrical, generation, transmission, and distribution tax fund for the 2015-17 biennium.

Section 9 removes the sunset date on NDCC 57-20-07.2, which would provide for continuation of the state-paid 12% property tax credit program, estimated to cost \$250 million for the 2015-17 biennium. This section also includes transmission line per mile taxes in the state-paid property tax credit provisions. This change is expected to increase expenditures for the credit by an estimated \$2.4 million in the 2015-17 biennium.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Additional appropriations of \$1.2 million would be required to fully fund the estimated cost of the homestead tax credit program, as proposed in this bill. An appropriation of \$252.4 million would be required to fully fund the 12% state paid property tax credit program for the 2015-17 biennium, with the changes proposed in this bill.

Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 04/27/2015

FISCAL NOTE
Requested by Legislative Council
04/14/2015

Amendment to: HB 1059

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(25,000)		
Expenditures			\$254,800,000			
Appropriations			\$254,800,000			

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Reengrossed HB 1059 with Senate amendments modifies the transmission line per mile tax rate, authorizes certain transmission line tax payments to participate in the state-paid property tax relief credit, deals with certification of assessors, and expands the homestead tax credit program.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Sections 1, 2, 3, 4, 6, and 10 of the second engrossment with Senate amendments relate to the certification of assessors. The amended bill creates two education and certificate levels for assessors and requires all assessors to be certified within two years of appointment, or July 31, 2017, whichever is later. The amended bill proposes 180 hours of education to obtain a class I assessor certificate and 100 hours to obtain a class II assessor certificate. The cost to local governments for assessors to obtain certification with 180 hours of education is estimated to be \$5,500 per assessor; the cost to obtain certification with 100 hours of education is estimated to be \$2,100 per assessor. The overall fiscal impact cannot be determined because it is unknown what number of current assessor certificate holders will choose to remain an assessor with the increased education requirements.

Section 5 of the bill relates to the homestead tax credit program and expands the maximum homestead value to which the credit applies from a true and full value of \$100,000 to \$125,000. The estimated fiscal impact is an increase of \$2.4 million in 2015-17 biennium state expenditures to reimburse counties for the value of the credit.

Sections 7 and 9 of the bill change the taxation of certain transmission lines to the rate of \$300 per mile. The effect of this change is an estimated reduction of \$25,000 in the electrical, generation, transmission, and distribution tax fund for the 2015-17 biennium.

Section 8 removes the sunset date on NDCC 57-20-07.2, which would provide for continuation of the state-paid 12% property tax credit program, estimated to cost \$250 million for the 2015-17 biennium. This section also includes transmission line per mile taxes in the state-paid property tax credit provisions. This change is expected to increase expenditures for the credit by an estimated \$2.4 million in the 2015-17 biennium.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Additional appropriations of \$2.4 million would be required to fully fund the estimated cost of the homestead tax credit program, as proposed in this bill. An appropriation of \$252.4 million would be required to fully fund the 12% state paid property tax credit program for the 2015-17 biennium, with the changes proposed in this bill.

Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 04/16/2015

FISCAL NOTE
Requested by Legislative Council
02/19/2015

Amendment to: Engrossed HB 1059

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(25,000)		
Expenditures			\$2,400,000			
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB 1059 second engrossment modifies the transmission line per mile tax rate, and authorizes certain transmission line tax payments to participate in the state-paid property tax relief credit.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Sections 1 and 3 of HB 1059 second engrossment change the taxation of certain transmission lines to the rate of \$300 per mile. The effect of this change is an estimated reduction of \$25,000 in the electrical, generation, transmission, and distribution tax fund for the 2015-17 biennium.

Section 2 will include transmission line per mile taxes in the state-paid property tax credit provisions. This is expected to increase expenditures for the credit by an estimated \$2.4 million in the 2015-17 biennium.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Section 4 of engrossed HB 1059 contains an appropriation of \$230 million from the state general fund to the state treasurer for the state-paid property tax relief credits during the 2015-17 biennium.

Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 02/20/2015

FISCAL NOTE
Requested by Legislative Council
02/05/2015

Amendment to: HB 1059

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(25,000)		
Expenditures			\$2,400,000			
Appropriations			\$230,000,000			

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Engrossed HB 1059 provides for the continuation of the state-paid property tax relief credit, modifies the transmission line per mile tax rate, and authorizes certain transmission line tax payments to participate in the state-paid property tax relief credit.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Sections 1 and 3 of engrossed HB 1059 change the taxation of certain transmission lines to the rate of \$300 per mile. The effect of this change is an estimated reduction of \$25,000 in the electrical, generation, transmission, and distribution tax fund for the 2015-17 biennium.

Section 2 will include certain transmission line per mile taxes in the state-paid property tax credit provisions. This is expected to increase expenditures for the credit by an estimated \$2.4 million in the 2015-17 biennium.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

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- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Section 4 of engrossed HB 1059 contains an appropriation of \$230 million from the state general fund to the state treasurer for the state-paid property tax relief credits during the 2015-17 biennium.

Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 02/08/2015

FISCAL NOTE
Requested by Legislative Council
12/20/2014

Bill/Resolution No.: HB 1059

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Bill provides for the continuation of the state-paid property tax relief credit. The distribution system is in place currently and could be used going forward without modification. Notwithstanding the appropriation amounts shown in Section 2, there would be zero fiscal impact of this bill.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Name: Ryan Skor

Agency: Office of State Treasurer

Telephone: 701-328-4637

Date Prepared: 12/23/2014

2015 HOUSE FINANCE AND TAXATION

HB 1059

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1059
1/12/2015
#21836

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A Bill relating to state-paid property tax relief credit.

Minutes:

Attachment #1

Chairman Headland: Introduced bill.

John Walstad, Legal Director, Legislative Council: Introduced bill. This is exactly the same legislation that was passed last session. It includes 12% property tax credit which is handled like the homestead credit; the reduction shows up on your taxes and the county notifies the state of the reduction in dollars then the state writes the check to cover it. The state is paying 12% of everybody's property tax bill but it's 12% after everything is settled up otherwise. The interim tax committee didn't feel strongly on what the level should be but feels strongly that this topic needs to be discussed again. This is a re-do of the bill last session with the exception of the cost which would be estimated at an increase to \$230 million for the next biennium to provide the same 12 percent.

Chairman Headland: Any questions for Mr. Walstad?

Zachary Smith, North Dakota Association of Rural Electric Cooperatives: Provided testimony in support. See attachment #1.

Representative Froseth: Isn't there a bill being drafted to adjust the rates of the electric utilities?

Zachary Smith: For the cooperatives?

Representative Froseth: Yes for the cooperatives.

Zachary Smith: In our mind a better vehicle is to put it in this bill. We just want it to be done the same way. That way if something happens to HB1059 we aren't constantly coming back to fix it.

Chairman Headland: Mr. Smith, you will help the tax department?

Zachary Smith: Yes.

Dale Niezwaag, Basin Electric Cooperative: We would stand in support of the amendments. The portion of the amendment that's important to us is the transmission lines tax being on the same level as the electrical.

Representative Klein: At the present time you're planning to limit the \$300 a mile. What is it now?

Dale Niezwaag: The rate varies. When you look at a 345 kilovolt line it's at \$600 per mile and at a 200 kilovolt and above it is \$400 per mile.

Representative Klein: Where is the big 500 dc line?

Dale Niezwaag: I believe that is at the same level as the 345 line. Anything above 300 kilovolts and higher is at the \$600 per mile.

Chairman Headland: Any other questions for Mr. Niezwaag? Is there any other testimony in support to HB1059? Is there any testimony in opposition to HB1059? Does the tax department have anything? Seeing none we will close the hearing on HB1059.

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1059
1/14/2015
21950

- Subcommittee
 Conference Committee

Committee Clerk Signature

Mary Brucher

Explanation or reason for introduction of bill/resolution:

A Bill relating to state-paid property tax relief credit.

Minutes:

Amendment attachment #1

Chairman Headland: Distributed amendment drafted by the tax department.

Dan Rouse, Legal Counsel to the Tax Commissioner: Distributed an amendment. See attached amendment #1. It appears as though there could be a \$1.5 to \$2 million fiscal impact associated with these amendments if they are adopted. I will have Jolene walk you through these amendments.

Jolene Vidal, Office of Tax Commissioner: Explained attached amendments. We added the transmission line tax from 57-33.2-02 and the distribution tax under 57-33.2-03. Number three of the proposed amendment lists a tax based on the per mile of the transmission lines and how that would be certified for payment for them to get the 12 percent. On number four is the credit against the distribution tax to also receive the 12 percent. The language below that would be to fund those back to the county as well. On the back page the RECs requested a change to 57-33.2-02 which was the transmission line mile tax. For the transmission lines that operate at 200 kilovolts or more it would be \$300 per mile instead of \$400 per mile. And where it's from 200-300, now it's anything above 200 so then item number five had to be removed. Now anything above 200 kilovolts would be \$300 per mile.

Chairman Headland: That request was to put them in the same area as the investor owned utilities of taxation to level the playing field?

Jolene Vidal: I don't know the answer to that. I also want to note that under 57-33.2 this is only adding the transmission line tax and the distribution tax to the 12% credit; it does not add the generation tax. Under 57-06.17 there is a transmission tax under that chapter of the code that would not be added for that 12% credit as well. It's just these two pieces that were requested to be added.

Chairman Headland: I think there is probably a reason for that but we can flush that out with the rural electric corporations.

Vice Chairman Owens: You just said there was a transmission tax in another part of the code.

Jolene Vidal: Yes. Under 57-06.17 there's a transmission line tax. There are different companies that pay that tax under 57-06; the investor owned utilities that have transmission lines that are valued under that chapter.

Vice Chairman Owens: So they are not in conflict?

Jolene Vidal: The investor owned utilities on that transmission line tax, because it is a tax per mile, is not part of their valuation; it's a separate tax so it would not receive the 12 percent.

Chairman Headland: Thank you for clearing that up. We're going to have to have the rural electric corporations comment on the amendment.

Representative Froseth: I think one of the issues here was that the rural electric corporations were paying a higher tax on their transmission lines than the investor owned utilities after what transpired last session. Does this bring the two into an equal proximity of taxes on the powers and lines and everything?

Jolene Vidal: I believe Sara Meier the property tax specialist with the tax commissioner's office has been working on updated numbers to show you the differences between the taxes of the investor owned utilities and the rural electric corporations. I can check with her on the availability of that memo on those figures and get those figures to you for your review.

Chairman Headland: That would be helpful.

Representative Klein: Isn't there a bill in the senate addressing this same issue?

Jolene Vidal: I don't know if there is a bill that addresses the amounts of the taxes paid in the senate but there's a bill that makes adjustments to reporting requirements under 57-33.2 where we added some cleanup work.

Chairman Headland: I had a discussion with Senator Cook this morning on that and that bill will not be introduced. Is there anything else for Jolene? We will wait until next week to hear from Zach Smith.

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1059
2/4/2015
23237

- Subcommittee
 Conference Committee

Committee Clerk Signature

Mary Brucker

Explanation or reason for introduction of bill/resolution:

A Bill relating to state-paid property tax relief credit.

Minutes:

Attachment #1, 2

Chairman Headland: I asked Sara Meier to explain the amendments.

Sara Meier, Property Specialist with Office of State Tax Commissioner: Explained amendments dated February 5, 2015. See attachment #1.

Representative Klein: What was item four?

Sara Meier: Item 4 is for distribution tax.

Chairman Headland: Even though I think we are all still confused I know the intent here. I think it would be helpful if we could read this in a Christmas tree version.

Sara Meier: It's difficult to balance between two completely different forms of taxation. We have the tax based on value with the investor owned utilities and we have the tax based on a flat rate with the RECs. There's no real way we could ever say they are going to be equal; there are just too many different factors at play. The new lines are taxed at the same rate.

Chairman Headland: For future development both sides of the party, those new lines would operate under the same tax. I think that is probably the best we are going to be able to do.

Representative Klein: When we gave the tax break last session to the investor owned it was about a 12% tax break. We were able to take care of the distribution cooperatives because they're taxed on a gross revenue tax. We were never able to take care of the generation and transmission which is Basin Electric, Great River Energy, Minnkota and a little bit of Elliot which is a Minnesota company. In this first one she was referring to new or upgraded transmission lines that are all going to pay the same tax. This is an attempt to take care of those four generation and transmission and bring them similar to the 12%; it's

a guess but it's probably as close as we're going to get. **MADE A MOTION TO ADOPT THE AMENDMENT OF FEBRUARY 5, 2015.**

Representative Dockter: SECONDED.

Chairman Headland: Does everybody understand what the amendment is going to do?

Representative Froseth: Isn't this going to change the fiscal note?

Chairman Headland: I had distributed a document from Sara Meier and it showed the total for the biennium in the best estimate is about \$2.4 million. See attachment #2.

Sara Meier: Mostly that is the distribution companies, the 12% on the distribution companies, because they are the bigger form of taxation under 57.33.2.

Representative Steiner: Why wasn't this done last session?

Chairman Headland: We tried. There was a previous tax department employee who is now retired that thought it was fair what we ended up with but over the interim it was pointed out to the committee that the problem wasn't taken care of. We then made a commitment to those involved that we would do what we could to try and level the playing field so this is our attempt at that.

Representative Klein: It isn't going to correct the long term problem. I would like to see the tax based on a carrying capacity; the size of the pipe. It would penalize especially the Minnesota companies that run direct current lines that shove about ten times the power as an ac line. When you start trying to figure out how to do it the problems become unsolvable so this is an attempt to correct the generation and transmission cooperatives that didn't share in that 12% to get there.

Chairman Headland: The amendment has a date of tomorrow on it.

Sara Meier: My legal advice is to correct it to February 4, 2015. (Per John Walstad)

VOICE VOTE: MOTION CARRIES TO ADOPT THE AMENDMENT.

Representative Klein: MADE A MOTION FOR A DO PASS AS AMENDED AND REREFER TO APPROPRIATIONS.

Vice Chairman Owens: SECONDED.

**ROLL CALL VOTE: 14 YES 0 NO 0 ABSENT
MOTION CARRIES.**

Representative Klein will carry this bill.

February 5, 2015

80
2-5-15
1/3

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1059

Page 1, line 1, replace "section" with "sections 57-06-17.3,"

Page 1, line 1, after "57-20-07.2" insert ", and 57-33.2-02"

Page 1, line 2, after "a" insert "new transmission line property tax exemption, a"

Page 1, line 2, after "credit" insert ", and the transmission line mile tax rate"

Page 1, after line 5, insert:

"SECTION 1. AMENDMENT. Section 57-06-17.3 of the North Dakota Century Code is amended and reenacted as follows:

57-06-17.3. New transmission line property tax exemption.

A transmission line of two hundred thirty kilovolts or larger, and its associated transmission substations, which is not taxable under chapter 57-33.2 and is initially placed in service on or after October 1, 2002, is subject to a tax at the rate of three hundred dollars per mile [1.61 kilometers] or fraction of a mile. A transmission line subject to taxation under this section is exempt from property taxes for the first taxable year after the line is initially placed in service, and the ~~taxable valuation as otherwise determined by law on the transmission line and its associated transmission substation taxes under this section~~ must be reduced by:

1. Seventy-five percent for the second taxable year of operation of the transmission line.
2. Fifty percent for the third taxable year of operation of the transmission line.
3. Twenty-five percent for the fourth taxable year of operation of the transmission line.

After the fourth taxable year of operation of the transmission line, the transmission line and its associated transmission substations are exempt from property taxes and are subject to a tax at the rate of three hundred dollars per mile [1.61 kilometers] or fraction thereof of the line located in this state. The per mile tax imposed by this section applies to the transmission line and its associated transmission substations and is subject to allocation among counties in the proportion that the miles of that transmission line in the county bears to the miles of that transmission line in the state.

For purposes of this section, "initially placed in service" includes both new construction and substantial expansion of the carrying capacity of a preexisting line, and "substantial expansion" means an increase in carrying capacity of fifty percent or more."

Page 1, line 19, after "3." insert: "The owner, operator, or lessee of transmission lines assessed by the state board of equalization under section 57-06-17.3 is entitled to a credit against taxes per mile in the amount provided in subsection 1. The tax commissioner shall determine the total amount of credits under this subsection and certify the amount

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to the state treasurer for transfer from the general fund to the electric generation, transmission, and distribution tax fund. The credit for each transmission company must be allocated and distributed to counties in the same manner as the tax collected from that company is allocated.

4. The owner, operator, or lessee of electric transmission or distribution property assessed by the state board of equalization under section 57-33.2-02 or 57-33.2-03 is entitled to a credit against the transmission or distribution tax in the amount provided in subsection 1. The tax commissioner shall determine the total amount of credits under this subsection and certify the amount to the state treasurer for transfer from the general fund to the electric generation, transmission, and distribution tax fund. The credit for each transmission or distribution company must be allocated and distributed to counties in the same manner as the tax collected from that company is allocated.

5."

Page 2, line 4, overstrike "4." and insert immediately thereafter "6."

Page 2, line 9, overstrike "5" and insert immediately thereafter "7"

Page 2, line 10, overstrike "5." and insert immediately thereafter "7."

Page 2, line 18, overstrike "4" and insert immediately thereafter "6"

Page 2, line 19, overstrike "6." and insert immediately thereafter "8."

Page 2, line 19, overstrike "4" and insert immediately thereafter "6"

Page 2, line 19, overstrike "5" and insert immediately thereafter "7"

Page 2, line 23, overstrike "7." and insert immediately thereafter "9."

Page 2, line 23, overstrike "5" and insert immediately thereafter "7"

Page 3, line 3, overstrike "8." and insert immediately thereafter "10."

Page 3, after line 6, insert:

"SECTION 3. AMENDMENT. Section 57-33.2-02 of the North Dakota Century Code is amended and reenacted as follows:

57-33.2-02. Transmission line mile tax - Exemption.

Transmission lines are subject to annual taxes per mile [1.61 kilometers] or fraction of a mile based on their nominal operating voltages on January first of each year, as follows:

1. For transmission lines that operate at a nominal operating voltage of less than fifty kilovolts, a tax of fifty dollars.
2. For transmission lines that operate at a nominal operating voltage of fifty kilovolts or more, but less than one hundred kilovolts, a tax of one hundred dollars.

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3. For transmission lines that operate at a nominal operating voltage of one hundred kilovolts or more, but less than two hundred kilovolts, a tax of two hundred dollars.
4. For transmission lines that operate at a nominal operating voltage of two hundred kilovolts or more, but less than three hundred kilovolts, a tax of four hundred dollars.
5. For transmission lines that operate at a nominal operating voltage of three hundred kilovolts or more, a tax of six hundred dollars.
6. A transmission line initially placed in service after January 1, 2009, and before December 31, 2013, is exempt from transmission line taxes under this section for the first taxable year after the line is initially placed in service, and transmission line taxes under this section must be reduced by:
 - a. Seventy-five percent for the second taxable year of operation of the transmission line.
 - b. Fifty percent for the third taxable year of operation of the transmission line.
 - c. Twenty-five percent for the fourth taxable year of operation of the transmission line.
 - d. After the fourth taxable year of operation, such transmission lines are subject to the standard transmission line taxes under this section.
7. A transmission line of two hundred thirty kilovolts or larger initially placed in service after January 1, 2009, is subject to a tax at the rate of three hundred dollars per mile [1.61 kilometers] or fraction of a mile. A transmission line subject to tax under this subsection is exempt for the first taxable year after the line is initially placed in service, and transmission line taxes under this subsection must be reduced by:
 - a. Seventy-five percent for the second taxable year of operation of the transmission line.
 - b. Fifty percent for the third taxable year of operation of the transmission line.
 - c. Twenty-five percent for the fourth taxable year of operation of the transmission line.
 - d. After the fourth taxable year of taxable operation, such transmission lines are subject to the standard transmission line taxes under this subsection.
8. For purposes of this section, "initially placed in service" includes both new construction and substantial expansion of the carrying capacity of a preexisting line, and "substantial expansion" means an increase in carrying capacity of fifty percent or more."

Renumber accordingly

Date: 2-4-15
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1059

House Finance and Taxation Committee

Subcommittee

Amendment LC# or Description: Feb. 5, 2015 Tax Commissioner amendment

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Rep. Klein Seconded By Rep. Dockter

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN HEADLAND			REP HAAK		
VICE CHAIRMAN OWENS			REP STRINDEN		
REP DOCKTER			REP MITSKOG		
REP TOMAN			REP SCHNEIDER		
REP FROSETH					
REP STEINER					
REP HATLESTAD					
REP KLEIN					
REP KADING					
REP TROTTIER					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Voice vote = Motion carried.

Date: 2-4-15
 Roll Call Vote #: 2

**2015 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1059**

House Finance and Taxation Committee

Subcommittee

Amendment LC# or Description: Feb. 5, 2015 Tax Commissioner's Office

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Rep. Klein Seconded By Rep. Owens

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN HEADLAND	✓		REP HAAK	✓	
VICE CHAIRMAN OWENS	✓		REP STRINDEN	✓	
REP DOCKTER	✓		REP MITSKOG	✓	
REP TOMAN	✓		REP SCHNEIDER	✓	
REP FROSETH	✓				
REP STEINER	✓				
REP HATLESTAD	✓				
REP KLEIN	✓				
REP KADING	✓				
REP TROTTIER	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Rep. Klein

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1059: Finance and Taxation Committee (Rep. Headland, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1059 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "section" with "sections 57-06-17.3,"

Page 1, line 1, after "57-20-07.2" insert ", and 57-33.2-02"

Page 1, line 2, after "a" insert "new transmission line property tax exemption, a"

Page 1, line 2, after "credit" insert ", and the transmission line mile tax rate"

Page 1, after line 5, insert:

"SECTION 1. AMENDMENT. Section 57-06-17.3 of the North Dakota Century Code is amended and reenacted as follows:

57-06-17.3. New transmission line property tax exemption.

A transmission line of two hundred thirty kilovolts or larger, and its associated transmission substations, which is not taxable under chapter 57-33.2 and is initially placed in service on or after October 1, 2002, is subject to a tax at the rate of three hundred dollars per mile [1.61 kilometers] or fraction of a mile. A transmission line subject to taxation under this section is exempt from property taxes for the first taxable year after the line is initially placed in service, and the taxable valuation as otherwise determined by law on the transmission line and its associated transmission substation taxes under this section must be reduced by:

1. Seventy-five percent for the second taxable year of operation of the transmission line.
2. Fifty percent for the third taxable year of operation of the transmission line.
3. Twenty-five percent for the fourth taxable year of operation of the transmission line.

After the fourth taxable year of operation of the transmission line, the transmission line and its associated transmission substations are exempt from property taxes and are subject to a tax at the rate of three hundred dollars per mile [1.61 kilometers] or fraction thereof of the line located in this state. The per mile tax imposed by this section applies to the transmission line and its associated transmission substations and is subject to allocation among counties in the proportion that the miles of that transmission line in the county bears to the miles of that transmission line in the state.

For purposes of this section, "initially placed in service" includes both new construction and substantial expansion of the carrying capacity of a preexisting line, and "substantial expansion" means an increase in carrying capacity of fifty percent or more."

Page 1, line 19, after "3." insert: "The owner, operator, or lessee of transmission lines assessed by the state board of equalization under section 57-06-17.3 is entitled to a credit against taxes per mile in the amount provided in subsection 1. The tax commissioner shall determine the total amount of credits under this subsection and certify the amount to the state treasurer for transfer from the general fund to the electric generation, transmission, and distribution tax fund. The credit for each

transmission company must be allocated and distributed to counties in the same manner as the tax collected from that company is allocated.

4. The owner, operator, or lessee of electric transmission or distribution property assessed by the state board of equalization under section 57-33.2-02 or 57-33.2-03 is entitled to a credit against the transmission or distribution tax in the amount provided in subsection 1. The tax commissioner shall determine the total amount of credits under this subsection and certify the amount to the state treasurer for transfer from the general fund to the electric generation, transmission, and distribution tax fund. The credit for each transmission or distribution company must be allocated and distributed to counties in the same manner as the tax collected from that company is allocated.

5."

Page 2, line 4, overstrike "4." and insert immediately thereafter "6."

Page 2, line 9, overstrike "5" and insert immediately thereafter "7"

Page 2, line 10, overstrike "5." and insert immediately thereafter "7."

Page 2, line 18, overstrike "4" and insert immediately thereafter "6"

Page 2, line 19, overstrike "6." and insert immediately thereafter "8."

Page 2, line 19, overstrike "4" and insert immediately thereafter "6"

Page 2, line 19, overstrike "5" and insert immediately thereafter "7"

Page 2, line 23, overstrike "7." and insert immediately thereafter "9."

Page 2, line 23, overstrike "5" and insert immediately thereafter "7"

Page 3, line 3, overstrike "8." and insert immediately thereafter "10."

Page 3, after line 6, insert:

"SECTION 3. AMENDMENT. Section 57-33.2-02 of the North Dakota Century Code is amended and reenacted as follows:

57-33.2-02. Transmission line mile tax - Exemption.

Transmission lines are subject to annual taxes per mile [1.61 kilometers] or fraction of a mile based on their nominal operating voltages on January first of each year, as follows:

1. For transmission lines that operate at a nominal operating voltage of less than fifty kilovolts, a tax of fifty dollars.
2. For transmission lines that operate at a nominal operating voltage of fifty kilovolts or more, but less than one hundred kilovolts, a tax of one hundred dollars.
3. For transmission lines that operate at a nominal operating voltage of one hundred kilovolts or more, but less than two hundred kilovolts, a tax of two hundred dollars.
4. For transmission lines that operate at a nominal operating voltage of two hundred kilovolts or more, but less than three hundred kilovolts, a tax of four hundred dollars.

5. For transmission lines that operate at a nominal operating voltage of three hundred kilovolts or more, a tax of six hundred dollars.
6. A transmission line initially placed in service after January 1, 2009, and before December 31, 2013, is exempt from transmission line taxes under this section for the first taxable year after the line is initially placed in service, and transmission line taxes under this section must be reduced by:
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8. For purposes of this section, "initially placed in service" includes both new construction and substantial expansion of the carrying capacity of a preexisting line, and "substantial expansion" means an increase in carrying capacity of fifty percent or more."

Renumber accordingly

2015 HOUSE APPROPRIATIONS

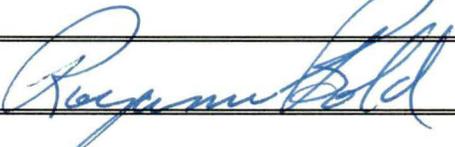
HB 1059

2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

HB 1059
2/12/2015
Job # 23787

- Subcommittee
 Conference Committee



Explanation or reason for introduction of bill/resolution:

Relating to a new transmission line property tax exemption, a state-paid property tax relief credit, and the transmission line mile tax rate

Minutes:

"Click to enter attachment information." *None*

Chairman Jeff Delzer

Called the hearing to order.

Representative Craig Headland District 29 spoke about the bill as chair of the originating committee. I would like to refer questions to the tax department.

Chairman Jeff Delzer

Have you seen the 2.05.15 fiscal note? It says its \$230M.

Headland: that came from the interim committee and we left that unchanged, that is the cost to continue the property tax relief. It wasn't brought to my attention that those numbers changed. Now it's about \$250M.

Brady Larson: it's in the Treasurers budget.

Chairman Jeff Delzer

Who put it in?

Larson: it was interim tax committee.

Chairman Jeff Delzer

Where's the cost go?

Sarah Meier Property Tax Specialist, Office of State Tax: on the fiscal note from February 5, the expenditures listed under general fund; the \$2.4M is only the portion that would be attributed to electric transmission and distribution tax. The 12% would be applied to the taxes we collect from those companies for distribution and transmission tax.

Chairman Jeff Delzer

There will be less income tax to the state?

Meier: only the expenditure that the state would make up to the counties and other political subdivisions that receive the entire portion of the electric generation and distribution tax.

Chairman Jeff Delzer: We are shifting this from the coops. To the state paying it...why are we doing that?

Meier: that is how the 12 % property tax credit also operates. Similar to what property tax relief that is given to individuals; it's just for the coops.

Chairman Jeff Delzer

Brady (Larson, Leg. Council) is this listed in your fiscal note as both 230 in this bill and 250 in the treasurer's?

Larson: we do note both of them, but we have an adjustment for the duplication.

Chairman Jeff Delzer: was there any talk about the overall tax structure? And looking at the fairness, between IOU's and coops; when you take the income tax side in as well?

Headland: there was information offered to the interim tax committee in that area. The REC's were paying a bit higher tax and they brought that to us last session and we were unable to gather the information to finish up last session. The interim committee looked at it and as a matter of policy decided that it was appropriate to make these adjustments to the line. It's only on new lines moving forward or lines since the exemption was put in place for the REC's.

Chairman Jeff Delzer

Since January 1, 2009?

Headland: yes, as a matter of policy, since the IOU's their mechanism for paying taxes, received the 12% property tax benefit, that in fairness it should also flow to the REC's.

Chairman Jeff Delzer

Sarah, if we take this appropriation out of here, does it affect the bill at all since that appropriation is already in the treasurers?

Meier: the \$230M is covered by the Treasurers budget, which is the \$250M.

Representative Nelson

Representative Headland; the tax bill came out of your committee last year, did you have discussion about this with the REC's not being part of this; when did this jump out and hit you?

Headland: late last session, we were unable to do that because the way they're taxed; IOU's pay an ad valorem tax and the Coops... it's a flat rate.

Representative Nelson

The legislature had no idea we were looking at a \$250M addition to this?

Chairman Jeff Delzer

It's not \$250M its 2.4M. The issue on the taxing is \$2.4M. The \$250 is the 12% overall.

Representative Nelson

Given that, there was not any discussion about this issue?

Chairman Jeff Delzer

Wasn't there an issue of .4 to .43 on state aid distribution?

Headland: there was that issue, but on a separate issue; it was based on a % of cost per mile. The coops position was that it should be something in the area of*he cannot recall*.... The REC's were unhappy with the conclusion of that.

Chairman Jeff Delzer

Last time you considered the IOU tax breaks, and this is the coops. wanting the same tax break.

Headland: was not on the conference committee; it had to do with the rate of tax per mile and an adjustment downward, to reflect a more fair tax rate between the two different industries.

Chairman Jeff Delzer

Brady does the Treasurer's; the \$250, does that not incorporate this 2.4?

Larson: no it does not.

Representative Monson

The portion to the counties...what about the portion to the schools?

Headland: I believe the tax is paid out to the county and sent out to the counties.

Hearing closed.

2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

HB 1059
2/17/2015
24011

- Subcommittee
 Conference Committee

Mary Bricker

Explanation or reason for introduction of bill/resolution:

Relating to a new transmission line property tax exemption, a state-paid property tax relief credit, and the transmission line mile tax rate.

Minutes:

No attachment

Chairman Jeff Delzer: This bill came out of the House Finance and Tax Committee. This bill changes the taxing on cooperative transmission lines. The interim committee said it puts it in line with what the IOUs pay. I think there might be some questions about the income tax side between the IOUs and the cooperatives that should be looked at as well. The vote in committee was 14-0. The one thing we have in this bill is the same as in the last bill; there's a \$230 million appropriation which also sits in the State Treasurer's budget and this is for the 12% property tax relief. It doesn't belong in both of them; it belongs in the treasurer's. I think we should take that out of this bill. This bill has a fiscal effect of \$2.4 million which would be needed for the counties and part of that is the issue we'll have to deal with when the treasurer's bill comes over. I think they also took out \$23 million for County Social Services of the \$250 which was originally in the treasurer's bill. That will all have to be lined up but it will have to be lined up in the treasurer's budget where the appropriation for the property tax relief is.

Representative Brandenburg: I was on the Finance and Tax when they made the switch from 2% of generation to property tax and also gross receipts tax on transmission lines and distribution. It was a matter of fairness to get in line with property taxes at that time. At the end of last session they got left out and as a matter of fairness to take care of the 12% I would support that.

Representative Brandenburg: Made a motion amend the bill and remove section 4 to take the \$230 million out because that should be in the treasurer's budget.

Representative Skarphol: Seconded.

Chairman Delzer: We will have to deal with the issue of the 12% and the treasurer's bill when we get it in the second half. I certainly don't think it belongs in both bills. I think this is a fairness issue. We should remove the appropriation of the \$230 million.

Voice vote to amend: Motion carries.

Representative Brandenburg: Made a motion for a do pass as amended.

Representative Boe: Seconded.

Roll call vote: 22 Yes 0 No 1 Absent
Motion carries

Representative Brandenburg will carry this bill.

15.0149.02001
Title.03000

Prepared by the Legislative Council staff for
House Appropriations Committee
February 17, 2015

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2/18/15

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1059

Page 1, line 3, remove "; to provide an"

Page 1, line 4, remove "appropriation"

Page 5, remove lines 28 through 30

Page 6, remove lines 1 and 2

Renumber accordingly

Date: 2/17/15

Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1059

House Appropriations Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment

Do Pass Do Not Pass Without Committee Recommendation

As Amended Rerefer to Appropriations

Place on Consent Calendar

Other Actions: Reconsider _____

Motion Made By: Brandenburg Seconded By: Skarphol

Representatives	Yes	No	Absent	Representatives	Yes	No	Absent	Representatives	Yes	No	Absent
Chairman Jeff Delzer				Representative Nelson				Representative Boe			
Vice Chairman Keith Kempenich				Representative Pollert				Representative Glasheim			
Representative Bellew				Representative Sanford				Representative Guggisberg			
Representative Brandenburg				Representative Schmidt				Representative Hogan			
Representative Boehning				Representative Silbernagel				Representative Holman			
Representative Dosch				Representative Skarphol							
Representative Kreidt				Representative Streyle							
Representative Martinson				Representative Thoreson							
Representative Monson				Representative Vigasaa							

Totals

(Yes)	
No	
Absent	
Grand Total	

Motion
Voice Carried
Vote

Floor Assignment: _____

If the vote is on an amendment, briefly indicate intent: _____

Amend to remove Section 4
Approp of \$230,000,000
Page 1 - Line 3 remove "to provide an"

Date: 2/17/15

Roll Call Vote #: 2

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1059

House Appropriations Committee

Subcommittee

Amendment LC# or Description: 15.0149.02001

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By: Brandenburg Seconded By: Boe

Representatives	Yes	No	Absent	Representatives	Yes	No	Absent	Representatives	Yes	No	Absent
Chairman Jeff Delzer	✓			Representative Nelson	✓			Representative Boe	✓		
Vice Chairman Keith Kempenich	✓			Representative Pollert	✓			Representative Glassheim	✓		
Representative Bellew	✓			Representative Sanford	✓			Representative Guggisberg	✓		
Representative Brandenburg	✓			Representative Schmidt	✓			Representative Hogan	✓		
Representative Boehning	✓			Representative Silbernagel	✓			Representative Holman	✓		
Representative Dosch	✓			Representative Skarphol	✓						
Representative Kreidt	✓			Representative Streyle			—				
Representative Martinson	✓			Representative Thoreson	✓						
Representative Monson	✓			Representative Vigesaa	✓						

Totals

(Yes)	<u>22</u>
No	<u>0</u>
Absent	<u>1</u>
Grand Total	<u>23</u>

Floor Assignment: Brandenburg

If the vote is on an amendment, briefly indicate intent: _____

REPORT OF STANDING COMMITTEE

HB 1059, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (22 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1059
was placed on the Sixth order on the calendar.

Page 1, line 3, remove "; to provide an"

Page 1, line 4, remove "appropriation"

Page 5, remove lines 28 through 30

Page 6, remove lines 1 and 2

Renumber accordingly

2015 SENATE FINANCE AND TAXATION

HB 1059

2015 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Lewis and Clark Room, State Capitol

HB1059
3/17/2015
Job #24945

- Subcommittee
 Conference Committee

Committee Clerk Signature

Alice Grove

Explanation or reason for introduction of bill/resolution:

Relating to a new transmission line property tax exemption, a state-paid property tax relief credit, and the transmission line mile tax rate, and to provide an effective date.

Minutes:

Attachments #1, #2

Chairman Cook opened the hearing on HB1059

Emily Thompson, Staff Attorney, Legislative Council -- I'm here today to testify in a neutral capacity to explain the provisions of HB1059 as this was one of the bills recommended by the interim taxation committee. It should be noted this bill was also reviewed and recommended by the interim advisory commission on intergovernmental relations. HB1059, as introduced, related to a continuation of the 12% state paid property tax credit. The credit, which was first provided during the 2013 legislative session, SB2036, functions much like the homestead credit. The reduction appears on your property tax statement. The county informs the state of the amount of property tax reduction in dollars and the state provides that funding to cover the reduction. (meter 1:08-5:11)

Zac Smith, North Dakota Association of Rural Electric Cooperatives -- I'm glad to see Emily up here explaining this bill. **(Attachment #1)** Urge adoption of the proposed amendment to HB1059.

Sen. Triplett -- Two places in your testimony you reference the amendment we seek. I'm wondering if you have new amendments prepared?

Zac Smith -- I'm referring to the amendment as passed.

Sen. Triplett -- So you are in favor of the bill as it has been engrossed? Okay,

Jean Schafer, Basin Electric Power Cooperative -- In support of engrossed HB1059. **(Attachment #2)**

Al Christianson, Great River Energy -- My testimony is very short: me too.

Senate Finance and Taxation Committee

HB1059

March 17, 2015

Page 2

No further testimony.

Chairman Cook closed the hearing on HB1059.

2015 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Lewis and Clark Room, State Capitol

HB1059
3/24/2015
Job #25310

- Subcommittee
 Conference Committee

Committee Clerk Signature

Alice Grove

Explanation or reason for introduction of bill/resolution:

Committee work

Minutes:

Chairman Cook opened the committee work on HB1059.

Sen. Cook -- This has to go to appropriations so Ray would like to see it out of here. We can hold it until Monday, if we want. Anybody got any changes they want to make to this bill? 12% buydown.

Sen. Unruh -- Are there some amendments you would like to see?

Sen. Cook -- No, I'm comfortable with the bill just as it is.

Sen. Unruh -- As am I. I will move a do pass on reengrossed HB1059, and rerefer to appropriations.

Sen. Bekkedahl -- Seconded.

Sen. Dotzenrod -- When we had the hearing on this was there anybody that spoke in opposition?

Sen. Cook -- Nope.

Sen. Triplett -- On the same page, just trying to recollect, we did have testimony from Zac Smith on behalf of the Assoc. of REC's and in his testimony he referenced an amendment but then it seemed, in discussion, that he was referring to amendments that were added in the House and so he wasn't actually asking us to amend.

Sen. Cook -- You realize that if we pass this bill, as it came to us, that for the first time in 4 sessions, this being the 4th, there will not be a property tax conference committee meeting on the last day of the session? Sen. Dotzenrod, can you handle that? You can manage that with no withdrawals?

Sen. Unruh -- I'd like to amend the bill.

Sen. Triplett -- On the topic that we just had on the second previous bill about stability over the long term, Emily Thompson from legislative council, reported to us that as it reduced the bill had a large fiscal note and that now it has a smaller fiscal note because of the amendment, I guess...

Sen. Cook -- The money has been put in the treasurer's budget. The only money left in this bill is the \$2.4 million that the REC amendment will put on the bill. The \$226 million or whatever it was to fund the 12% has been put into the treasurer's budget. Appropriations did that and that managed to take this down to an actual 11% buydown because the cost of the social service moved from county to state is the other 1%.

Sen. Triplett -- So what actually is the fiscal note on this bill at the moment?

Sen. Cook -- \$2.4 million.

Sen. Dotzenrod -- The language on page 2, line 12, where we refer to the credit is equal to 12%. Can we leave that in there at the number 12?

Sen. Cook -- It will go to appropriations and then they will put their fingerprints on it. So for property tax relief, we have this: the shift of social services from county to the state, and the two together it looks like it is going to equal 12%. The senate education funding bill that we passed, started to reduce the amount of mills that local government had to impose and I think the property tax reduction in that bill, as we passed it, was somewhere around \$22 million. I believe the House, as they are going to pass it, will be taking that out so that will be a conference committee decision, ultimately, where we end up with an education funding bill. That looks like property tax relief in its totality, from what I have seen.

Sen. Dotzenrod -- That \$22 million, that was a figure that was this biennium's foundation aid support relative to what we did 2 years ago? That was where we get the \$22 million?

Sen. Cook -- It would be \$22 million more. I always use the number 60 mills that local school districts have to impose. I think the education bill that we passed out, before crossover, lowered that 60 mills down to 56 or something like that. That reduction was worth \$22 million.

Sen. Dotzenrod -- My memory of when Sen. Flakoll carried that on the floor was that he took what we did 2 years ago and then they said 3 mills in the first year of the biennium and then a second 3 mills in the second. (meter 6:47-6:59)

Sen. Cook -- Yes, you are right. But that is it for property tax relief.

Sen. Dotzenrod -- When you take the social services out of the 12%, that remainder, that \$226 million, where is that in our system? Is that in the treasurer's budget?

Sen. Cook -- The treasurer's budget. And then we passed out a homestead tax credit.

Sen. Dotzenrod -- We changed the brackets? We took the brackets that we had from before and expanded them? Is that the bill you are talking about?

Sen. Cook -- You know what, they killed it. Do you want to amend it on here?

Sen. Bekkedahl -- Did they kill it because of its provisions expanding the brackets or by expanding the allowable amount...?

Sen. Cook -- Let's pull back our do pass motion and second, shall we?

Sen. Unruh -- I will do that.

Sen. Cook -- Who seconded it? Sen. Bekkedahl? What was the bill number that we passed on homestead tax credit? Do you have it, Terry?

Sen. Triplett -- While he is looking maybe we should assign Cole, if he has time, to listen in to the discussion or check the committee minutes or something so that we understand why they did what they did on the House side so that maybe there is some accommodation that we could make to them that would make them less likely to go for a conference committee as opposed to reamending it directly. I think it would be useful to understand their reasoning.

Sen. Cook -- Cole, can you do that?

Sen. Bekkedahl -- Was it SB2221?

Sen. Cook -- Who's prime?

Sen. Bekkedahl -- Prime is Klein.

Sen. Cook -- That's it, 2221. Cole, can you draft amendments? Listen to the testimony first, if you can hear anything. We are going to work towards amending 2221 on to this bill.

2015 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Lewis and Clark Room, State Capitol

HB1059
3/24/2015
Job #25354

- Subcommittee
 Conference Committee

Committee Clerk Signature

Alice Grove

Explanation or reason for introduction of bill/resolution:

Committee work

Minutes:

Chairman Cook opened the committee work on HB1059.

Sen. Cook -- This morning I suggested that we keep it a while. Further thought, I would suggest that we pass it out just as is. If what happens, happens. We have time, yet, to put it on the floor in appropriations, whatever we think we need to do. I'd like to get it down to Ray so that he can have a hearing on it.

Sen. Unruh -- I move a do pass on HB1059, and rerefer to appropriations.

Sen. Bekkedahl -- Seconded.

Sen. Triplett -- Is the idea then that because the other bill is not altogether dead yet, we don't want to wait the extra time?

Sen. Cook -- Yes and it might sit on their calendar for a while and if they think that I am holding this one, I guarantee it will sit on their calendar. So let's not play the game.

Roll call vote on do pass, rerefer, HB1059. Vote 7-0-0. Carried.

Carrier: Sen. Bekkedahl

Date: 3-24-15

Roll Call Vote #: 1

2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HR 1059

Senate Finance and Taxation Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Sen. Unruh Seconded By Sen. Bekkedahl

Senators	Yes	No	Senators	Yes	No
Chairman Dwight Cook	✓		Senator Jim Dotzenrod	✓	
Vice Chairman Lonnie Laffen	✓		Senator Connie Triplett	✓	
Senator Brad Bekkedahl	✓				
Senator Dave Oehlke	✓				
Senator Jessica Unruh	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Sen. Bekkedahl

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1059, as reengrossed: Finance and Taxation Committee (Sen. Cook, Chairman)
recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
Reengrossed HB 1059 was placed on the Fourteenth order on the calendar.

2015 SENATE APPROPRIATIONS

HB 1059

2015 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

HB 1059
4/1/2015
Job # 25685

- Subcommittee
 Conference Committee

Committee Clerk Signature

Alice Grove for Rose Loring

Explanation or reason for introduction of bill/resolution:

Relating to a new transmission line property tax exemption, a state-paid property tax relief credit, and the transmission line mile tax rate.

Minutes:

Attachment 1 - 2

Legislative Council - Adam Mathiak
OMB - Nick Creamer & Tammy Dolan

Chairman Holmberg called the committee to order on HB 1059.

Senator Dwight Cook, District 34, Bill Sponsor: I'm carrying 1059 to you and ask that you give it a favorable do pass. This is the property tax exemption bill that extends the 12 % buy-down. It brings a fix to, I call it the REC tax, as we buy down ad valorem taxes, the REC's don't get to enjoy any of that buy-down so this gives them a fix to keep them the same tax relief that other electric utility companies get. The fiscal note for that part of this bill is \$2.4M. Zac Smith with the REC's is here to speak to that issue. I'm also asking if you would consider putting an amendment on this bill, which is not finished yet. The amendment will bring another issue and that is the bill that we passed earlier in the Senate and was defeated on the House floor. That bill increases the training requirements on assessors. We are making some modifications so that some of the issues that caused concerns will be relieved. The bill required 160 hours of training for all certified assessors in the state of North Dakota. Townships had some problems with that and thought it was too much. I think that brought a lot of the NO votes. The amendment was supposed to be done by 9:00 but I hope to bring it down today.

Chairman Holmberg: We will put this in the nest and sit on it for a while. Are you familiar with Sen. Oehlke's amendment ?

Sen. Cook: I was going to welcome Sen. Oehlke so that he could talk to you about another amendment that is here for the same reason as mine, and I would hope we could put it on the bill also.

Chairman Holmberg: The appropriations committee should note that for the first time this session we are going to be dealing, potentially, with policy issues, which we never do.

Sen. Cook: I would certainly never, I don't think, challenge that you do do it, but if you do just these two that we are bringing to you, we would welcome the discussion on policy.

Senator Dave Oehlke, District 15: I'm here to ask your consideration for an amendment to HB1059. Handed out 15.0149.03001 (Attachment 1). This is the Homestead Tax credit. As Sen. Cook mentioned, the previous bill that was passed out of the Senate has lost its way in the House. This is a reduced amendment. This one that was initially proposed provided an increase in the valuation from \$100,000 to \$150,000 for the Homestead Tax credit. It also increased the levels of income significantly to qualify. It also had a renters tax credit. This amendment does not have any increase in the levels of income to qualify. No renters tax credit. The only thing this does is increase the home valuation from \$100,000 to \$125,000. Going from \$100,000 to \$150,000, the fiscal note on that part of it was \$5.1M. Only going to \$125,000 from \$100,000 for qualification, this should roughly come in at about \$2.5M to \$2.6 or 7M for a fiscal note. I do not have an actual fiscal note to go with it.

Chairman Holmberg: Unfair question: in your personal opinion, which would be a higher priority, this amendment or what we heard earlier on 1223? If only one could come out of the garage?

Sen. Oehlke: I don't have any problem with this amendment. And 1223, was I here for that?

Chairman Holmberg: Your fingerprints are on it.

Zachary Smith, Communications & Government Relations Director, North Dakota Association of Rural Electric Cooperatives (NDREC)
Testified in favor of HB 1059. Attachment 2.

We are major property taxpayers in the state and deserve the same tax relief afforded other taxpayers.

Senator Carlisle: You said, as amended. You are not referring to the Oehlke amendments?

Zach Smith: We don't have a position on those, just as it came through the House, as engrossed.

Chairman Holmberg closed the hearing on HB 1059.

Senator Mathern: I was wondering, if Legislative Council could help on the amendments offered by Sen. Oehlke. I think we ought to adopt it but I'm wondering why there is no wording in the amendment that relates to \$100,000 going to \$125,000. Is that implied in the formula or is it incorrect wording?

Senator Wanzek: I think that is in the taxable valuation number.

Emily Thompson, Legislative Council: You won't see that actual number of \$100,000 and the \$125,000. How that is calculated is the true and full value. You would take \$100,000 by the 4.5% and then you would get a number and that's the maximum reduction you would get. So instead of taking that $\$100,000 \times 4.5\%$ to get the changes you see in each section, you would take the \$125,000. It increases the maximum reduction you would get.

Senator Mathern: So this amendment is correct to meet that purpose?

Emily Thompson: Yes, it is correct.

Chairman Holmberg: The reason there is not a Statement of Purpose on this is because it was prepared by legal, not by fiscal, council.

2015 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

HB 1059
4/14/2015
Job # 26072

- Subcommittee
 Conference Committee

Committee Clerk Signature

Katia Oliver for Alice Belzer

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact NDCC relating to a new transmission line property tax exemption, a state-paid property tax relief credit, and the transmission line mile tax rate; and to provide an effective date.

Minutes:

1 - Amendment # 15.0149.03003
2 - Amendment # 15.0149.03001

Chairman Holmberg called the committee to order on Tuesday, April 14, 2015 at 8:30 am in regards to HB 1059. Roll Call was taken. All committee members were present. Brady Larson, Legislative Council and Becky Deichert, OMB were also present.

Senator Dwight Cook, District 34 submitted amendment # 15.0149. 03003 and explained the amendments. Attachment # 1.

Chairman Holmberg: Why was the original bill was defeated in the House because of the arguments that it was too much training. What was the vote in the Senate, do you recall?

Senator Cook: There were 18 total no votes.

Chairman Holmberg: Could it have been because of the number of hours of training for the township assessors.

V.Chairman Bowman: Did the assessors come in and want this or is this just an idea?

Senator Cook: This idea came from the state tax equalization officer, state tax commissioner's office and county tax equalization officer are the ones who work hand and hand that is where the idea came from. It's been an ongoing problem, we have tried to address it in a number of sessions the role of accessing property for tax purposes. If you can't get the assessment right, it's broken. It seems to be more lack of attention; doing the assessment right doesn't change the revenue the political subdivisions get. They levy the tax to generate the revenue; if the assessment isn't done right it doesn't raise the levy or lower it.

Senator Erbele: Did the House make any effort at all to address the hours.

Senator Cook: The House Finance and Tax Committee supported this, took it to the floor with a do pass and pretty soon somebody killed the bill.

Senator Mathern: Has this amendment been seen by your committee and what is the difference between assessor one and assessor two.

Senator Cook: This bill has been seen by the Senate Finance and Tax Committee. They have not seen the amendment but it has been explained to them. As far what is the difference between the two assessors, nothing? They will both assess the same properties, it is just that assessor 2, with the 100 hours of training, can work for townships.

Senator O'Connell: Is there a design program when you come up with 100 hours or 180 hours?

Senator Cook: Yes there is a design program.

Senator Sorvaag: SB 2054 is the senate bill passed 26/20.

Senator Wanzek: Where do they go to get this instruction?

Senator Cook: They can get it online. The state tax equalization would arrange the training. Some local county, local township assessors can get training from the local tax equalization.

Senator Carlisle moved the amendment # 15.0149.03003 with a second by V. Chairman Krebsbach.

Senator Carlisle: I notice this drafted by legal folks. The statement and purpose is just to reduce the hours.

Emily Thompson, Legislative Council. Correct, this is reducing the hours. What this amendment does is breaks into class 1 and class 2 assessor, the first class has 180 hours of instruction; two has 100 hours of instruction. There is credit allowed for training already received. This provides for a transition period as well. Right now the townships and smaller cities do have a lower training requirement.

Senator O'Connell: Is there a penalty for local county assessors?

Emily Thompson: In reviewing this amendment I do not believe so.

Senator Heckaman: Could lose their certification. Is that in current law?

Senator Cook: Yes, it is in current law and state equalization officer would have to know about it and they have the authority to take away the certification.

Senator Gary Lee: Is there a fee to take the course to get certified.

Senator Cook. Yes there is a cost.

Senator Wanzek: So there is a one-time requirement of 100 hours for class 2 and for 180 hours for a class 1. To maintain going forward you have put in 20 hours in a 2 year period for a class 1 and 10 hours for class 2, is that correct?

Senator Cook: There is continuing education required.

Chairman Holmberg all in favor of amendment # 15.0149.03003 Say aye. It passed.

Chairman Holmberg: We have another amendment given by Senator Oehlke. I am glad this Senate was quite supportive of making some changes to the homestead tax credit area. The issue ran into a buzz saw in the House. Attachment # 2 - Amendment # 15.0149.03001.

Senator Cook. I do recall when we passed out our homestead tax credit bill that we expanded the income brackets, from \$42,000 to up to \$50,000. The most important thing we did policy wise is raised the value of income tax credit on the home from \$100,000 to \$150,000 of true and full value. It had an \$8,000,000 fiscal note; I believe that \$5,100,000 was due to increasing the valuation from \$100,000 to \$150,000. Someone in the House defeated that bill. The homestead credit whether we go home with it or not, it leaves the income tax brackets the same and reduces the amount of the increase in the taxable valuation; it should reduce the fiscal note to \$2,500,000.

Senator Carlisle moved amendment # 15.0149.03001 with a second by V. Chairman Krebsbach.

Chairman Holmberg: This is an old friend and very supportive of the Senate. The goal is to have the two issues back in for the conference committee.

Senator Wanzek: We are scheduled for the tax department in conference committee; we probably need to hold out until we know what we do here. The leader said something about raising the value of the homes.

Chairman Holmberg: Send it out but coordinate with the tax department.

Senator Mathern: I do think this is a positive amendment. I am a little bit conflicted, we have mixed, it's all happening in the appropriation committee not the policy committee, I find it a little uncomfortable. This very good amendment.

Chairman Holmberg: All in favor of amendment # 15.0149.03001 say aye. It carried.

Senator Carlisle moved a Do Pass as Amended with a second by Senator Sorvaag.

Chairman Holmberg: Call the roll on a Do Pass as Amended on HB 1059.

A Roll Call vote was taken. Yea: 13; Nay: 0; Absent: 0.

Senate Appropriations Committee

HB 1059

04-14-2015

Page 4

Chairman Holmberg: This goes back to Finance and Tax and Senator Bekkedahl will carry the bill. The hearing was closed on HB 1059.

April 1, 2015

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1059

Page 1, line 1, after "Act" insert "to create and enact section 57-02-01.1 of the North Dakota Century Code, relating to training and certification of assessors;"

Page 1, line 1, after "sections" insert "11-10.1-01, 11-10.1-05, 57-02-33,"

Page 1, line 2, after "to" insert "training and certification of assessors,"

Page 1, after line 5, insert:

"SECTION 1. AMENDMENT. Section 11-10.1-01 of the North Dakota Century Code is amended and reenacted as follows:

11-10.1-01. County director of tax equalization.

1. The board of county commissioners of each county ~~in this state~~ shall appoint a county director of tax equalization who must be ~~qualified and~~ experienced in ~~property appraisals, familiar with~~ assessment and equalization procedures and techniques, and who ~~is the holder of~~ holds a current ~~certificate~~ certification as a class I assessor issued by the state supervisor of assessments. ~~The state supervisor of assessments shall confer with representatives of the county commissioners, city governing bodies, state township officers association, and personnel at North Dakota state university to establish or revise the minimum requirements for attaining the certificate. Any person who is denied such certificate may appeal to the state tax commissioner for a hearing under the provisions of chapter 28-32.~~
2. The board of county commissioners may, ~~in its discretion,~~ appoint a ~~person~~ county director of tax equalization on a probationary basis who does not hold a current ~~certificate as provided for in subsection 1~~ certification as a class I assessor, if the board deems ~~such person~~ the individual qualified to act as county director of tax equalization by virtue of education, training, ~~and experience, and willingness to obtain certification as a class I assessor.~~ assessor. The appointment must be for a term of not more than ~~three~~ two years. Any person receiving a probationary appointment who does not obtain a ~~certificate~~ certification as a class I assessor within ~~three~~ two years from the appointment is not eligible for reappointment.
3. The county director of tax equalization shall serve at the pleasure of the board of county commissioners and may be employed on a full-time or part-time basis. Vacancies in the office of county director of tax equalization must be filled in the same manner as the original appointment.

SECTION 2. AMENDMENT. Section 11-10.1-05 of the North Dakota Century Code is amended and reenacted as follows:

**11-10.1-05. Powers and duties of county director of tax equalization -
Qualifications of assessors.**

1. The county director of tax equalization ~~shall have~~has the power, duty, and responsibility to call upon and confer with ~~township and city~~ assessors in the county and to ~~instruct~~assist them in the preparation and proper use of land maps and property record cards, the preparation of assessment books, the changes in assessment laws and ~~regulations~~rules, the determination of proper standards of value, the use of proper classifications of property, determination of what property qualifies as exempt from property taxes, and the authority to require attendance at meetings, to ~~the end that a~~promote uniform assessment of all real property in the county ~~will prevail~~.

2. Any city with a population of under five thousand or township may, by resolution of its governing body, retain an assessor who is certified or eligible to be certified as a class II assessor who shall retain the powers, duties, and responsibilities of the office. Any city with a population of five thousand or greater may, by resolution of its governing body, retain an assessor who is certified or eligible to be certified as a class I assessor who shall retain the powers, duties, and responsibilities of the office. A person may not serve as an assessor for longer than twenty-four months before being certified by the state supervisor of assessments as having met the minimum requirements. The expenses of the city or township assessors must be paid by the city or township exercising this option.

- 2-3. ~~On January 1, 1981, the~~The county director of tax equalization shall ~~succeed to all the powers and duties of assessors of townships, cities with a population of under five thousand, and unorganized districts~~supervise all individuals performing assessor services in the county and arrange for the assessment of property within the county, except that any city with a population of under five thousand or township may, at its option by resolution of its governing body, employ an assessor who shall retain the powers, duties, and responsibilities of the office. The resolution within the jurisdiction of a city or township in which the governing body to employ an~~retains a certified class I or class II assessor continues in force until rescinded by the governing body. Notwithstanding any other provision of law to the contrary, the state supervisor of assessments shall confer with representatives of the county commissioners, city governing bodies, state township officers association, and personnel at North Dakota state university to establish minimum requirements for all city and township assessors. The standards shall reflect their limited jurisdiction and need not be equal to those minimum requirements set for county directors of tax equalization. Any courses of instruction included in those minimum requirements for assessors of townships or cities with a population under five thousand must be conducted by the county director of tax equalization who may cooperate with other county directors of tax equalization in holding joint classes. The county director of tax equalization may call upon the state supervisor of assessments for any necessary materials and assistance. No person may serve as an assessor of a township or a city with a population under five thousand for longer than twelve months before being certified by the state supervisor of assessments as having met the minimum requirements. No person may serve as an assessor of a city with a population of five thousand or more for longer than three years before~~

~~being certified by the state supervisor of assessments as having met the minimum requirements. The expenses and salaries of city and township assessors must be paid by the city or township exercising this option.~~

- ~~3.4.~~ Any city or township ~~which~~that does not employ its own ~~retain a certified class I or class II assessor shall utilize the certified assessor of the county in which the city or township is located. The county commission may require the city or township to reimburse the county for the expenses incurred in assessing the property of that city or township.~~
- 4.5. Any assessment made by an assessor who is not currently certified as ~~qualified for that assessment jurisdiction~~ must be reviewed and approved by a certified ~~county director of tax equalization, or a certified city assessor of a city with a population of five thousand or more~~ assessor, prior to the township or city board of equalization annual meeting. The cost of the assessment review must be paid by the township or city having jurisdiction over the assessment at the same rate as paid to a special assessor in section 57-14-08.

SECTION 3. AMENDMENT. Section 57-01-05 of the North Dakota Century Code is amended and reenacted as follows:

57-01-05. State supervisor of assessments.

The state tax commissioner shall appoint a state supervisor of assessments who must be a person trained and experienced in property appraisals and familiar with assessment and equalization procedures and techniques. The state supervisor of assessments serves at the pleasure of the state tax commissioner and office space must be furnished to the state supervisor of assessments by the commissioner.

The state supervisor of assessments shall perform the following duties under the direction of the tax commissioner:

1. The state supervisor of assessments shall advise and give ~~the various assessors in the state~~ the necessary instructions and directions as to their duties under the laws of this state, ~~to the end that a promote uniform assessment of all real and personal property in this state will be attained.~~
2. The state supervisor of assessments shall assist and instruct ~~the various assessors in this state~~ in the use of soil ~~reconnaissance~~ surveys, land classification methods, ~~in the~~ preparation and proper use of land maps and record cards, ~~in the~~ proper classification of real and personal property, and ~~in the~~ determination of proper standards of value.
3. The state supervisor of assessments may require the attendance of groups of assessors at meetings called by the state supervisor of assessments for the purpose of giving them further assistance and instruction as to their duties.
4. The state supervisor of assessments may make sales, market, and productivity studies and other studies of property assessments in the ~~various~~ counties and cities of this state ~~for the purpose of to~~ properly ~~advising~~advise the ~~various~~ assessors and directors of tax equalization in the state and ~~for the purpose of recommending to~~ recommend to the tax commissioner changes to be made by the state board of equalization in

the performance of ~~the~~ its equalization powers and duties ~~prescribed for it by section 57-13-04~~. In any sales, market, and productivity study made according to section 57-01-06, the county directors of tax equalization or city assessors, ~~as the case may be, are responsible for compiling~~ shall compile a record of sales of property made in the county or city, and in conjunction with the board of county commissioners shall analyze the sales for the purpose of advising the state supervisor of assessments as to the value of using the sales in any such study. The compilations must be forwarded to the state supervisor of assessments with the findings of the county director of tax equalization, city assessors, and the board of county commissioners. In any county or city or any part thereof where the number of sales of properties is insufficient for making a sales, market, and productivity study, the county director of tax equalization or city assessor, as the case may be, in cooperation with the state supervisor of assessments or that person's assistants shall make appraisals of properties in order to determine the market value.

5. The state supervisor of assessments shall cooperate with North Dakota state university in the development of a soil mapping program, a land classification system, valuation studies, and other matters relating to the assessment of property and shall provide for the use of such information and procedure at the earliest possible date by the assessors of this state.
6. The state supervisor of assessments has general supervision of assessors and county directors of tax equalization pertaining to methods and procedures of assessment of all property and has authority to require all county directors of tax equalization to do any act necessary to obtain uniform methods and procedures of assessment.
7. Whenever an investigation by the state supervisor of assessments shows there is probable cause to believe the holder of a certificate issued by the state supervisor of assessments under ~~chapter 11-10.1~~ section 57-02-01.1 has failed to comply with any of the provisions of ~~this title law~~ prescribed ~~adopted~~ by the tax commissioner, the state supervisor of assessments may petition the tax commissioner for a hearing to show cause why the certificate should be suspended or revoked.
 - a. The state supervisor of assessments must provide the certificate holder at least ten days' notice of the time and place of the hearing.
 - b. If cause to suspend or revoke the certificate is shown, the tax commissioner may suspend or revoke the certificate.
 - c. The tax commissioner may restore a certificate after suspension or revocation.
 - d. An individual whose certificate has been suspended or revoked in the manner provided in this section may appeal that determination to the district court as provided in section 28-32-42.
8. If a certificate holder's certificate is suspended or revoked under this section, the governing body of the county in which the certificate holder performs duties shall ensure the continued administration of assessments within that county by a person authorized under section 11-10.1-05 and be

responsible for any expenses associated with the fulfillment of this responsibility. Expenses incurred by a county to fulfill the duties of a township or city assessment official whose certificate has been suspended or revoked must be charged to the political subdivision in which the certificate holder is employed and must either be paid directly to the county by the political subdivision or deducted by the county treasurer from funds coming into the treasurer's control which are apportionable to the subdivision.

9. The state supervisor of assessments shall perform such other duties relating to assessment and taxation of property as the tax commissioner directs.
10. The tax commissioner may ~~prescribe~~adopt rules under chapter 28-32 necessary for the ~~detailed and efficient~~ administration of this section.

SECTION 4. Section 57-02-01.1 of the North Dakota Century Code is created and enacted as follows:

57-02-01.1. Certification of assessors.

The state supervisor of assessments shall certify assessors as provided in this section.

1. To be certified as a class I assessor, an individual must:
 - a. Have a high school diploma or its equivalent.
 - b. Successfully complete one hundred eighty hours of assessment and appraisal instruction approved by the state supervisor of assessments. The number of hours of instruction determined necessary by the state supervisor of assessments for each of the following topics is required:
 - (1) Tax administration.
 - (2) Principles and theory of value.
 - (3) Residential property appraisal.
 - (4) Commercial property appraisal.
 - (5) Agricultural property valuation.
2. To be certified as a class II assessor, an individual must:
 - a. Have a high school diploma or its equivalent.
 - b. Successfully complete one hundred hours of assessment and appraisal instruction approved by the state supervisor of assessments. The number of hours of instruction determined necessary by the state supervisor of assessments for each of the following topics is required:
 - (1) Tax administration.
 - (2) Principles and theory of value.

- (3) Residential property appraisal.
 - (4) Commercial property appraisal.
 - (5) Agricultural property valuation.
3. The state supervisor of assessments may allow credit against required instruction in any topic under subdivision b of subsection 1 and subdivision b of subsection 2 upon receipt of documented training in this state or another state in the topic.
 4. An individual appointed as an assessor must hold the required assessor certificate at the time of appointment or obtain that certificate within two years after initial appointment or by July 31, 2017, whichever is later. An assessor who does not obtain the required certificate within two years after initial appointment or by July 31, 2017, whichever is later, or who does not maintain that certificate in good standing is not eligible for reappointment.
 5. An assessor certificate is valid for a term of two years from the first day of the calendar year for which it becomes effective.
 6. A class I assessor certificate may be renewed if the holder has completed twenty hours of approved classroom instruction or seminars during the term of the certificate. For purposes of this subsection, an assessor certificate holder is entitled to one and one-half hours of credit for each hour spent as an instructor of approved classroom instruction or seminars during the term of the certificate.
 7. A class II assessor certificate may be renewed if the holder has completed ten hours of approved classroom instruction or seminars during the term of the certificate.
 8. The state supervisor of assessments shall notify the holder of an assessor certificate of the time for application for renewal of the individual's certificate. The state supervisor of assessments shall notify the governing body of the taxing district employing an assessor whose certificate is not renewed or whose certificate is suspended or revoked.
 9. Any person who is denied a certificate under this section may appeal to the tax commissioner for a hearing under chapter 28-32.
 10. The tax commissioner may adopt rules under chapter 28-32 for the administration of this section.

SECTION 5. AMENDMENT. Section 57-02-33 of the North Dakota Century Code is amended and reenacted as follows:

57-02-33. Assessor ~~districts~~services for unorganized territory.

~~All counties or parts of counties in this state not organized into civil townships~~Any area not within an organized township or city must be divided into assessor districts, which must be designated by the board of county commissionersassessed by a certified assessor under the supervision and direction of the county director of tax equalization. The board of county commissioners shall appoint the district assessors to a four-year term of office, the first term commencing on

January 1, 1974. In case of vacancy in the office of district assessor in any of such districts, such vacancies must be filled by the board of county commissioners for the balance of the term. In making the appointment of a district assessor, ~~the~~The county director of tax equalization for such county is eligible for appointment to a district assessor position may serve as an assessor of property under this section. Every individual performing assessor of territory not organized into civil townships shall receive ~~services~~ under this section is entitled to compensation for ~~services a sum~~ and mileage and travel expenses determined by the board of county commissioners for the time actually and necessarily employed in ~~making and completing~~ the assessment of ~~the district~~ property. The compensation and expenses must be paid from the treasury of the county in which ~~such district~~ the assessed property is located only upon submission of an itemized statement setting forth the actual time spent in the work of the assessor and mileage traveled, approved by the board of county commissioners. ~~In addition, the district assessor must be paid such mileage as is required to perform the duties of the office. The board of county commissioners has the authority to appoint a deputy assessor if needed, to be compensated in the same manner as the district assessor."~~

Page 5, after line 29, insert:

"SECTION 10. TRANSITION. The state supervisor of assessments shall recertify assessors at the end of the term of any certification that expires after July 31, 2017, upon application and submission by the certificate holder of evidence of completion of required educational sessions under North Dakota Administrative Code chapter 81-02.1-02 or under section 57-02-01.1 or rules adopted to administer that section, subject to the following additional requirements:

1. The holder of a township assessor or class II city assessor certification may be recertified as a certified class II assessor upon completion of the instruction required for class II assessor certification, with credit allowed by the state supervisor of assessments for any instruction previously received by the applicant for certification as a township assessor.
2. The holder of a class I city assessor or county director of tax equalization certification may be recertified as a certified class I assessor upon submission of evidence of completion of required education sessions during the term of the class I city assessor or county director of tax equalization certification."

Renumber accordingly

March 31, 2015

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1059

Page 1, line 1, after "reenact" insert "subsection 1 of section 57-02-08.1 and"

Page 1, line 2, after "to" insert "the homestead tax credit,"

Page 1, after line 5, insert:

"SECTION 1. AMENDMENT. Subsection 1 of section 57-02-08.1 of the North Dakota Century Code is amended and reenacted as follows:

1. a. Any person sixty-five years of age or older or permanently and totally disabled, in the year in which the tax was levied, with an income that does not exceed the limitations of subdivision c is entitled to receive a reduction in the assessment on the taxable valuation on the person's homestead. An exemption under this subsection applies regardless of whether the person is the head of a family.
- b. The exemption under this subsection continues to apply if the person does not reside in the homestead and the person's absence is due to confinement in a nursing home, hospital, or other care facility, for as long as the portion of the homestead previously occupied by the person is not rented to another person.
- c. The exemption must be determined according to the following schedule:
 - (1) If the person's income is not in excess of twenty-two thousand dollars, a reduction of one hundred percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~four~~five thousand ~~five~~six hundred ~~twenty-five~~ dollars of taxable valuation.
 - (2) If the person's income is in excess of twenty-two thousand dollars and not in excess of twenty-six thousand dollars, a reduction of eighty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~three~~four thousand ~~six~~five hundred dollars of taxable valuation.
 - (3) If the person's income is in excess of twenty-six thousand dollars and not in excess of thirty thousand dollars, a reduction of sixty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~two~~three thousand ~~seven~~three hundred ~~seventy-five~~ dollars of taxable valuation.
 - (4) If the person's income is in excess of thirty thousand dollars and not in excess of thirty-four thousand dollars, a reduction of forty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~one~~two thousand ~~eight~~two hundred ~~fifty~~ dollars of taxable valuation.
 - (5) If the person's income is in excess of thirty-four thousand dollars and not in excess of thirty-eight thousand dollars, a reduction of

twenty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~nine~~ one thousand one hundred twenty-five dollars of taxable valuation.

- (6) If the person's income is in excess of thirty-eight thousand dollars and not in excess of forty-two thousand dollars, a reduction of ten percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~four~~ five hundred ~~fifty~~ sixty-three dollars of taxable valuation.
- d. Persons residing together, as spouses or when one or more is a dependent of another, are entitled to only one exemption between or among them under this subsection. Persons residing together, who are not spouses or dependents, who are co-owners of the property are each entitled to a percentage of a full exemption under this subsection equal to their ownership interests in the property.
- e. This subsection does not reduce the liability of any person for special assessments levied upon any property.
- f. Any person claiming the exemption under this subsection shall sign a verified statement of facts establishing the person's eligibility.
- g. A person is ineligible for the exemption under this subsection if the value of the assets of the person and any dependent residing with the person exceeds five hundred thousand dollars, including the value of any assets divested within the last three years.
- h. The assessor shall attach the statement filed under subdivision f to the assessment sheet and shall show the reduction on the assessment sheet.
- i. An exemption under this subsection terminates at the end of the taxable year of the death of the applicant."

Renumber accordingly

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TD
4/14/15

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1059

Page 1, line 1, after "Act" insert "to create and enact section 57-02-01.1 of the North Dakota Century Code, relating to training and certification of assessors;"

Page 1, line 1, after "sections" insert "11-10.1-01, 11-10.1-05, and 57-01-05, subsection 1 of section 57-02-08.1, and sections 57-02-33,"

Page 1, line 2, after "to" insert "training and certification of assessors, the homestead tax credit,"

Page 1, line 3, after the semicolon, insert "to provide for transition;"

Page 1, after line 5, insert:

"SECTION 1. AMENDMENT. Section 11-10.1-01 of the North Dakota Century Code is amended and reenacted as follows:

11-10.1-01. County director of tax equalization.

1. The board of county commissioners of each county ~~in this state~~ shall appoint a county director of tax equalization who must be ~~qualified and experienced in property appraisals, familiar with~~ assessment and equalization procedures and techniques, and who ~~is the holder of~~ holds a current ~~certificate~~ certification as a class I assessor issued by the state supervisor of assessments. ~~The state supervisor of assessments shall confer with representatives of the county commissioners, city governing bodies, state township officers association, and personnel at North Dakota state university to establish or revise the minimum requirements for attaining the certificate. Any person who is denied such certificate may appeal to the state tax commissioner for a hearing under the provisions of chapter 28-32.~~
2. The board of county commissioners may, ~~in its discretion,~~ appoint a ~~person~~ county director of tax equalization on a probationary basis who does not hold a current ~~certificate as provided for in subsection 1~~ certification as a class I assessor, if the board deems such ~~person~~ the individual qualified to act as county director of tax equalization by virtue of education, training, and experience, and willingness to obtain certification as a class I assessor. The appointment must be for a term of not more than ~~three~~ two years. Any person receiving a probationary appointment who does not obtain a ~~certificate~~ certification as a class I assessor within ~~three~~ two years from the appointment is not eligible for reappointment.
3. The county director of tax equalization shall serve at the pleasure of the board of county commissioners and may be employed on a full-time or part-time basis. Vacancies in the office of county director of tax equalization must be filled in the same manner as the original appointment.

SECTION 2. AMENDMENT. Section 11-10.1-05 of the North Dakota Century Code is amended and reenacted as follows:

11-10.1-05. Powers and duties of county director of tax equalization - Qualifications of assessors.

1. The county director of tax equalization ~~shall have~~has the power, duty, and responsibility to call upon and confer with ~~township and city~~ assessors in the county and to ~~instruct~~assist them in the preparation and proper use of land maps and property record cards, the preparation of assessment books, the changes in assessment laws and ~~regulations~~rules, the determination of proper standards of value, the use of proper classifications of property, determination of what property qualifies as exempt from property taxes, and the authority to require attendance at meetings, to the end that ~~apromote~~ uniform assessment of all real property in the county will prevail.

2. Any city with a population of under five thousand or township may, by resolution of its governing body, retain an assessor who is certified or eligible to be certified as a class II assessor who shall retain the powers, duties, and responsibilities of the office. Any city with a population of five thousand or greater may, by resolution of its governing body, retain an assessor who is certified or eligible to be certified as a class I assessor who shall retain the powers, duties, and responsibilities of the office. A person may not serve as an assessor for longer than twenty-four months before being certified by the state supervisor of assessments as having met the minimum requirements. The expenses of the city or township assessors must be paid by the city or township exercising this option.

- 2.3. ~~On January 1, 1981, the~~The county director of tax equalization shall succeed to all the powers and duties of assessors of townships, cities with a population of under five thousand, and unorganized districtssupervise all individuals performing assessor services in the county and arrange for the assessment of property within the county, except that any city with a population of under five thousand or township may, at its option by resolution of its governing body, employ an assessor who shall retain the powers, duties, and responsibilities of the office. The resolution within the jurisdiction of a city or township in which the governing body to employ anretains a certified class I or class II assessor continues in force until rescinded by the governing body. Notwithstanding any other provision of law to the contrary, the state supervisor of assessments shall confer with representatives of the county commissioners, city governing bodies, state township officers association, and personnel at North Dakota state university to establish minimum requirements for all city and township assessors. The standards shall reflect their limited jurisdiction and need not be equal to those minimum requirements set for county directors of tax equalization. Any courses of instruction included in those minimum requirements for assessors of townships or cities with a population under five thousand must be conducted by the county director of tax equalization who may cooperate with other county directors of tax equalization in holding joint classes. The county director of tax equalization may call upon the state supervisor of assessments for any necessary materials and assistance. No person may serve as an assessor of a township or a city with a population under five thousand for longer than twelve months before being certified by the state supervisor of assessments as having met the minimum requirements. No person may serve as an assessor of a city with a population of five thousand or more for longer than three years before

~~being certified by the state supervisor of assessments as having met the minimum requirements. The expenses and salaries of city and township assessors must be paid by the city or township exercising this option.~~

- 3.4. Any city or township ~~which~~that does not employ its own ~~retain~~ a certified class I or class II assessor shall utilize the certified assessor of the county in which the city or township is located. The county commission may require the city or township to reimburse the county for the expenses incurred in assessing the property of that city or township.
- 4.5. Any assessment made by an assessor who is not currently certified as ~~qualified for that assessment jurisdiction~~ must be reviewed and approved by a certified ~~county director of tax equalization, or a certified city assessor of a city with a population of five thousand or more~~ assessor, prior to the township or city board of equalization annual meeting. The cost of the assessment review must be paid by the township or city having jurisdiction over the assessment at the same rate as paid to a special assessor in section 57-14-08.

SECTION 3. AMENDMENT. Section 57-01-05 of the North Dakota Century Code is amended and reenacted as follows:

57-01-05. State supervisor of assessments.

The state tax commissioner shall appoint a state supervisor of assessments who must be a person trained and experienced in property appraisals and familiar with assessment and equalization procedures and techniques. The state supervisor of assessments serves at the pleasure of the state tax commissioner and office space must be furnished to the state supervisor of assessments by the commissioner.

The state supervisor of assessments shall perform the following duties under the direction of the tax commissioner:

- 1. The state supervisor of assessments shall advise and ~~give the various assessors in the state~~ the necessary instructions and directions as to their duties under the laws of this state, ~~to the end that a promote~~ uniform assessment of all real and personal property in this state ~~will be attained.~~
- 2. The state supervisor of assessments shall assist and instruct ~~the various assessors in this state~~ in the use of soil reconnaissance surveys, land classification methods, ~~in the preparation and proper use of land maps and record cards, in the proper classification of real and personal property, and in the determination of proper standards of value.~~
- 3. The state supervisor of assessments may require the attendance of groups of assessors at meetings called by the state supervisor of assessments for the purpose of giving them further assistance and instruction as to their duties.
- 4. The state supervisor of assessments may make sales, market, and productivity studies and other studies of property assessments in the ~~various counties and cities of this state for the purpose of to~~ properly ~~advising~~advise the various assessors and directors of tax equalization in the state and ~~for the purpose of recommending to~~ recommend to the tax commissioner changes to be made by the state board of equalization in

the performance of ~~theits~~ equalization powers and duties ~~prescribed for it by section 57-13-04~~. In any sales, market, and productivity study made according to section 57-01-06, the county directors of tax equalization or city assessors, ~~as the case may be, are responsible for compiling~~ shall compile a record of sales of property made in the county or city, and in conjunction with the board of county commissioners shall analyze the sales for the purpose of advising the state supervisor of assessments as to the value of using the sales in any such study. The compilations must be forwarded to the state supervisor of assessments with the findings of the county director of tax equalization, city assessors, and the board of county commissioners. In any county or city or any part thereof where the number of sales of properties is insufficient for making a sales, market, and productivity study, the county director of tax equalization or city assessor, as the case may be, in cooperation with the state supervisor of assessments or that person's assistants shall make appraisals of properties in order to determine the market value.

- 5. The state supervisor of assessments shall cooperate with North Dakota state university in the development of a soil mapping program, a land classification system, valuation studies, and other matters relating to the assessment of property and shall provide for the use of such information and procedure at the earliest possible date by the assessors of this state.
- 6. The state supervisor of assessments has general supervision of assessors and county directors of tax equalization pertaining to methods and procedures of assessment of all property and has authority to require all county directors of tax equalization to do any act necessary to obtain uniform methods and procedures of assessment.
- 7. Whenever an investigation by the state supervisor of assessments shows there is probable cause to believe the holder of a certificate issued by the state supervisor of assessments under ~~chapter 11-10-1~~section 57-02-01.1 has failed to comply with any of the provisions of ~~this title~~law pertaining to assessments, or any rules ~~prescribed~~adopted by the tax commissioner, the state supervisor of assessments may petition the tax commissioner for a hearing to show cause why the certificate should be suspended or revoked.
 - a. The state supervisor of assessments must provide the certificate holder at least ten days' notice of the time and place of the hearing.
 - b. If cause to suspend or revoke the certificate is shown, the tax commissioner may suspend or revoke the certificate.
 - c. The tax commissioner may restore a certificate after suspension or revocation.
 - d. An individual whose certificate has been suspended or revoked in the manner provided in this section may appeal that determination to the district court as provided in section 28-32-42.
- 8. If a certificate holder's certificate is suspended or revoked under this section, the governing body of the county in which the certificate holder performs duties shall ensure the continued administration of assessments within that county by a person authorized under section 11-10.1-05 and be

responsible for any expenses associated with the fulfillment of this responsibility. Expenses incurred by a county to fulfill the duties of a township or city assessment official whose certificate has been suspended or revoked must be charged to the political subdivision in which the certificate holder is employed and must either be paid directly to the county by the political subdivision or deducted by the county treasurer from funds coming into the treasurer's control which are apportionable to the subdivision.

- 9. The state supervisor of assessments shall perform such other duties relating to assessment and taxation of property as the tax commissioner directs.
- 10. The tax commissioner may ~~prescribe~~adopt rules under chapter 28-32 necessary for the ~~detailed and efficient~~ administration of this section.

SECTION 4. Section 57-02-01.1 of the North Dakota Century Code is created and enacted as follows:

57-02-01.1. Certification of assessors.

The state supervisor of assessments shall certify assessors as provided in this section.

- 1. To be certified as a class I assessor, an individual must:
 - a. Have a high school diploma or its equivalent.
 - b. Successfully complete one hundred eighty hours of assessment and appraisal instruction approved by the state supervisor of assessments. The number of hours of instruction determined necessary by the state supervisor of assessments for each of the following topics is required:
 - (1) Tax administration.
 - (2) Principles and theory of value.
 - (3) Residential property appraisal.
 - (4) Commercial property appraisal.
 - (5) Agricultural property valuation.
- 2. To be certified as a class II assessor, an individual must:
 - a. Have a high school diploma or its equivalent.
 - b. Successfully complete one hundred hours of assessment and appraisal instruction approved by the state supervisor of assessments. The number of hours of instruction determined necessary by the state supervisor of assessments for each of the following topics is required:
 - (1) Tax administration.
 - (2) Principles and theory of value.

- (3) Residential property appraisal.
- (4) Commercial property appraisal.
- (5) Agricultural property valuation.
- 3. The state supervisor of assessments may allow credit against required instruction in any topic under subdivision b of subsection 1 and subdivision b of subsection 2 upon receipt of documented training in this state or another state in the topic.
- 4. An individual appointed as an assessor must hold the required assessor certificate at the time of appointment or obtain that certificate within two years after initial appointment or by July 31, 2017, whichever is later. An assessor who does not obtain the required certificate within two years after initial appointment or by July 31, 2017, whichever is later, or who does not maintain that certificate in good standing is not eligible for reappointment.
- 5. An assessor certificate is valid for a term of two years from the first day of the calendar year for which it becomes effective.
- 6. A class I assessor certificate may be renewed if the holder has completed twenty hours of approved classroom instruction or seminars during the term of the certificate. For purposes of this subsection, an assessor certificate holder is entitled to one and one-half hours of credit for each hour spent as an instructor of approved classroom instruction or seminars during the term of the certificate.
- 7. A class II assessor certificate may be renewed if the holder has completed ten hours of approved classroom instruction or seminars during the term of the certificate.
- 8. The state supervisor of assessments shall notify the holder of an assessor certificate of the time for application for renewal of the individual's certificate. The state supervisor of assessments shall notify the governing body of the taxing district employing an assessor whose certificate is not renewed or whose certificate is suspended or revoked.
- 9. Any person who is denied a certificate under this section may appeal to the tax commissioner for a hearing under chapter 28-32.
- 10. The tax commissioner may adopt rules under chapter 28-32 for the administration of this section.

SECTION 5. AMENDMENT. Subsection 1 of section 57-02-08.1 of the North Dakota Century Code is amended and reenacted as follows:

- 1. a. Any person sixty-five years of age or older or permanently and totally disabled, in the year in which the tax was levied, with an income that does not exceed the limitations of subdivision c is entitled to receive a reduction in the assessment on the taxable valuation on the person's homestead. An exemption under this subsection applies regardless of whether the person is the head of a family.
- b. The exemption under this subsection continues to apply if the person does not reside in the homestead and the person's absence is due to

confinement in a nursing home, hospital, or other care facility, for as long as the portion of the homestead previously occupied by the person is not rented to another person.

- c. The exemption must be determined according to the following schedule:
 - (1) If the person's income is not in excess of twenty-two thousand dollars, a reduction of one hundred percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~four~~five thousand ~~five~~six hundred twenty-five dollars of taxable valuation.
 - (2) If the person's income is in excess of twenty-two thousand dollars and not in excess of twenty-six thousand dollars, a reduction of eighty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~three~~four thousand ~~six~~five hundred dollars of taxable valuation.
 - (3) If the person's income is in excess of twenty-six thousand dollars and not in excess of thirty thousand dollars, a reduction of sixty percent of the taxable valuation of the person's homestead up to a maximum reduction of two thousand ~~seven~~three hundred seventy-five dollars of taxable valuation.
 - (4) If the person's income is in excess of thirty thousand dollars and not in excess of thirty-four thousand dollars, a reduction of forty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~one~~two thousand ~~eight~~two hundred fifty dollars of taxable valuation.
 - (5) If the person's income is in excess of thirty-four thousand dollars and not in excess of thirty-eight thousand dollars, a reduction of twenty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~nine~~one thousand one hundred twenty-five dollars of taxable valuation.
 - (6) If the person's income is in excess of thirty-eight thousand dollars and not in excess of forty-two thousand dollars, a reduction of ten percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~four~~five hundred fifty~~sixty-three~~ dollars of taxable valuation.
- d. Persons residing together, as spouses or when one or more is a dependent of another, are entitled to only one exemption between or among them under this subsection. Persons residing together, who are not spouses or dependents, who are coowners of the property are each entitled to a percentage of a full exemption under this subsection equal to their ownership interests in the property.
- e. This subsection does not reduce the liability of any person for special assessments levied upon any property.
- f. Any person claiming the exemption under this subsection shall sign a verified statement of facts establishing the person's eligibility.

- g. A person is ineligible for the exemption under this subsection if the value of the assets of the person and any dependent residing with the person exceeds five hundred thousand dollars, including the value of any assets divested within the last three years.
- h. The assessor shall attach the statement filed under subdivision f to the assessment sheet and shall show the reduction on the assessment sheet.
- i. An exemption under this subsection terminates at the end of the taxable year of the death of the applicant.

SECTION 6. AMENDMENT. Section 57-02-33 of the North Dakota Century Code is amended and reenacted as follows:

57-02-33. Assessor districts services for unorganized territory.

~~All counties or parts of counties in this state not organized into civil townships~~ Any area not within an organized township or city must be divided into assessor districts, which must be designated by the board of county commissioners assessed by a certified assessor under the supervision and direction of the county director of tax equalization. The board of county commissioners shall appoint the district assessors to a four-year term of office, the first term commencing on January 1, 1974. In case of vacancy in the office of district assessor in any of such districts, such vacancies must be filled by the board of county commissioners for the balance of the term. In making the appointment of a district assessor, ~~the~~ The county director of tax equalization for such county is eligible for appointment to a district assessor position may serve as an assessor of property under this section. Every individual performing assessor of territory not organized into civil townships shall receive a services under this section is entitled to compensation for services a sum and mileage and travel expenses determined by the board of county commissioners for the time actually and necessarily employed in making and completing the assessment of ~~the district~~ property. The compensation and expenses must be paid from the treasury of the county in which such ~~district~~ the assessed property is located only upon submission of an itemized statement setting forth the actual time spent in the work of the assessor and mileage traveled, approved by the board of county commissioners. In addition, the district assessor must be paid such mileage as is required to perform the duties of the office. The board of county commissioners has the authority to appoint a deputy assessor if needed, to be compensated in the same manner as the district assessor."

Page 5, after line 27, insert:

"SECTION 10. TRANSITION. The state supervisor of assessments shall recertify assessors at the end of the term of any certification that expires after July 31, 2017, upon application and submission by the certificate holder of evidence of completion of required educational sessions under North Dakota Administrative Code chapter 81-02.1-02 or under section 57-02-01.1 or rules adopted to administer that section, subject to the following additional requirements:

- 1. The holder of a township assessor or class II city assessor certification may be recertified as a certified class II assessor upon completion of the instruction required for class II assessor certification, with credit allowed by the state supervisor of assessments for any instruction previously received by the applicant for certification as a township assessor.

2. The holder of a class I city assessor or county director of tax equalization certification may be recertified as a certified class I assessor upon submission of evidence of completion of required education sessions during the term of the class I city assessor or county director of tax equalization certification."

Renumber accordingly

Date: 4-14-15
Roll Call Vote #: 1

2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1059

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: 15.0149.03003

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Carlisle Seconded By Krebsbach

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg			Senator Heckaman		
Senator Bowman			Senator Mathern		
Senator Krebsbach			Senator O'Connell		
Senator Carlisle			Senator Robinson		
Senator Sorvaag					
Senator G. Lee					
Senator Kilzer					
Senator Erbele					
Senator Wanzek					

Total (Yes) _____ No _____
Absent _____
Floor Assignment _____

Voice Vote Carried

If the vote is on an amendment, briefly indicate intent:

Date: 4-14-15
Roll Call Vote #: 2

2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1059

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: 15,0149, 03001

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Carlisle Seconded By Krebsbach

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg			Senator Heckaman		
Senator Bowman			Senator Mathern		
Senator Krebsbach			Senator O'Connell		
Senator Carlisle			Senator Robinson		
Senator Sorvaag					
Senator G. Lee					
Senator Kilzer					
Senator Erbele					
Senator Wanzek					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

*voice vote
Carried*

Date: 4-14-15
 Roll Call Vote #: 3

**2015 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1059**

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: _____

- Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
- Other Actions: Reconsider _____

Motion Made By Carlisle Seconded By Sorvaag

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Heckaman	✓	
Senator Bowman	✓		Senator Mathern	✓	
Senator Krebsbach	✓		Senator O'Connell	✓	
Senator Carlisle	✓		Senator Robinson	✓	
Senator Sorvaag	✓				
Senator G. Lee	✓				
Senator Kilzer	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 13 No 0

Absent 0

Floor Assignment Bekkedahl

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1059, as reengrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1059 was placed on the Sixth order on the calendar.

Page 1, line 1, after "Act" insert "to create and enact section 57-02-01.1 of the North Dakota Century Code, relating to training and certification of assessors;"

Page 1, line 1, after "sections" insert "11-10.1-01, 11-10.1-05, and 57-01-05, subsection 1 of section 57-02-08.1, and sections 57-02-33,"

Page 1, line 2, after "to" insert "training and certification of assessors, the homestead tax credit,"

Page 1, line 3, after the semicolon, insert "to provide for transition;"

Page 1, after line 5, insert:

"SECTION 1. AMENDMENT. Section 11-10.1-01 of the North Dakota Century Code is amended and reenacted as follows:

11-10.1-01. County director of tax equalization.

1. The board of county commissioners of each county ~~in this state~~ shall appoint a county director of tax equalization who must be ~~qualified and experienced in property appraisals, familiar with assessment and equalization procedures and techniques, and who is the holder of~~ holds a current certificate certification as a class I assessor issued by the state supervisor of assessments. ~~The state supervisor of assessments shall confer with representatives of the county commissioners, city governing bodies, state township officers association, and personnel at North Dakota state university to establish or revise the minimum requirements for attaining the certificate. Any person who is denied such certificate may appeal to the state tax commissioner for a hearing under the provisions of chapter 28-32.~~
2. The board of county commissioners may, ~~in its discretion,~~ appoint a ~~person~~ county director of tax equalization on a probationary basis who does not hold a ~~current certificate as provided for in subsection 4~~ certification as a class I assessor, if the board deems such ~~person~~ the individual qualified to act as county director of tax equalization by virtue of education, training, ~~and experience,~~ and willingness to obtain certification as a class I assessor. The appointment must be for a term of not more than ~~three~~ two years. Any person receiving a probationary appointment who does not obtain a ~~certificate~~ certification as a class I assessor within ~~three~~ two years from the appointment is not eligible for reappointment.
3. The county director of tax equalization shall serve at the pleasure of the board of county commissioners and may be employed on a full-time or part-time basis. Vacancies in the office of county director of tax equalization must be filled in the same manner as the original appointment.

SECTION 2. AMENDMENT. Section 11-10.1-05 of the North Dakota Century Code is amended and reenacted as follows:

**11-10.1-05. Powers and duties of county director of tax equalization -
Qualifications of assessors.**

1. The county director of tax equalization shall ~~have~~has the power, duty, and responsibility to call upon and confer with ~~township and city~~ assessors in the county and to ~~instruct~~assist them in the preparation and proper use of land maps and property record cards, the preparation of assessment books, the changes in assessment laws and ~~regulations~~rules, the determination of proper standards of value, the use of proper classifications of property, determination of what property qualifies as exempt from property taxes, and the authority to require attendance at meetings, ~~to the end that~~ promote uniform assessment of all real property in the county ~~will prevail~~.
2. Any city with a population of under five thousand or township may, by resolution of its governing body, retain an assessor who is certified or eligible to be certified as a class II assessor who shall retain the powers, duties, and responsibilities of the office. Any city with a population of five thousand or greater may, by resolution of its governing body, retain an assessor who is certified or eligible to be certified as a class I assessor who shall retain the powers, duties, and responsibilities of the office. A person may not serve as an assessor for longer than twenty-four months before being certified by the state supervisor of assessments as having met the minimum requirements. The expenses of the city or township assessors must be paid by the city or township exercising this option.
- 2-3. ~~On January 1, 1981, the~~The county director of tax equalization shall succeed to all the powers and duties of assessors of townships, cities with a population of under five thousand, and unorganized districts ~~supervise all individuals performing assessor services in the county and arrange for the assessment of property within the county, except that any city with a population of under five thousand or township may, at its option by resolution of its governing body, employ an assessor who shall retain the powers, duties, and responsibilities of the office. The resolution within the jurisdiction of a city or township in which the governing body to employ an~~ retains a certified class I or class II assessor continues in force until rescinded by the governing body. Notwithstanding any other provision of law to the contrary, the state supervisor of assessments shall confer with representatives of the county commissioners, city governing bodies, state township officers association, and personnel at North Dakota state university to establish minimum requirements for all city and township assessors. The standards shall reflect their limited jurisdiction and need not be equal to those minimum requirements set for county directors of tax equalization. Any courses of instruction included in those minimum requirements for assessors of townships or cities with a population under five thousand must be conducted by the county director of tax equalization who may cooperate with other county directors of tax equalization in holding joint classes. The county director of tax equalization may call upon the state supervisor of assessments for any necessary materials and assistance. No person may serve as an assessor of a township or a city with a population under five thousand for longer than twelve months before being certified by the state supervisor of assessments as having met the minimum requirements. No person may serve as an assessor of a city with a population of five thousand or more for longer than three years before being certified by the state supervisor of assessments as having met the minimum requirements. The expenses and salaries of city and township assessors must be paid by the city or township exercising this option.

- 3.4. Any city or township ~~which that~~ does not employ its own ~~retain~~ a certified ~~class I or class II~~ assessor shall utilize the certified assessor of the county in which the city or township is located. The county commission may require the city or township to reimburse the county for the expenses incurred in assessing the property of that city or township.
- 4.5. Any assessment made by an assessor who is not currently certified as ~~qualified for that assessment jurisdiction~~ must be reviewed and approved by a certified county director of tax equalization, ~~or a certified city assessor of a city with a population of five thousand or more~~ assessor, prior to the township or city board of equalization annual meeting. The cost of the assessment review must be paid by the township or city having jurisdiction over the assessment at the same rate as paid to a special assessor in section 57-14-08.

SECTION 3. AMENDMENT. Section 57-01-05 of the North Dakota Century Code is amended and reenacted as follows:

57-01-05. State supervisor of assessments.

The state tax commissioner shall appoint a state supervisor of assessments who must be a person trained and experienced in property appraisals and familiar with assessment and equalization procedures and techniques. The state supervisor of assessments serves at the pleasure of the state tax commissioner and office space must be furnished to the state supervisor of assessments by the commissioner.

The state supervisor of assessments shall perform the following duties under the direction of the tax commissioner:

1. The state supervisor of assessments shall advise and give ~~the various~~ assessors ~~in the state~~ the necessary instructions and directions as to their duties under the laws of this state, ~~to the end that a~~ promote uniform assessment ~~of all real and personal property in this state will be attained.~~
2. The state supervisor of assessments shall assist and instruct ~~the various~~ assessors in ~~this state in the~~ use of soil ~~reconnaissance~~ surveys, land classification methods, ~~in the~~ preparation and proper use of land maps and record cards, ~~in the~~ proper classification of real and personal property, and ~~in the~~ determination of proper standards of value.
3. The state supervisor of assessments may require the attendance of groups of assessors at meetings called by the state supervisor of assessments for the purpose of giving them further assistance and instruction as to their duties.
4. The state supervisor of assessments may make sales, market, and productivity studies and other studies of property assessments in the ~~various~~ counties and cities of this state ~~for the purpose of to~~ properly ~~advising~~ advise the ~~various~~ assessors and directors of tax equalization in the state and ~~for the purpose of recommending to~~ recommend to the tax commissioner changes to be made by the state board of equalization in the performance of ~~theits~~ equalization powers and duties ~~prescribed for it by section 57-13-04.~~ In any sales, market, and productivity study made according to section 57-01-06, the county directors of tax equalization or city assessors, ~~as the case may be, are responsible for compiling~~ shall compile a record of sales of property made in the county or city, and in conjunction with the board of county commissioners shall analyze the sales for the purpose of advising the state supervisor of assessments as to the value of using the sales in any such study. The compilations must be forwarded to the state supervisor of assessments with the findings of

the county director of tax equalization, city assessors, and the board of county commissioners. In any county or city or any part thereof where the number of sales of properties is insufficient for making a sales, market, and productivity study, the county director of tax equalization or city assessor, as the case may be, in cooperation with the state supervisor of assessments or that person's assistants shall make appraisals of properties in order to determine the market value.

5. The state supervisor of assessments shall cooperate with North Dakota state university in the development of a soil mapping program, a land classification system, valuation studies, and other matters relating to the assessment of property and shall provide for the use of such information and procedure at the earliest possible date by the assessors of this state.
6. The state supervisor of assessments has general supervision of assessors and county directors of tax equalization pertaining to methods and procedures of assessment of all property and has authority to require all county directors of tax equalization to do any act necessary to obtain uniform methods and procedures of assessment.
7. Whenever an investigation by the state supervisor of assessments shows there is probable cause to believe the holder of a certificate issued by the state supervisor of assessments under ~~chapter 11-10.1~~section 57-02-01.1 has failed to comply with any of the provisions of ~~this title~~law pertaining to assessments, or any rules ~~prescribed~~adopted by the tax commissioner, the state supervisor of assessments may petition the tax commissioner for a hearing to show cause why the certificate should be suspended or revoked.
 - a. The state supervisor of assessments must provide the certificate holder at least ten days' notice of the time and place of the hearing.
 - b. If cause to suspend or revoke the certificate is shown, the tax commissioner may suspend or revoke the certificate.
 - c. The tax commissioner may restore a certificate after suspension or revocation.
 - d. An individual whose certificate has been suspended or revoked in the manner provided in this section may appeal that determination to the district court as provided in section 28-32-42.
8. If a certificate holder's certificate is suspended or revoked under this section, the governing body of the county in which the certificate holder performs duties shall ensure the continued administration of assessments within that county by a person authorized under section 11-10.1-05 and be responsible for any expenses associated with the fulfillment of this responsibility. Expenses incurred by a county to fulfill the duties of a township or city assessment official whose certificate has been suspended or revoked must be charged to the political subdivision in which the certificate holder is employed and must either be paid directly to the county by the political subdivision or deducted by the county treasurer from funds coming into the treasurer's control which are apportionable to the subdivision.
9. The state supervisor of assessments shall perform such other duties relating to assessment and taxation of property as the tax commissioner directs.
10. The tax commissioner may ~~prescribe~~adopt rules under chapter 28-32 necessary for the ~~detailed and efficient~~ administration of this section.

SECTION 4. Section 57-02-01.1 of the North Dakota Century Code is created and enacted as follows:

57-02-01.1. Certification of assessors.

The state supervisor of assessments shall certify assessors as provided in this section.

1. To be certified as a class I assessor, an individual must:
 - a. Have a high school diploma or its equivalent.
 - b. Successfully complete one hundred eighty hours of assessment and appraisal instruction approved by the state supervisor of assessments. The number of hours of instruction determined necessary by the state supervisor of assessments for each of the following topics is required:
 - (1) Tax administration.
 - (2) Principles and theory of value.
 - (3) Residential property appraisal.
 - (4) Commercial property appraisal.
 - (5) Agricultural property valuation.
2. To be certified as a class II assessor, an individual must:
 - a. Have a high school diploma or its equivalent.
 - b. Successfully complete one hundred hours of assessment and appraisal instruction approved by the state supervisor of assessments. The number of hours of instruction determined necessary by the state supervisor of assessments for each of the following topics is required:
 - (1) Tax administration.
 - (2) Principles and theory of value.
 - (3) Residential property appraisal.
 - (4) Commercial property appraisal.
 - (5) Agricultural property valuation.
3. The state supervisor of assessments may allow credit against required instruction in any topic under subdivision b of subsection 1 and subdivision b of subsection 2 upon receipt of documented training in this state or another state in the topic.
4. An individual appointed as an assessor must hold the required assessor certificate at the time of appointment or obtain that certificate within two years after initial appointment or by July 31, 2017, whichever is later. An assessor who does not obtain the required certificate within two years after initial appointment or by July 31, 2017, whichever is later, or who does not maintain that certificate in good standing is not eligible for reappointment.

5. An assessor certificate is valid for a term of two years from the first day of the calendar year for which it becomes effective.
6. A class I assessor certificate may be renewed if the holder has completed twenty hours of approved classroom instruction or seminars during the term of the certificate. For purposes of this subsection, an assessor certificate holder is entitled to one and one-half hours of credit for each hour spent as an instructor of approved classroom instruction or seminars during the term of the certificate.
7. A class II assessor certificate may be renewed if the holder has completed ten hours of approved classroom instruction or seminars during the term of the certificate.
8. The state supervisor of assessments shall notify the holder of an assessor certificate of the time for application for renewal of the individual's certificate. The state supervisor of assessments shall notify the governing body of the taxing district employing an assessor whose certificate is not renewed or whose certificate is suspended or revoked.
9. Any person who is denied a certificate under this section may appeal to the tax commissioner for a hearing under chapter 28-32.
10. The tax commissioner may adopt rules under chapter 28-32 for the administration of this section.

SECTION 5. AMENDMENT. Subsection 1 of section 57-02-08.1 of the North Dakota Century Code is amended and reenacted as follows:

1. a. Any person sixty-five years of age or older or permanently and totally disabled, in the year in which the tax was levied, with an income that does not exceed the limitations of subdivision c is entitled to receive a reduction in the assessment on the taxable valuation on the person's homestead. An exemption under this subsection applies regardless of whether the person is the head of a family.
- b. The exemption under this subsection continues to apply if the person does not reside in the homestead and the person's absence is due to confinement in a nursing home, hospital, or other care facility, for as long as the portion of the homestead previously occupied by the person is not rented to another person.
- c. The exemption must be determined according to the following schedule:
 - (1) If the person's income is not in excess of twenty-two thousand dollars, a reduction of one hundred percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~four~~ five thousand ~~five~~ six hundred ~~twenty-five~~ dollars of taxable valuation.
 - (2) If the person's income is in excess of twenty-two thousand dollars and not in excess of twenty-six thousand dollars, a reduction of eighty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~three~~ four thousand ~~six~~ five hundred dollars of taxable valuation.
 - (3) If the person's income is in excess of twenty-six thousand dollars and not in excess of thirty thousand dollars, a reduction of sixty percent of the taxable valuation of the person's

homestead up to a maximum reduction of two thousand ~~seventhree~~ hundred ~~seventy-five~~ dollars of taxable valuation.

- (4) If the person's income is in excess of thirty thousand dollars and not in excess of thirty-four thousand dollars, a reduction of forty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~one~~two thousand ~~eight~~two hundred ~~fifty~~ dollars of taxable valuation.
 - (5) If the person's income is in excess of thirty-four thousand dollars and not in excess of thirty-eight thousand dollars, a reduction of twenty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~nine~~one thousand ~~one~~ hundred ~~twenty-five~~ dollars of taxable valuation.
 - (6) If the person's income is in excess of thirty-eight thousand dollars and not in excess of forty-two thousand dollars, a reduction of ten percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~four~~five hundred ~~fifty~~sixty-three dollars of taxable valuation.
- d. Persons residing together, as spouses or when one or more is a dependent of another, are entitled to only one exemption between or among them under this subsection. Persons residing together, who are not spouses or dependents, who are coowners of the property are each entitled to a percentage of a full exemption under this subsection equal to their ownership interests in the property.
 - e. This subsection does not reduce the liability of any person for special assessments levied upon any property.
 - f. Any person claiming the exemption under this subsection shall sign a verified statement of facts establishing the person's eligibility.
 - g. A person is ineligible for the exemption under this subsection if the value of the assets of the person and any dependent residing with the person exceeds five hundred thousand dollars, including the value of any assets divested within the last three years.
 - h. The assessor shall attach the statement filed under subdivision f to the assessment sheet and shall show the reduction on the assessment sheet.
 - i. An exemption under this subsection terminates at the end of the taxable year of the death of the applicant.

SECTION 6. AMENDMENT. Section 57-02-33 of the North Dakota Century Code is amended and reenacted as follows:

57-02-33. Assessor ~~districts~~services for unorganized territory.

~~All counties or parts of counties in this state not organized into civil townships~~Any area not within an organized township or city must be divided into assessor districts, which must be designated by the board of county commissionersassessed by a certified assessor under the supervision and direction of the county director of tax equalization. ~~The board of county commissioners shall appoint the district assessors to a four-year term of office, the first term commencing on January 1, 1974. In case of vacancy in the office of district assessor in any of such districts, such vacancies must be filled by the board of county commissioners for the balance of the term. In making the appointment of a district assessor, the~~The county director of tax equalization for such county is eligible for appointment to a

~~district assessor position may serve as an assessor of property under this section. Every individual performing assessor of territory not organized into civil townships shall receive services under this section is entitled to compensation for services a sum and mileage and travel expenses determined by the board of county commissioners for the time actually and necessarily employed in making and completing the assessment of the district property. The compensation and expenses must be paid from the treasury of the county in which such district the assessed property is located only upon submission of an itemized statement setting forth the actual time spent in the work of the assessor and mileage traveled, approved by the board of county commissioners. In addition, the district assessor must be paid such mileage as is required to perform the duties of the office. The board of county commissioners has the authority to appoint a deputy assessor if needed, to be compensated in the same manner as the district assessor."~~

Page 5, after line 27, insert:

"SECTION 10. TRANSITION. The state supervisor of assessments shall recertify assessors at the end of the term of any certification that expires after July 31, 2017, upon application and submission by the certificate holder of evidence of completion of required educational sessions under North Dakota Administrative Code chapter 81-02.1-02 or under section 57-02-01.1 or rules adopted to administer that section, subject to the following additional requirements:

1. The holder of a township assessor or class II city assessor certification may be recertified as a certified class II assessor upon completion of the instruction required for class II assessor certification, with credit allowed by the state supervisor of assessments for any instruction previously received by the applicant for certification as a township assessor.
2. The holder of a class I city assessor or county director of tax equalization certification may be recertified as a certified class I assessor upon submission of evidence of completion of required education sessions during the term of the class I city assessor or county director of tax equalization certification."

Renumber accordingly

2015 CONFERENCE COMMITTEE

HB 1059

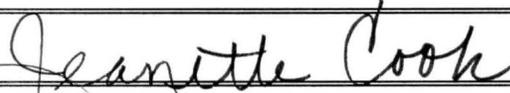
2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1059
4/17/2015
#26230

Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A bill relating to a state-paid property tax relief credit.

Minutes:

Chairman Headland: Opened the conference committee. Do we all understand the changes the Senate made on the 12% property tax policy bill?

Senator Cook: The only difference in the homestead tax credit is that we increased the evaluation to \$125,000 versus \$150,000 in the bill that you killed. We also took out all of the increases in the brackets. It reduced the fiscal note down to \$2.4 million.

Representative Haak: For the assessors, did that go back up to the 180 hour requirement from the 24 hours?

Senator Cook: Look at Section...

Chairman Headland: Page seven, Subsection two.

Senator Cook: We created a Class 2 assessor for small cities and townships with 100 hours of training. That addressed the major concern of the floor argument.

Chairman Headland: This is the area of the bill we need to talk about. I've had many conversations with some house members who have grave concerns about the educational requirement, even at 100 hours. I can understand and maybe even agree that more training is needed, but I wonder if there is a compromise we could come to on the amount of training that you have in this bill, or do you feel like your compromise is already in the bill at 100 hours?

Senator Cook: When we had the debate on the floor the other day, I did some research to find out how often Vanguard, an Iowa company, is called to North Dakota to reassess property. Generally, there are 5 to 7 jurisdictions in North Dakota that are hiring Vanguard to come in and totally reassess their entire political subdivision. This last year the entire county of Golden Valley had to reassess. They paid \$152,000. The town of Stanley has been reassessed by Vanguard, and they did the entire commercial district of Dickinson.

LaMoure County and Dunn County are coming up. Oliver County, Apple Creek Township, and Reed Township in Cass County have done it. There is only one reason why political subdivisions have to pay that type of money, a million dollars a year, to a private company to assess property. It is because someone has made an argument that it is not being equalized; a Constitutional argument that their taxes are not being done right. I don't know what the solution is to that problem, but I don't know how any of us can sit here and say that we don't have a problem with assessments. We HAVE a problem that we need to fix. This is an attempt. Why aren't assessments being done right? Is it training; is it intentional; or just plain incompetence? I would like to think that it is training, and with improvement of the training we could make some progress in addressing this problem. Assessment is where property taxes start. If the assessment isn't right, there is not a chance of having a happy tax payer anywhere in the process.

Chairman Headland: I totally agree with you. I represent a rural district, and I know in the counties that I represent there are a lot of township assessors. If LaMoure County is one that has had to pay a company to come in and reassess, that is a problem. It directly falls on the backs of the property tax payer as well. I don't know what the solution is either. When you came up with the 100 hour requirement, what was the rationale behind that, or was it simply a compromise down from the 180 hour requirement?

Senator Cook: It wasn't a random number. We had a lot of conversations with assessors that are in the field, and they contributed to the decision. Linda Ledbetter also helped, and I trust what she says about what type of training an assessor has to have to do the proper job. She thinks that 100 hours is correct.

Representative Haak: What would the cost be of 100 hours of assessment training?

Senator Cook: A lot less than a million dollars. It depends on how they get the training too.

Chairman Headland: Was 180 hours about \$5500?

Linda Leadbetter, State Supervisor of Assessments: \$2100.

Representative Haak: I agree with everything you're saying, Senator Cook. I think that this is a property tax issue. I do also share the same concerns as the chairman in getting this through the House.

Chairman Headland: Linda, we have a body that is really going to question making any move at all. I thought that I had offered a fairly insignificant solution in the House Bill, and that got shot down, and that didn't have any additional education requirement in it. It did give the county the ability to say yes or no to the assessment. Is there a way to provide the education that you feel is necessary (in tax administration, principles of theory of value, residential property appraisal, and commercial ag.) and accomplish that in something less than 100 hours of training?

Linda Leadbetter, State Supervisor of Assessments: I will address that with how we came to the 180 hours starting with those initial courses that give you the basics of how to

do all assessment, which takes 50 hours. Those are the basic tools of understanding how to measure, how all of those things have an impact, how they follow through to the taxes and mill levies, and how all of those things work together. It gives an understanding of applying value to just the simplest basic measurement of a home. The next ones would be provided at a level that would not be as strict and not as many hours involved as a Class 1, but it would give them enough training to still do those things in those jurisdictions that are going to occur. You are going to have someone in the country having an elevator business on their farm that needed assessment, then they would still have the basics. Then the tax director, who would be someone who could provide guidance to them, would have the next level of training to help them with the real extreme details of it. I do think that the 100 hours that we identified are the ones that will give us a sound assessment at the local level.

Senator Cook: A person who is going to assess a farm on the city limits of a town will have to know how to assess commercial, residential, and ag. land, if they are going to get it right. If they don't have the correct training they should not be able to sign off on it.

Senator Triplett: Is the training beyond the 50 hours in modules that they would learn residential, then agriculture, and commercial separately?

Linda Leadbetter: Yes, and for the most part it will be available online, and they will be able to test online. The agricultural class will be directed still by the Office of State Tax Commissioner because it is specific to North Dakota. So, we would be able to provide that on a more regular basis and hopefully at a regional level.

Senator Triplett: Maybe the solution would be a combination of these two ideas of training, or having the county tax equalization director sign off so. Then in some of the rural townships if the assessor only wanted to be responsible for ag. land, they could do the 50 hours plus the 15 hour module for agriculture. Then they would not have the authority to do the small towns that are in there, and it would be left to the county. Could that be a possibility to have small town local assessors that are qualified for some aspects but not others?

Linda Leadbetter: That could be achieved, but it would require a lot of detail to consider how we are handling the processes right now. Because we do identify that if any assessment has been provided on a property, and it has been completed by someone who is not certified, someone who has either a Class 1 City Assessor or Tax Director Certification is required to approve those assessments prior to their local meetings. We are handling that situation right now, and we have several townships that didn't have an assessor, and they aren't holding meetings. We have one township in which the township supervisors will not come together and have a quorum because they cannot get along to do it. We are helping them with the dates and meeting the deadlines. I do believe that those things could be addressed and changed, but there is a lot of it to try to be accomplished. I would be afraid to say within the next ten days.

Representative Owens: You stated that it was 50 hours for the basics? Was that the Tax Administration and the Principles in Theories of Value?

Linda Leadbetter: That is a five course IAAO (International Assessing Association Officers) which has five courses. They are each ten hours, and they address each of the basics. The other courses that we are proposing would give more detail and understanding on a commercial, residential, or agricultural property.

Chairman Headland: You are a former county auditor, correct?

Linda Leadbetter: A former county auditor and deputy tax director.

Chairman Headland: Did you ever do assessing for a township?

Linda Leadbetter: I was a township assessor before I was a county auditor.

Senator Cook: How many hours of training did you have?

Linda Leadbetter: 24 hours

Chairman Headland: What does it cost a township in a county where they choose to sub out the assessing to the county?

Linda Leadbetter: It really varies.

Representative Haak: How many township assessors with 24 hours of training does North Dakota have?

Linda Leadbetter: We have a listing of assessors that are certified in the state of North Dakota of just over 1,100. I don't know how many of those have taken additional hours beyond the 24 hours. We have some that do chose to because they are in more developed areas like Burleigh County or Cass County where they want more residential training.

Chairman Headland: Any suggestions? Is there anything to contemplate in the area of compromise here?

Senator Cook: This is one area that when it comes up for debate, the focus isn't really on the problem. We have to focus on the problem. There are folks that don't like this. There are groups that will go through the House and Senate and try to lobby for a no vote because of different reasons. Sometime, we need to sit down with some of the people that really find the problems with this and have some private conversations with them about what we might be able to do to fix this problem. I would be happy to get more detailed information from Vanguard about the exact magnitude of the problem and how long it has been going on. It is certainly evidence that there is a problem. I would like to keep this bill around a day or two and do what is possible. To anyone who really doesn't like this bill, I am reaching out and asking to sit down and try to solve the problem. We need a solution.

Chairman Headland: The meeting was adjourned.

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1059
April 22, 2015
26361

- Subcommittee
 Conference Committee

Committee Clerk Signature

Mary Brucher

Minutes:

Attachment #1

Chairman Headland: Opened conference committee.

Representative Owens: Discussed a proposed amendment but doesn't have a copy of it yet from Legislative Council. This amendment takes the assessor training of Class II from 100 down to the absolute minimum in order to standardize it. The standardization is the initial training along with residential to 80 hours and allowing the Supervisor of Assessment to adjust that. It would also make it available on line. The biggest problem I've heard in a number of cases is not getting access to training. I've been told that half of the people who are taking a book then taking this test are failing. This would standardize it across the state and get a good basis for it. Eighty hours was the smallest we could get to cover the areas. The amendment would change that to 80 hours and leaving everything else. Additionally, the amendment will have the excess levy requirements for fire districts. We approved it in conference committee three or four times on various amendments and somehow the final amendment didn't include it in there. It dealt with bonding so when an excess levy is approved it has a time limit for reauthorization. If it's specific to a bonding requirement then it's until the bonding authorization is over with before it has to be reauthorized again.

Senator Bekkedahl: When you talk about the training online did you talk about the training being available through the Ivan Network or some interactive format?

Representative Owens: Online and/or a classroom was discussed. Once we have an online module even though you say 50 hours the point was made that if this module is rated at 12 hours and it takes you three to do it you'll still get the 12 hour credits. It's rated at a certain level for an average person doing certain things and such. The deal was accessibility standardization and focus on giving the people an opportunity to get trained rather than just read a book.

Senator Triplett: Have you discussed this amendment with Ms. Leadbetter and was she comfortable with it?

Representative Owens: That's who I was talking too. She's the one who is putting it together online, mentioned it also by class and explained about the 12 hours but doing it in three. I'm really just quoting her.

Senator Cook: I had a conversation with the mayor of Marion regarding their local assessor. I asked the mayor why they even have a city assessor and why they just don't let the county do it but I really didn't get an answer. LaMoure County's commercial property has to be assessed by Vanguard to get it right. It's not only assessors but city officials and county officials that need to understand the importance of the job of assessment. Mr. Meidinger, the county assessor for LaMoure County, said he thought one of the biggest challenges was assessors today were looking at 100 hours of training but they are not able to find when and how soon they can get the training. I think we really need to make it clear when all this training is available to all the assessors. Distributed a 1978 report titled Blueprint for Property Tax Reform in North Dakota; see attachment #1. This issue has been here for a long time. I think this is a step in the right direction. I'd be happy with 80 hours if that's what it takes to get it out of here.

Senator Triplett: I'm okay with 80 hours too. I think we should add a goal statement that before 2018 we solve this problem so we can say that it wasn't around for more than 100 years.

Chairman Headland: There's one other issue that appears in this bill that the house has taken a stand on and that's homestead tax credit. Could we agree to remove that from the bill? The house has voted decisively on the issue.

Senator Cook: I understand you voted decisively on the issue. Senator Oehlke offered this amendment in the appropriations committee so I would like to visit with him about this. There's a change in this from what you voted on and that has reduced the fiscal rate from \$8 million to \$2.5 million. Does that lessen your dislike that you had for it the first time you saw it?

Chairman Headland: I'm not sure that it does. In the debate on the house floor it was believed that for several bienniums in a row we've addressed this and we've increased it. We really haven't used all the money that's been appropriated for the program. The fact is that maybe we should just take a rest for a couple years and see if participation can catch up to the money that has already been appropriated.

Senator Bekkedahl: In 2006 the city of Williston had an average home valuation of \$65,000. In 2012 the average home valuation was \$260,000. This is truly an issue that is pricing people out of their homes. It's no longer just the people living in mobile homes that are being displaced by mobile homes being purchased by out of state interests and jacking the rents from \$300 to \$1,200 a month. They are leaving or being forced out. It's no longer just the rents in the apartments where the rates went from \$350 a month to \$2,500 a month. They've been priced out. People are exiting their homes because they have been forced out. It is now an issue that those valuations and the people that had their homes that are paid for are living on fixed incomes. They never thought they would be touched by this issue, but are now being touched by this issue because they have tax rates under this program with homes under \$100,000 that and are now paying taxes on \$160,000 valuation

or more and will be priced out of their homes with taxes. I've heard in the property tax debate that people are now losing their houses to taxes. This is an issue where it is going to start happening. It may be in my district now but I think it will go everywhere else at some point. It amazes me that we can pass \$108 million in income tax relief to people, some of which really don't need it, and not look at this \$2 million fiscal note and help the people that really do need it.

Chairman Headland: You brought up something that I don't believe the house is going to look at favorably. I don't want to lose this bill because of an issue that wasn't part of the bill and maybe shouldn't have been put in the bill. That's what we'll discuss moving forward.

Senator Cook: We're not going to lose this bill. We're going to get it to the governor. We just have to figure out the way to accomplish that.

Chairman Headland: We will adjourn until we can get the amendments.

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1059
April 23, 2015
26390

- Subcommittee
 Conference Committee

Committee Clerk Signature

Mary Brucher

Minutes:

Attachment #1, 2

Chairman Headland: Opened committee hearing.

Representative Owens: Distributed proposed amendment 15.0149.03007 and a Christmas tree version of the bill 15.0149.03007 and explained; see attachments #1 and 2. The only thing I changed was on page seven where it says, "to be successfully complete 80 hours" rather than 100 hours. In the Christmas tree version on page four line 14 that is correcting what we left out of HB 1056 on the bonding. On page five lines 19-21 and 24-25 it talks about bonding and the things that were left out of the last amendment that had been in every other amendment we had before. On page nine line 16 is where it says to complete 80 hours. Everything else should read as amended by the senate.

Chairman Headland: We're still in negotiations on homestead tax credits.

Senator Cook: I move we adjourn.

Chairman Headland: Adjourned.

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1059
April 24, 2015
26411

- Subcommittee
 Conference Committee

Committee Clerk Signature *Mary Buckler*

Minutes:

No attachments.

Chairman Headland: We are still waiting for amendments. Meeting adjourned.

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1059
4/24/2015
26418

Subcommittee
 Conference Committee

Committee Clerk Signature

Mary Brucker

Minutes:

Attachments #1, 2

Chairman Headland: We have amendments.

Representative Owens: Distributed proposed amendments and Christmas tree version of the bill 15.0149.03010; see attachments #1 and 2. There is a slight difference. The senate recedes and adds back on senate amendments with some minor changes. It takes us to 80 hours for the class II assessor instead of 100 hours. On page four of the Christmas tree version the fire protection policy is back in there with a slight change on page 5 from lines 19 to 21 and 24-25 then on page nine we change 100 hours to 80 hours. Everything else remains the same until we get to page 18 where the effective is changed so that section six is effective beginning after December 31, 2015. Section six is the change to the value of property that is exempt. We are not increasing the brackets or the asset levels associated with the Homestead Act but we are changing the amount of the exemption from each category from \$100,000 to \$125,000.

Chairman Headland: Essentially it's the same language as put in the bill from the senate.

Representative Owens: That is correct. It did not change from the senate version.

Representative Haak: How does this affect the fiscal note?

Senator Cook: There will be no fiscal note. The tax department believes they can absorb this in their current budget for the Homestead Tax Credit.

Senator Cook: Made a motion for the Senate to recede from Senate amendments and amends.

Representative Haak: Second.

Roll call vote: 6 yes 0 no 0 absent

Motion carried.

SK
4/24/15
V/10

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1059

That the Senate recede from its amendments as printed on pages 1735-1742 of the House Journal and pages 1487-1494 of the Senate Journal and that Reengrossed House Bill No. 1059 be amended as follows:

Page 1, line 1, after "Act" insert "to create and enact section 57-02-01.1 of the North Dakota Century Code, relating to training and certification of assessors;"

Page 1, line 1, after "sections" insert "11-10.1-01, 11-10.1-05, 18-10-07, and 57-01-05, subsection 1 of section 57-02-08.1, and sections 57-02-33,"

Page 1, line 2, after "to" insert "training and certification of assessors, the homestead tax credit, rural fire protection district increased levy approval,"

Page 1, line 3, after the semicolon, insert "to provide for transition;"

Page 1, after line 5, insert:

"SECTION 1. AMENDMENT. Section 11-10.1-01 of the North Dakota Century Code is amended and reenacted as follows:

11-10.1-01. County director of tax equalization.

1. The board of county commissioners of each county ~~in this state~~ shall appoint a county director of tax equalization who must be ~~qualified and experienced in property appraisals, familiar with assessment and equalization procedures and techniques, and who is the holder of~~ holds a current certificate certification as a class I assessor issued by the state supervisor of assessments. ~~The state supervisor of assessments shall confer with representatives of the county commissioners, city governing bodies, state township officers association, and personnel at North Dakota state university to establish or revise the minimum requirements for attaining the certificate. Any person who is denied such certificate may appeal to the state tax commissioner for a hearing under the provisions of chapter 28-32.~~
2. The board of county commissioners may, ~~in its discretion,~~ appoint a ~~person~~ county director of tax equalization on a probationary basis who does not hold a current ~~certificate as provided for in subsection 1~~ certification as a class I assessor, if the board deems such ~~person~~ the individual qualified to act as county director of tax equalization by virtue of education, training, ~~and experience, and willingness to obtain certification as a class I assessor.~~ and experience, and willingness to obtain certification as a class I assessor. The appointment must be for a term of not more than ~~three~~ two years. Any person receiving a probationary appointment who does not obtain a ~~certificate~~ certification as a class I assessor within ~~three~~ two years from the appointment is not eligible for reappointment.
3. The county director of tax equalization shall serve at the pleasure of the board of county commissioners and may be employed on a full-time or part-time basis. Vacancies in the office of county director of tax equalization must be filled in the same manner as the original appointment.

SECTION 2. AMENDMENT. Section 11-10.1-05 of the North Dakota Century Code is amended and reenacted as follows:

11-10.1-05. Powers and duties of county director of tax equalization - Qualifications of assessors.

1. The county director of tax equalization shall ~~have~~has the power, duty, and responsibility to call upon and confer with ~~township and city~~ assessors in the county and to ~~instruct~~assist them in the preparation and proper use of land maps and property record cards, the preparation of assessment books, the changes in assessment laws and ~~regulations~~rules, the determination of proper standards of value, ~~the use of proper~~ classifications of property, determination of what property qualifies as exempt from property taxes, and the authority to require attendance at meetings, to ~~the end that a~~promote uniform assessment of all real property in the county will prevail.

2. Any city with a population of under five thousand or township may, by resolution of its governing body, retain an assessor who is certified or eligible to be certified as a class II assessor who shall retain the powers, duties, and responsibilities of the office. Any city with a population of five thousand or greater may, by resolution of its governing body, retain an assessor who is certified or eligible to be certified as a class I assessor who shall retain the powers, duties, and responsibilities of the office. A person may not serve as an assessor for longer than twenty-four months before being certified by the state supervisor of assessments as having met the minimum requirements. The expenses of the city or township assessors must be paid by the city or township exercising this option.

- 2-3. ~~On January 1, 1981, the~~The county director of tax equalization shall ~~succeed to all the powers and duties of assessors of townships, cities with a population of under five thousand, and unorganized districts~~supervise all individuals performing assessor services in the county and arrange for the assessment of property within the county, except that any city with a population of under five thousand or township may, at its option by resolution of its governing body, employ an assessor who shall retain the powers, duties, and responsibilities of the office. The resolution within the jurisdiction of a city or township in which the governing body to employ an ~~retains a certified class I or class II assessor continues in force until rescinded by the governing body. Notwithstanding any other provision of law to the contrary, the state supervisor of assessments shall confer with representatives of the county commissioners, city governing bodies, state township officers association, and personnel at North Dakota state university to establish minimum requirements for all city and township assessors. The standards shall reflect their limited jurisdiction and need not be equal to those minimum requirements set for county directors of tax equalization. Any courses of instruction included in those minimum requirements for assessors of townships or cities with a population under five thousand must be conducted by the county director of tax equalization who may cooperate with other county directors of tax equalization in holding joint classes. The county director of tax equalization may call upon the state supervisor of assessments for any necessary materials and assistance. No person may serve as an assessor of a township or a city with a population under five thousand for longer than twelve months before~~

~~being certified by the state supervisor of assessments as having met the minimum requirements. No person may serve as an assessor of a city with a population of five thousand or more for longer than three years before being certified by the state supervisor of assessments as having met the minimum requirements. The expenses and salaries of city and township assessors must be paid by the city or township exercising this option.~~

3.4. Any city or township ~~which~~that does not employ its own ~~retain~~ a certified class I or class II assessor shall utilize the certified assessor of the county in which the city or township is located. The county commission may require the city or township to reimburse the county for the expenses incurred in assessing the property of that city or township.

4.5. Any assessment made by an assessor who is not currently certified as ~~qualified for that assessment jurisdiction~~ must be reviewed and approved by a certified county director of tax equalization, ~~or a certified city assessor of a city with a population of five thousand or more assessor,~~ prior to the township or city board of equalization annual meeting. The cost of the assessment review must be paid by the township or city having jurisdiction over the assessment at the same rate as paid to a special assessor in section 57-14-08.

SECTION 3. AMENDMENT. Section 18-10-07 of the North Dakota Century Code as amended in section 1 of House Bill No. 1056, as approved by the sixty-fourth legislative assembly, is amended and reenacted as follows:

18-10-07. Fire protection policy to be determined - Tax levy.

The board of directors shall determine a general fire protection policy for the district and shall annually estimate the probable expense for carrying out the contemplated program. The annual estimate of probable expense may include an amount determined by the board of directors to be necessary to be carried over to a future year for purchase of firefighting equipment, ambulances, or other emergency vehicles. The estimate must be certified by the president and secretary to the proper county auditor or county auditors, on or before June thirtieth of each year, who shall levy a tax upon the taxable property within the district for the maintenance of the fire protection district for the fiscal year as provided by law. The tax may not exceed a tax rate of five mills per dollar of the taxable valuation of property in the district except upon resolution adopted by the board of directors and approval by a majority of the qualified electors voting on the question at an annual or special meeting of electors called by the board of directors, the levy may be made in an amount not exceeding thirteen mills. If an election to approve or reauthorize an excess levy will be held at an annual or special meeting of electors of the district called by the board of directors, notice of the meeting and the proposed excess levy election must be provided by at least one publication in the official newspaper of each county in which the district is located at least seven days, but not more than fourteen days, before the date of the public meeting. The published notice must include the amount of the proposed tax rate increase in mills and the duration for which elector approval of the increase is sought and must include the location where, and hours during which, ballots may be cast.

Votes to approve or disapprove the levy increase must be cast on the date of the meeting. The polling place must remain open for at least six hours on the date of the meeting. The secretary-treasurer of the district shall prepare and distribute to qualified electors at the polling place paper ballots to conduct the election on the

question of increased levy authority. Three election judges to receive and count the ballots, who are qualified electors of the district but not members of the board, must be selected at least seven days before the meeting by approval of a majority of the members of the board. A marked ballot must be delivered to one of the judges, folded to conceal its contents, the judge shall deposit it in the ballot box, and another judge shall enter the name of the elector who cast the ballot in the poll book. When the election is closed, the judges shall count the ballots and announce the result. Results of the election must be certified by the secretary-treasurer of the district and each of the election judges to the tax commissioner and to the county auditor of each county in which the district is located within ten days after the election. The certificate must include a statement of the question as it appeared on the ballot, together with the total number of votes cast in favor, and the number of votes cast against, authorizing the excess levy.

After July 31, 2015, approval or reauthorization by electors of increased levy authority under this section may not be effective for more than ten taxable years or the period of time necessary for repayment of indebtedness incurred which was intended to be repaid from the increased levy, whichever expires later. Additional levy authority authorized by the board of directors after petition of electors before August 1, 2015, remains in effect under the provisions of law at the time the levy was authorized for the time period authorized by the electors but not exceeding five ten taxable years or the period of time necessary for repayment of indebtedness incurred which was intended to be repaid from the increased levy, whichever expires later. The tax must be:

1. Collected as other taxes are collected in the county.
2. Turned over to the secretary-treasurer of the rural fire protection district, who shall have a surety bond in the amount of at least five thousand dollars.
3. Placed to the credit of the rural fire protection district so authorizing the same by its secretary-treasurer in a state or national bank, except amounts to be carried over to a future year for purchase of firefighting equipment, ambulances, or other emergency vehicles may be invested to earn the maximum return available.
4. Paid out upon warrants drawn upon the fund by authority of the board of directors of the district, bearing the signature of the secretary-treasurer and the countersignature of the president of the rural fire protection district.

The amount of tax levy may not exceed the amount of funds required to defray the expenses of the district for a period of one year as embraced in the annual estimate of expense, including the amount of principal and interest upon the indebtedness of the district for the ensuing year and including any amount determined by the board of directors to be necessary to be carried over to a future year for purchase of firefighting equipment, ambulances, or other emergency vehicles.

SECTION 4. AMENDMENT. Section 57-01-05 of the North Dakota Century Code is amended and reenacted as follows:

57-01-05. State supervisor of assessments.

The state tax commissioner shall appoint a state supervisor of assessments who must be a person trained and experienced in property appraisals and familiar with

assessment and equalization procedures and techniques. The state supervisor of assessments serves at the pleasure of the state tax commissioner and office space must be furnished to the state supervisor of assessments by the commissioner.

The state supervisor of assessments shall perform the following duties under the direction of the tax commissioner:

1. The state supervisor of assessments shall advise and give the various assessors in the state the necessary instructions and directions as to their duties under the laws of this state, ~~to the end that a promote~~ uniform assessment of all real and personal property in this state will be attained.
2. The state supervisor of assessments shall assist and instruct the various assessors in this state in the use of soil reconnaissance surveys, land classification methods, in the preparation and proper use of land maps and record cards, in the proper classification of real and personal property, and in the determination of proper standards of value.
3. The state supervisor of assessments may require the attendance of groups of assessors at meetings called by the state supervisor of assessments for the purpose of giving them further assistance and instruction as to their duties.
4. The state supervisor of assessments may make sales, market, and productivity studies and other studies of property assessments in the various counties and cities of this state for the purpose of ~~to~~ properly ~~advising~~ advise the various assessors and directors of tax equalization in the state and for the purpose of ~~recommending~~ recommend to the tax commissioner changes to be made by the state board of equalization in the performance of ~~the~~ its equalization powers and duties ~~prescribed for it~~ by section 57-13-04. In any sales, market, and productivity study made according to section 57-01-06, the county directors of tax equalization or city assessors, ~~as the case may be, are responsible for compiling~~ shall compile a record of sales of property made in the county or city, and in conjunction with the board of county commissioners shall analyze the sales for the purpose of advising the state supervisor of assessments as to the value of using the sales in any such study. The compilations must be forwarded to the state supervisor of assessments with the findings of the county director of tax equalization, city assessors, and the board of county commissioners. In any county or city or any part thereof where the number of sales of properties is insufficient for making a sales, market, and productivity study, the county director of tax equalization or city assessor, as the case may be, in cooperation with the state supervisor of assessments or that person's assistants shall make appraisals of properties in order to determine the market value.
5. The state supervisor of assessments shall cooperate with North Dakota state university in the development of a soil mapping program, a land classification system, valuation studies, and other matters relating to the assessment of property and shall provide for the use of such information and procedure at the earliest possible date by the assessors of this state.
6. The state supervisor of assessments has general supervision of assessors and county directors of tax equalization pertaining to methods and

procedures of assessment of all property and has authority to require all county directors of tax equalization to do any act necessary to obtain uniform methods and procedures of assessment.

- 7. Whenever an investigation by the state supervisor of assessments shows there is probable cause to believe the holder of a certificate issued by the state supervisor of assessments under ~~chapter 11-10.1~~ section 57-02-01.1 has failed to comply with any of the provisions of ~~this title~~ law pertaining to assessments, or any rules ~~prescribed~~ adopted by the tax commissioner, the state supervisor of assessments may petition the tax commissioner for a hearing to show cause why the certificate should be suspended or revoked.
 - a. The state supervisor of assessments must provide the certificate holder at least ten days' notice of the time and place of the hearing.
 - b. If cause to suspend or revoke the certificate is shown, the tax commissioner may suspend or revoke the certificate.
 - c. The tax commissioner may restore a certificate after suspension or revocation.
 - d. An individual whose certificate has been suspended or revoked in the manner provided in this section may appeal that determination to the district court as provided in section 28-32-42.
- 8. If a certificate holder's certificate is suspended or revoked under this section, the governing body of the county in which the certificate holder performs duties shall ensure the continued administration of assessments within that county by a person authorized under section 11-10.1-05 and be responsible for any expenses associated with the fulfillment of this responsibility. Expenses incurred by a county to fulfill the duties of a township or city assessment official whose certificate has been suspended or revoked must be charged to the political subdivision in which the certificate holder is employed and must either be paid directly to the county by the political subdivision or deducted by the county treasurer from funds coming into the treasurer's control which are apportionable to the subdivision.
- 9. The state supervisor of assessments shall perform such other duties relating to assessment and taxation of property as the tax commissioner directs.
- 10. The tax commissioner may ~~prescribe~~ adopt rules under chapter 28-32 necessary for the ~~detailed and efficient~~ administration of this section.

SECTION 5. Section 57-02-01.1 of the North Dakota Century Code is created and enacted as follows:

57-02-01.1. Certification of assessors.

The state supervisor of assessments shall certify assessors as provided in this section.

- 1. To be certified as a class I assessor, an individual must:

- a. Have a high school diploma or its equivalent.
 - b. Successfully complete one hundred eighty hours of assessment and appraisal instruction approved by the state supervisor of assessments. The number of hours of instruction determined necessary by the state supervisor of assessments for each of the following topics is required:
 - (1) Tax administration.
 - (2) Principles and theory of value.
 - (3) Residential property appraisal.
 - (4) Commercial property appraisal.
 - (5) Agricultural property valuation.
2. To be certified as a class II assessor, an individual must:
- a. Have a high school diploma or its equivalent.
 - b. Successfully complete eighty hours of assessment and appraisal instruction approved by the state supervisor of assessments. The number of hours of instruction determined necessary by the state supervisor of assessments for each of the following topics is required:
 - (1) Tax administration.
 - (2) Principles and theory of value.
 - (3) Residential property appraisal.
 - (4) Commercial property appraisal.
 - (5) Agricultural property valuation.
3. The state supervisor of assessments may allow credit against required instruction in any topic under subdivision b of subsection 1 and subdivision b of subsection 2 upon receipt of documented training in this state or another state in the topic.
4. An individual appointed as an assessor must hold the required assessor certificate at the time of appointment or obtain that certificate within two years after initial appointment or by July 31, 2017, whichever is later. An assessor who does not obtain the required certificate within two years after initial appointment or by July 31, 2017, whichever is later, or who does not maintain that certificate in good standing is not eligible for reappointment.
5. An assessor certificate is valid for a term of two years from the first day of the calendar year for which it becomes effective.
6. A class I assessor certificate may be renewed if the holder has completed twenty hours of approved classroom instruction or seminars during the term of the certificate. For purposes of this subsection, an assessor certificate holder is entitled to one and one-half hours of credit for each hour spent as an instructor of approved classroom instruction or seminars during the term of the certificate.

- 7. A class II assessor certificate may be renewed if the holder has completed ten hours of approved classroom instruction or seminars during the term of the certificate.
- 8. The state supervisor of assessments shall notify the holder of an assessor certificate of the time for application for renewal of the individual's certificate. The state supervisor of assessments shall notify the governing body of the taxing district employing an assessor whose certificate is not renewed or whose certificate is suspended or revoked.
- 9. Any person who is denied a certificate under this section may appeal to the tax commissioner for a hearing under chapter 28-32.
- 10. The tax commissioner may adopt rules under chapter 28-32 for the administration of this section.

SECTION 6. AMENDMENT. Subsection 1 of section 57-02-08.1 of the North Dakota Century Code is amended and reenacted as follows:

- 1. a. Any person sixty-five years of age or older or permanently and totally disabled, in the year in which the tax was levied, with an income that does not exceed the limitations of subdivision c is entitled to receive a reduction in the assessment on the taxable valuation on the person's homestead. An exemption under this subsection applies regardless of whether the person is the head of a family.
- b. The exemption under this subsection continues to apply if the person does not reside in the homestead and the person's absence is due to confinement in a nursing home, hospital, or other care facility, for as long as the portion of the homestead previously occupied by the person is not rented to another person.
- c. The exemption must be determined according to the following schedule:
 - (1) If the person's income is not in excess of twenty-two thousand dollars, a reduction of one hundred percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~four~~five thousand ~~five~~six hundred ~~twenty~~five dollars of taxable valuation.
 - (2) If the person's income is in excess of twenty-two thousand dollars and not in excess of twenty-six thousand dollars, a reduction of eighty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~three~~four thousand ~~six~~five hundred dollars of taxable valuation.
 - (3) If the person's income is in excess of twenty-six thousand dollars and not in excess of thirty thousand dollars, a reduction of sixty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~two~~three thousand ~~seven~~three hundred ~~seventy~~five dollars of taxable valuation.
 - (4) If the person's income is in excess of thirty thousand dollars and not in excess of thirty-four thousand dollars, a reduction of forty percent of the taxable valuation of the person's homestead up to

a maximum reduction of ~~one~~two thousand ~~eight~~two hundred ~~fifty~~ dollars of taxable valuation.

(5) If the person's income is in excess of thirty-four thousand dollars and not in excess of thirty-eight thousand dollars, a reduction of twenty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~nine~~one thousand one hundred ~~twenty~~five dollars of taxable valuation.

(6) If the person's income is in excess of thirty-eight thousand dollars and not in excess of forty-two thousand dollars, a reduction of ten percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~four~~five hundred ~~fifty~~sixty-three dollars of taxable valuation.

- d. Persons residing together, as spouses or when one or more is a dependent of another, are entitled to only one exemption between or among them under this subsection. Persons residing together, who are not spouses or dependents, who are coowners of the property are each entitled to a percentage of a full exemption under this subsection equal to their ownership interests in the property.
- e. This subsection does not reduce the liability of any person for special assessments levied upon any property.
- f. Any person claiming the exemption under this subsection shall sign a verified statement of facts establishing the person's eligibility.
- g. A person is ineligible for the exemption under this subsection if the value of the assets of the person and any dependent residing with the person exceeds five hundred thousand dollars, including the value of any assets divested within the last three years.
- h. The assessor shall attach the statement filed under subdivision f to the assessment sheet and shall show the reduction on the assessment sheet.
- i. An exemption under this subsection terminates at the end of the taxable year of the death of the applicant.

SECTION 7. AMENDMENT. Section 57-02-33 of the North Dakota Century Code is amended and reenacted as follows:

57-02-33. Assessor ~~district~~services for unorganized territory.

~~All counties or parts of counties in this state not organized into civil townships~~Any area not within an organized township or city must be divided into assessor districts, which must be designated by the board of county ~~commissioners~~assessed by a certified assessor under the supervision and direction of the county director of tax equalization. ~~The board of county commissioners shall appoint the district assessors to a four year term of office, the first term commencing on January 1, 1974. In case of vacancy in the office of district assessor in any of such districts, such vacancies must be filled by the board of county commissioners for the balance of the term. In making the appointment of a district assessor, the~~The county director of tax equalization ~~for such county is eligible for appointment to a district assessor position~~may serve as an assessor of property under this section. Every ~~individual performing assessor of territory not organized into civil townships~~ shall

~~receive services under this section is entitled to compensation for services a sum and mileage and travel expenses determined by the board of county commissioners for the time actually and necessarily employed in making and completing the assessment of the district property. The compensation and expenses must be paid from the treasury of the county in which such district the assessed property is located only upon submission of an itemized statement setting forth the actual time spent in the work of the assessor and mileage traveled, approved by the board of county commissioners. In addition, the district assessor must be paid such mileage as is required to perform the duties of the office. The board of county commissioners has the authority to appoint a deputy assessor if needed, to be compensated in the same manner as the district assessor."~~

Page 5, after line 27, insert:

"SECTION 11. TRANSITION. The state supervisor of assessments shall recertify assessors at the end of the term of any certification that expires after July 31, 2017, upon application and submission by the certificate holder of evidence of completion of required educational sessions under North Dakota Administrative Code chapter 81-02.1-02 or under section 57-02-01.1 or rules adopted to administer that section, subject to the following additional requirements:

1. The holder of a township assessor or class II city assessor certification may be recertified as a certified class II assessor upon completion of the instruction required for class II assessor certification, with credit allowed by the state supervisor of assessments for any instruction previously received by the applicant for certification as a township assessor.
2. The holder of a class I city assessor or county director of tax equalization certification may be recertified as a certified class I assessor upon submission of evidence of completion of required education sessions during the term of the class I city assessor or county director of tax equalization certification."

Page 5, line 29, after "2014" insert ", except section 6, which is effective for taxable years beginning after December 31, 2015."

Renumber accordingly

Date: 4-17-15
 Roll Call Vote #: 1

**2015 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. 1059 as (re) engrossed

House Finance and Taxation Committee

- Action Taken**
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: _____ Seconded by: _____

Representatives	4/17	4/22	4/23	Yes	No	Senators	4/17	4/22	4/23	Yes	No
Chairman Headland	✓	✓	✓			Senator Cook	✓	✓	✓		
Representative Owens	✓	✓	✓			Senator Bekkedahl	✓	✓	✓		
Representative Haak	✓	✓	✓			Senator Triplett	✓	✓	✓		
Total Rep. Vote						Total Senate Vote					

Vote Count Yes: _____ No: _____ Absent: _____

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Date: 4-24-15
 Roll Call Vote #: 1

**2015 HOUSE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. 1059 as (re) engrossed

House Finance and Taxation Committee

- Action Taken
- HOUSE accede to Senate Amendments
 - HOUSE accede to Senate Amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows
 - Unable to agree, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Sen. Cook Seconded by: Rep. Haak

Representatives	4/24	4/24	Yes	No	Senators	4/24	4/24	Yes	No
Chairman Headland	✓	✓	✓		Senator Cook	✓	✓	✓	
Representative Owens	✓	✓	✓		Senator Berkedal	✓	✓	✓	
Representative Haak	✓	✓	✓		Senator Triplett	✓	✓	✓	
Total Rep. Vote					Total Senate Vote				

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier No carrier Senate Carrier No carrier

LC Number 15. 0149 . 03010 of amendment

LC Number 05000 of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

REPORT OF CONFERENCE COMMITTEE

HB 1059, as reengrossed: Your conference committee (Sens. Cook, Bekkedahl, Triplett and Reps. Headland, Owens, Haak) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1735-1742, adopt amendments as follows, and place HB 1059 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1735-1742 of the House Journal and pages 1487-1494 of the Senate Journal and that Reengrossed House Bill No. 1059 be amended as follows:

Page 1, line 1, after "Act" insert "to create and enact section 57-02-01.1 of the North Dakota Century Code, relating to training and certification of assessors;"

Page 1, line 1, after "sections" insert "11-10.1-01, 11-10.1-05, 18-10-07, and 57-01-05, subsection 1 of section 57-02-08.1, and sections 57-02-33,"

Page 1, line 2, after "to" insert "training and certification of assessors, the homestead tax credit, rural fire protection district increased levy approval,"

Page 1, line 3, after the semicolon, insert "to provide for transition;"

Page 1, after line 5, insert:

"SECTION 1. AMENDMENT. Section 11-10.1-01 of the North Dakota Century Code is amended and reenacted as follows:

11-10.1-01. County director of tax equalization.

1. The board of county commissioners of each county ~~in this state~~ shall appoint a county director of tax equalization who must be ~~qualified and experienced in property appraisals, familiar with assessment and equalization procedures and techniques, and who is the holder of~~ holds a current ~~certificate~~ certification as a class I assessor issued by the state supervisor of assessments. ~~The state supervisor of assessments shall confer with representatives of the county commissioners, city governing bodies, state township officers association, and personnel at North Dakota state university to establish or revise the minimum requirements for attaining the certificate. Any person who is denied such certificate may appeal to the state tax commissioner for a hearing under the provisions of chapter 28-32.~~
2. The board of county commissioners may, ~~in its discretion,~~ appoint a ~~person~~ county director of tax equalization on a probationary basis who does not hold a current ~~certificate as provided for in subsection 1~~ certification as a class I assessor, if the board deems such ~~person~~ the individual qualified to act as county director of tax equalization by virtue of education, training, and experience, and willingness to obtain certification as a class I assessor. The appointment must be for a term of not more than ~~three~~ two years. Any person receiving a probationary appointment who does not obtain a ~~certificate~~ certification as a class I assessor within ~~three~~ two years from the appointment is not eligible for reappointment.
3. The county director of tax equalization shall serve at the pleasure of the board of county commissioners and may be employed on a full-time or part-time basis. Vacancies in the office of county director of tax equalization must be filled in the same manner as the original appointment.

SECTION 2. AMENDMENT. Section 11-10.1-05 of the North Dakota Century Code is amended and reenacted as follows:

**11-10.1-05. Powers and duties of county director of tax equalization -
Qualifications of assessors.**

1. The county director of tax equalization ~~shall have~~has the power, duty, and responsibility to call upon and confer with ~~township and city~~ assessors in the county and to ~~instruct~~assist them in the preparation and proper use of land maps and property record cards, the preparation of assessment books, ~~the changes in assessment laws and regulations~~rules, the determination of proper standards of value, ~~the use of proper classifications of property, determination of what property qualifies as exempt from property taxes,~~ and the authority to require attendance at meetings, ~~to the end that a~~promote uniform assessment of all real property in the county ~~will prevail~~.
2. Any city with a population of under five thousand or township may, by resolution of its governing body, retain an assessor who is certified or eligible to be certified as a class II assessor who shall retain the powers, duties, and responsibilities of the office. Any city with a population of five thousand or greater may, by resolution of its governing body, retain an assessor who is certified or eligible to be certified as a class I assessor who shall retain the powers, duties, and responsibilities of the office. A person may not serve as an assessor for longer than twenty-four months before being certified by the state supervisor of assessments as having met the minimum requirements. The expenses of the city or township assessors must be paid by the city or township exercising this option.
- 2-3. ~~On January 1, 1981, the~~The county director of tax equalization shall ~~succeed to all the powers and duties of assessors of townships, cities with a population of under five thousand, and unorganized districts~~supervise all individuals performing assessor services in the county and arrange for the assessment of property within the county, except that any city with a population of under five thousand or township may, at its option by resolution of its governing body, employ an assessor who shall retain the powers, duties, and responsibilities of the office. The resolutionwithin the jurisdiction of a city or township in which the governing body to employ anretains a certified class I or class II assessor continues in force until rescinded by the governing body. Notwithstanding any other provision of law to the contrary, the state supervisor of assessments shall confer with representatives of the county commissioners, city governing bodies, state township officers association, and personnel at North Dakota state university to establish minimum requirements for all city and township assessors. The standards shall reflect their limited jurisdiction and need not be equal to those minimum requirements set for county directors of tax equalization. Any courses of instruction included in those minimum requirements for assessors of townships or cities with a population under five thousand must be conducted by the county director of tax equalization who may cooperate with other county directors of tax equalization in holding joint classes. The county director of tax equalization may call upon the state supervisor of assessments for any necessary materials and assistance. No person may serve as an assessor of a township or a city with a population under five thousand for longer than twelve months before being certified by the state supervisor of assessments as having met the minimum requirements. No person may serve as an assessor of a city with a population of five thousand or more for longer than three years before being certified by the state supervisor of assessments as having met the minimum requirements. The expenses and salaries of city and township assessors must be paid by the city or township exercising this option.

- 3-4. Any city or township ~~which that~~ does not employ its own ~~retain a certified class I or class II~~ assessor shall utilize the certified assessor of the county in which the city or township is located. The county commission may require the city or township to reimburse the county for the expenses incurred in assessing the property of that city or township.
- 4-5. Any assessment made by an assessor who is not currently certified as ~~qualified for that assessment jurisdiction~~ must be reviewed and approved by a certified county director of tax equalization, ~~or a certified city assessor of a city with a population of five thousand or more~~ assessor, prior to the township or city board of equalization annual meeting. The cost of the assessment review must be paid by the township or city having jurisdiction over the assessment at the same rate as paid to a special assessor in section 57-14-08.

SECTION 3. AMENDMENT. Section 18-10-07 of the North Dakota Century Code as amended in section 1 of House Bill No. 1056, as approved by the sixty-fourth legislative assembly, is amended and reenacted as follows:

18-10-07. Fire protection policy to be determined - Tax levy.

The board of directors shall determine a general fire protection policy for the district and shall annually estimate the probable expense for carrying out the contemplated program. The annual estimate of probable expense may include an amount determined by the board of directors to be necessary to be carried over to a future year for purchase of firefighting equipment, ambulances, or other emergency vehicles. The estimate must be certified by the president and secretary to the proper county auditor or county auditors, on or before June thirtieth of each year, who shall levy a tax upon the taxable property within the district for the maintenance of the fire protection district for the fiscal year as provided by law. The tax may not exceed a tax rate of five mills per dollar of the taxable valuation of property in the district except upon resolution adopted by the board of directors and approval by a majority of the qualified electors voting on the question at an annual or special meeting of electors called by the board of directors, the levy may be made in an amount not exceeding thirteen mills. If an election to approve or reauthorize an excess levy will be held at an annual or special meeting of electors of the district called by the board of directors, notice of the meeting and the proposed excess levy election must be provided by at least one publication in the official newspaper of each county in which the district is located at least seven days, but not more than fourteen days, before the date of the public meeting. The published notice must include the amount of the proposed tax rate increase in mills and the duration for which elector approval of the increase is sought and must include the location where, and hours during which, ballots may be cast.

Votes to approve or disapprove the levy increase must be cast on the date of the meeting. The polling place must remain open for at least six hours on the date of the meeting. The secretary-treasurer of the district shall prepare and distribute to qualified electors at the polling place paper ballots to conduct the election on the question of increased levy authority. Three election judges to receive and count the ballots, who are qualified electors of the district but not members of the board, must be selected at least seven days before the meeting by approval of a majority of the members of the board. A marked ballot must be delivered to one of the judges, folded to conceal its contents, the judge shall deposit it in the ballot box, and another judge shall enter the name of the elector who cast the ballot in the poll book. When the election is closed, the judges shall count the ballots and announce the result. Results of the election must be certified by the secretary-treasurer of the district and each of the election judges to the tax commissioner and to the county auditor of each county in which the district is located within ten days after the election. The certificate must include a statement of the question as it appeared on the ballot, together with the total number of votes cast in favor, and the number of votes cast against, authorizing the excess levy.

After July 31, 2015, approval or reauthorization by electors of increased levy authority under this section may not be effective for more than ten taxable years or the period of time necessary for repayment of indebtedness incurred which was intended to be repaid from the increased levy, whichever expires later. Additional levy authority authorized by the board of directors after petition of electors before August 1, 2015, remains in effect under the provisions of law at the time the levy was authorized for the time period authorized by the electors but not exceeding ~~five~~ten taxable years or the period of time necessary for repayment of indebtedness incurred which was intended to be repaid from the increased levy, whichever expires later. The tax must be:

1. Collected as other taxes are collected in the county.
2. Turned over to the secretary-treasurer of the rural fire protection district, who shall have a surety bond in the amount of at least five thousand dollars.
3. Placed to the credit of the rural fire protection district so authorizing the same by its secretary-treasurer in a state or national bank, except amounts to be carried over to a future year for purchase of firefighting equipment, ambulances, or other emergency vehicles may be invested to earn the maximum return available.
4. Paid out upon warrants drawn upon the fund by authority of the board of directors of the district, bearing the signature of the secretary-treasurer and the countersignature of the president of the rural fire protection district.

The amount of tax levy may not exceed the amount of funds required to defray the expenses of the district for a period of one year as embraced in the annual estimate of expense, including the amount of principal and interest upon the indebtedness of the district for the ensuing year and including any amount determined by the board of directors to be necessary to be carried over to a future year for purchase of firefighting equipment, ambulances, or other emergency vehicles.

SECTION 4. AMENDMENT. Section 57-01-05 of the North Dakota Century Code is amended and reenacted as follows:

57-01-05. State supervisor of assessments.

The state tax commissioner shall appoint a state supervisor of assessments who must be a person trained and experienced in property appraisals and familiar with assessment and equalization procedures and techniques. The state supervisor of assessments serves at the pleasure of the state tax commissioner and office space must be furnished to the state supervisor of assessments by the commissioner.

The state supervisor of assessments shall perform the following duties under the direction of the tax commissioner:

1. The state supervisor of assessments shall advise and give the various assessors ~~in the state~~ the necessary instructions and directions as to their duties under the laws of this state, ~~to the end that a promote~~ uniform assessment of all real and personal property in this state ~~will be attained~~.
2. The state supervisor of assessments shall assist and instruct the various assessors ~~in this state~~ in the use of soil ~~reconnaissance~~ surveys, land classification methods, ~~in the~~ preparation and proper use of land maps and record cards, ~~in the~~ proper classification of real and personal property, and ~~in the~~ determination of proper standards of value.

3. The state supervisor of assessments may require the attendance of groups of assessors at meetings called by the state supervisor of assessments for the purpose of giving them further assistance and instruction as to their duties.
4. The state supervisor of assessments may make sales, market, and productivity studies and other studies of property assessments in the various counties and cities of this state ~~for the purpose of to~~ properly ~~advising~~advise the various assessors and directors of tax equalization in the state and ~~for the purpose of recommending to~~ recommend to the tax commissioner changes to be made by the state board of equalization in the performance of ~~theits~~ equalization powers and duties ~~prescribed for it by section 57-13-04~~. In any sales, market, and productivity study made according to section 57-01-06, the county directors of tax equalization or city assessors, ~~as the case may be, are responsible for compiling~~ shall compile a record of sales of property made in the county or city, and in conjunction with the board of county commissioners shall analyze the sales for the purpose of advising the state supervisor of assessments as to the value of using the sales in any such study. The compilations must be forwarded to the state supervisor of assessments with the findings of the county director of tax equalization, city assessors, and the board of county commissioners. In any county or city or any part thereof where the number of sales of properties is insufficient for making a sales, market, and productivity study, the county director of tax equalization or city assessor, as the case may be, in cooperation with the state supervisor of assessments or that person's assistants shall make appraisals of properties in order to determine the market value.
5. The state supervisor of assessments shall cooperate with North Dakota state university in the development of a soil mapping program, a land classification system, valuation studies, and other matters relating to the assessment of property and shall provide for the use of such information and procedure at the earliest possible date by the assessors of this state.
6. The state supervisor of assessments has general supervision of assessors and county directors of tax equalization pertaining to methods and procedures of assessment of all property and has authority to require all county directors of tax equalization to do any act necessary to obtain uniform methods and procedures of assessment.
7. Whenever an investigation by the state supervisor of assessments shows there is probable cause to believe the holder of a certificate issued by the state supervisor of assessments under ~~chapter 11-10-1~~section 57-02-01.1 has failed to comply with any of the provisions of ~~this title~~law pertaining to assessments, or any rules ~~prescribed~~adopted by the tax commissioner, the state supervisor of assessments may petition the tax commissioner for a hearing to show cause why the certificate should be suspended or revoked.
 - a. The state supervisor of assessments must provide the certificate holder at least ten days' notice of the time and place of the hearing.
 - b. If cause to suspend or revoke the certificate is shown, the tax commissioner may suspend or revoke the certificate.
 - c. The tax commissioner may restore a certificate after suspension or revocation.
 - d. An individual whose certificate has been suspended or revoked in the manner provided in this section may appeal that determination to the district court as provided in section 28-32-42.

8. If a certificate holder's certificate is suspended or revoked under this section, the governing body of the county in which the certificate holder performs duties shall ensure the continued administration of assessments within that county by a person authorized under section 11-10.1-05 and be responsible for any expenses associated with the fulfillment of this responsibility. Expenses incurred by a county to fulfill the duties of a township or city assessment official whose certificate has been suspended or revoked must be charged to the political subdivision in which the certificate holder is employed and must either be paid directly to the county by the political subdivision or deducted by the county treasurer from funds coming into the treasurer's control which are apportionable to the subdivision.
9. The state supervisor of assessments shall perform such other duties relating to assessment and taxation of property as the tax commissioner directs.
10. The tax commissioner may ~~prescribe~~adopt rules under chapter 28-32 necessary for the ~~detailed and efficient~~ administration of this section.

SECTION 5. Section 57-02-01.1 of the North Dakota Century Code is created and enacted as follows:

57-02-01.1. Certification of assessors.

The state supervisor of assessments shall certify assessors as provided in this section.

1. To be certified as a class I assessor, an individual must:
 - a. Have a high school diploma or its equivalent.
 - b. Successfully complete one hundred eighty hours of assessment and appraisal instruction approved by the state supervisor of assessments. The number of hours of instruction determined necessary by the state supervisor of assessments for each of the following topics is required:
 - (1) Tax administration.
 - (2) Principles and theory of value.
 - (3) Residential property appraisal.
 - (4) Commercial property appraisal.
 - (5) Agricultural property valuation.
2. To be certified as a class II assessor, an individual must:
 - a. Have a high school diploma or its equivalent.
 - b. Successfully complete eighty hours of assessment and appraisal instruction approved by the state supervisor of assessments. The number of hours of instruction determined necessary by the state supervisor of assessments for each of the following topics is required:
 - (1) Tax administration.
 - (2) Principles and theory of value.

- (3) Residential property appraisal.
 - (4) Commercial property appraisal.
 - (5) Agricultural property valuation.
3. The state supervisor of assessments may allow credit against required instruction in any topic under subdivision b of subsection 1 and subdivision b of subsection 2 upon receipt of documented training in this state or another state in the topic.
4. An individual appointed as an assessor must hold the required assessor certificate at the time of appointment or obtain that certificate within two years after initial appointment or by July 31, 2017, whichever is later. An assessor who does not obtain the required certificate within two years after initial appointment or by July 31, 2017, whichever is later, or who does not maintain that certificate in good standing is not eligible for reappointment.
5. An assessor certificate is valid for a term of two years from the first day of the calendar year for which it becomes effective.
6. A class I assessor certificate may be renewed if the holder has completed twenty hours of approved classroom instruction or seminars during the term of the certificate. For purposes of this subsection, an assessor certificate holder is entitled to one and one-half hours of credit for each hour spent as an instructor of approved classroom instruction or seminars during the term of the certificate.
7. A class II assessor certificate may be renewed if the holder has completed ten hours of approved classroom instruction or seminars during the term of the certificate.
8. The state supervisor of assessments shall notify the holder of an assessor certificate of the time for application for renewal of the individual's certificate. The state supervisor of assessments shall notify the governing body of the taxing district employing an assessor whose certificate is not renewed or whose certificate is suspended or revoked.
9. Any person who is denied a certificate under this section may appeal to the tax commissioner for a hearing under chapter 28-32.
10. The tax commissioner may adopt rules under chapter 28-32 for the administration of this section.

SECTION 6. AMENDMENT. Subsection 1 of section 57-02-08.1 of the North Dakota Century Code is amended and reenacted as follows:

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

- c. The exemption must be determined according to the following schedule:
- (1) If the person's income is not in excess of twenty-two thousand dollars, a reduction of one hundred percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~four~~five thousand ~~five~~six hundred ~~twenty-five~~ dollars of taxable valuation.
 - (2) If the person's income is in excess of twenty-two thousand dollars and not in excess of twenty-six thousand dollars, a reduction of eighty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~three~~four thousand ~~six~~five hundred dollars of taxable valuation.
 - (3) If the person's income is in excess of twenty-six thousand dollars and not in excess of thirty thousand dollars, a reduction of sixty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~two~~three thousand ~~seven~~three hundred ~~seventy-five~~ dollars of taxable valuation.
 - (4) If the person's income is in excess of thirty thousand dollars and not in excess of thirty-four thousand dollars, a reduction of forty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~one~~two thousand ~~eight~~two hundred ~~fifty~~ dollars of taxable valuation.
 - (5) If the person's income is in excess of thirty-four thousand dollars and not in excess of thirty-eight thousand dollars, a reduction of twenty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~nine~~one thousand ~~one~~ hundred ~~twenty-five~~ dollars of taxable valuation.
 - (6) If the person's income is in excess of thirty-eight thousand dollars and not in excess of forty-two thousand dollars, a reduction of ten percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~four~~five hundred ~~fifty~~sixty-three dollars of taxable valuation.
- d. Persons residing together, as spouses or when one or more is a dependent of another, are entitled to only one exemption between or among them under this subsection. Persons residing together, who are not spouses or dependents, who are coowners of the property are each entitled to a percentage of a full exemption under this subsection equal to their ownership interests in the property.
- e. This subsection does not reduce the liability of any person for special assessments levied upon any property.
- f. Any person claiming the exemption under this subsection shall sign a verified statement of facts establishing the person's eligibility.
- g. A person is ineligible for the exemption under this subsection if the value of the assets of the person and any dependent residing with the person exceeds five hundred thousand dollars, including the value of any assets divested within the last three years.
- h. The assessor shall attach the statement filed under subdivision f to the assessment sheet and shall show the reduction on the assessment sheet.

- i. An exemption under this subsection terminates at the end of the taxable year of the death of the applicant.

SECTION 7. AMENDMENT. Section 57-02-33 of the North Dakota Century Code is amended and reenacted as follows:

57-02-33. Assessor ~~districts~~services for unorganized territory.

~~All counties or parts of counties in this state not organized into civil townships~~Any area not within an organized township or city must be divided into assessor districts, which must be designated by the board of county commissioners assessed by a certified assessor under the supervision and direction of the county director of tax equalization. The board of county commissioners shall appoint the district assessors to a four-year term of office, the first term commencing on January 1, 1974. In case of vacancy in the office of district assessor in any of such districts, such vacancies must be filled by the board of county commissioners for the balance of the term. In making the appointment of a district assessor, the county director of tax equalization for such county is eligible for appointment to a district assessor position may serve as an assessor of property under this section. Every individual performing assessor of territory not organized into civil townships shall receive ~~asservices~~ services under this section is entitled to compensation for services a sum and mileage and travel expenses determined by the board of county commissioners for the time actually and necessarily employed in making and completing the assessment of the district ~~property~~ the assessed property is located only upon submission of an itemized statement setting forth the actual time spent in the work of the assessor and mileage traveled, approved by the board of county commissioners. In addition, the district assessor must be paid such mileage as is required to perform the duties of the office. The board of county commissioners has the authority to appoint a deputy assessor if needed, to be compensated in the same manner as the district assessor."

Page 5, after line 27, insert:

"SECTION 11. TRANSITION. The state supervisor of assessments shall recertify assessors at the end of the term of any certification that expires after July 31, 2017, upon application and submission by the certificate holder of evidence of completion of required educational sessions under North Dakota Administrative Code chapter 81-02.1-02 or under section 57-02-01.1 or rules adopted to administer that section, subject to the following additional requirements:

1. The holder of a township assessor or class II city assessor certification may be recertified as a certified class II assessor upon completion of the instruction required for class II assessor certification, with credit allowed by the state supervisor of assessments for any instruction previously received by the applicant for certification as a township assessor.
2. The holder of a class I city assessor or county director of tax equalization certification may be recertified as a certified class I assessor upon submission of evidence of completion of required education sessions during the term of the class I city assessor or county director of tax equalization certification."

Page 5, line 29, after "2014" insert ", except section 6, which is effective for taxable years beginning after December 31, 2015."

ReNUMBER accordingly

Reengrossed HB 1059 was placed on the Seventh order of business on the calendar.

2015 TESTIMONY

HB 1059



North Dakota Association of Rural Electric Cooperatives
3201 Nygren Drive NW • P.O. Box 727 • Mandan, ND 58554-0727

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HB 1059
1-12-15
#1 p.1

Testimony of Zachary Smith on HB 1059
Before House Finance and Tax Committee
January 12, 2015

Mr. Chairman and members of the Committee, my name is Zac Smith with the North Dakota Association of Rural Electric Cooperatives (NDAREC). Together, our member cooperatives pay millions of dollars in property -related taxes, mainly from in lieu property taxes on distribution, transmission, and generation facilities. Because electric cooperatives and investor-owned utilities (IOUs) operate in a competitive environment, we are concerned that when providing property tax relief to assessed property taxpayers such as the IOUs, the legislature be mindful of keeping electric cooperative in lieu property taxes at a comparable level. Which is why the NDAREC supports the passage of HB 1059 but seeks a critically important amendment to include the distribution and transmission line mile taxes paid by our members in House Bill 1059.

We believe a disparity continues to exist, with electric cooperatives paying different and higher in lieu property taxes than the IOUs pay in assessed property taxes on an equivalent basis. That is because the IOUs have received the full benefit of state funded tax relief afforded assessed property taxpayers. While electric cooperatives have also received some tax adjustments, specifically in 2009 and 2013, we have received no state funded tax relief, so any relief we have received has been done at the expense of the political subdivisions.

The amendment we seek would apply the same level of state paid tax relief to the REC formula taxes for both the MWH tax that is paid to cover electric distribution plant (see North Dakota Century Code §57-33.2-03), and for the line mile taxes on higher voltage transmission lines operating below 200 kilovolts. In addition, the amendment we seek would cap high voltage transmission line mile taxes operating above 200 kilovolts or more for both RECs and IOUs at \$300 per mile (See North Dakota Century Code §57-33.2-02 compared to §57-06-17.3). While the most recent numbers are not yet available, we predict the fiscal note on this amendment would be in the neighborhood of a 1% increase in the fiscal note on the bill.

We appreciate your support of this amendment, and stand ready to work with the committee and the tax department to have an amendment included that properly addresses our concerns. We would also ask each of you as legislators to recognize that electric cooperatives are major property taxpayers in our state which deserve the same tax relief afforded other taxpayers, including the IOUs.

I thank the Committee for their time and consideration and would urge an adoption of the proposed amendments to House Bill 1059 and a Do Pass vote on a final bill. I would be happy to answer any questions you may have.

HB 1059
1-14-15
#1 p.1

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1059

Page 1, line 1, replace "section" with "sections"

Page 1, line 1, after "57-20-07.2" insert "and 57-33.2-02"

Page 1, line 2, after "credit" insert "and the transmission line mile tax rate"

Page 1, after line 18, insert:

- "3. The owner, operator, or lessee of transmission lines assessed by the state board of equalization under section 57-33.2-02 for transmission lines operating at a nominal operating voltage of less than two hundred kilovolts, is entitled to a credit against taxes per mile in the amount provided in subsection 1. The tax commissioner shall determine the total amount of credits under this subsection and certify the amount to the state treasurer for transfer from the general fund to the electric generation, transmission, and distribution tax fund. The credit for each transmission company must be allocated and distributed to counties in the same manner as the tax collected from that company is allocated.

- 4. The owner, operator, or lessee of distribution lines assessed by the state board of equalization under section 57-33.2-03 is entitled to a credit against the distribution tax in the amount provided in subsection 1. The tax commissioner shall determine the total amount of credits under this subsection and certify the amount to the state treasurer for transfer from the general fund to the electric generation, transmission, and distribution tax fund. The credit for each distribution company must be allocated and distributed to counties in the same manner as the tax collected from that company is allocated."

Page 1, line 19, overstrike "3." and insert immediately thereafter "5."

Page 2, line 4, overstrike "4." and insert immediately thereafter "6."

Page 2, line 10, overstrike "5." and insert immediately thereafter "7."

Page 2, line 19, overstrike "6." and insert immediately thereafter "8."

Page 2, line 23, overstrike "7." and insert immediately thereafter "9."

Page 3, line 3, overstrike "8." and insert immediately thereafter "10."

Page 3, after line 6, insert:

"**SECTION 2. AMENDMENT.** Section 57-33.2-02 of the North Dakota Century Code is amended and reenacted as follows:

57-33.2-02. Transmission line mile tax – Exemption. Transmission lines are subject to annual taxes per mile [1.61 kilometers] or fraction of a mile based on their nominal operating voltages on January first of each year, as follows:

1. For transmission lines that operate at a nominal operating voltage of less than fifty kilovolts, a tax of fifty dollars.
2. For transmission lines that operate at a nominal operating voltage of fifty kilovolts or more, a tax of one hundred dollars.
3. For transmission lines that operate at a nominal operating voltage of one hundred kilovolts or more, but less than two hundred kilovolts, a tax of two hundred dollars.
4. For transmission lines that operate at a nominal operating voltage of two hundred kilovolts or more, ~~but less than three hundred kilovolts,~~ a tax of ~~four~~three hundred dollars.
5. ~~For transmission lines that operate at a nominal operating voltage of three hundred kilovolts or more, a tax of six hundred dollars.~~
6. A transmission line initially placed in service after January 1, 2009, is exempt from transmission line taxes under this section for the first taxable year after the line is initially placed in service, and transmission line taxes under this section must be reduced by:
 - a. Seventy-five percent for the second taxable year of operation of the transmission line.
 - b. Fifty percent for the third taxable year of operation of the transmission line.
 - c. Twenty-five percent for the fourth taxable year of operation of the transmission line.

After the fourth taxable year of operation, ~~such~~ the transmission lines are subject to the standard transmission line taxes under this section."

Renumber accordingly

HB 1059
2-4-15
#1 p.1

Prepared by the
Office of State Tax Commissioner
February 5, 2015

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1059

Page 1, line 1, replace "section" with "sections 57-06-17.3,"

Page 1, line 1, after "57-20-07.2" insert ", and 57-33.2-02"

Page 1, line 2, after "a" insert "new transmission line property tax exemption, a"

Page 1, line 2, after "credit" insert ", and the transmission line mile tax rate"

Page 1, after line 4, insert:

"SECTION 1. AMENDMENT. Section 57-06-17.3 of the North Dakota Century Code is amended and reenacted as follows:

57-06-17.3. New transmission line property tax exemption. A transmission line of two hundred thirty kilovolts or larger, and its associated transmission substations, which is not taxable under chapter 57-33.2 and is initially placed in service on or after October 1, 2002, is subject to a tax at the rate of three hundred dollars per mile [1.61 kilometers] or fraction of a mile. ~~A transmission line subject to taxation under this section is exempt from property taxes for the first taxable year after the line is initially placed in service, and the taxable valuation as otherwise determined by law on the transmission line and its associated transmission substations taxes under this section must be reduced by:~~

1. Seventy-five percent for the second taxable year of operation of the transmission line.
2. Fifty percent for the third taxable year of operation of the transmission line.
3. Twenty-five percent for the fourth taxable year of operation of the transmission line.

After the fourth taxable year of operation of the transmission line, the transmission line and its associated transmission substations are exempt from property taxes and are subject to a tax at the rate of three hundred dollars per mile [1.61 kilometers] or fraction thereof of the line located in this state. The per mile tax imposed by this section applies to the transmission line and its associated transmission substations and is subject to allocation among counties in the proportion that the miles of that transmission line in the county bears to the miles of that transmission line in the state.

For purposes of this section, "initially placed in service" includes both new construction and substantial expansion of the carrying capacity of a preexisting line, and "substantial expansion" means an increase in carrying capacity of fifty percent or more."

Page 1, after line 18, insert:

- "3. The owner, operator, or lessee of transmission lines assessed by the state board of equalization under section 57-06-17.3 is entitled to a credit against taxes per mile in the amount provided in subsection 1. The tax commissioner shall determine the total amount of credits under this subsection and certify the amount to the state treasurer for transfer from the general fund to the electric generation, transmission, and distribution tax fund. The credit for each transmission company must be

allocated and distributed to counties in the same manner as the tax collected from that company is allocated.

- 4. The owner, operator, or lessee of electric transmission or distribution property assessed by the state board of equalization under section 57-33.2-02 or 57-33.2-03 is entitled to a credit against the transmission or distribution tax in the amount provided in subsection 1. The tax commissioner shall determine the total amount of credits under this subsection and certify the amount to the state treasurer for transfer from the general fund to the electric generation, transmission, and distribution tax fund. The credit for each transmission or distribution company must be allocated and distributed to counties in the same manner as the tax collected from that company is allocated.

Page 1, line 19, overstrike "3." and insert immediately thereafter "5."

Page 2, line 4, overstrike "4." and insert immediately thereafter "6."

Page 2, line 10, overstrike "5." and insert immediately thereafter "7."

Page 2, line 19, overstrike "6." and insert immediately thereafter "8."

Page 2, line 23, overstrike "7." and insert immediately thereafter "9."

Page 3, line 3, overstrike "8." and insert immediately thereafter "10."

Page 3, after line 6, insert:

"SECTION 3. AMENDMENT. Section 57-33.2-02 of the North Dakota Century Code is amended and reenacted as follows:

57-33.2-02. Transmission line mile tax - Exemption. Transmission lines are subject to annual taxes per mile [1.61 kilometers] or fraction of a mile based on their nominal operating voltages on January first of each year, as follows:

- 1. For transmission lines that operate at a nominal operating voltage of less than fifty kilovolts, a tax of fifty dollars.
- 2. For transmission lines that operate at a nominal operating voltage of fifty kilovolts or more, but less than one hundred kilovolts, a tax of one hundred dollars.
- 3. For transmission lines that operate at a nominal operating voltage of one hundred kilovolts or more, but less than two hundred kilovolts, a tax of two hundred dollars.
- 4. For transmission lines that operate at a nominal operating voltage of two hundred kilovolts or more, but less than three hundred kilovolts, a tax of four hundred dollars.
- 5. For transmission lines that operate at a nominal operating voltage of three hundred kilovolts or more, a tax of six hundred dollars.
- 6. A transmission line initially placed in service after January 1, 2009, and before December 31, 2013, is exempt from transmission line taxes under this section for the first taxable year after the line is initially placed in service, and transmission line taxes under this section must be reduced by:
 - a. Seventy-five percent for the second taxable year of operation of the transmission line.
 - b. Fifty percent for the third taxable year of operation of the transmission line.
 - c. Twenty-five percent for the fourth taxable year of operation of the transmission line.

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After the fourth taxable year of operation, such transmission lines are subject to the standard transmission line taxes under this section.

7. A transmission line of two hundred thirty kilovolts or larger initially placed in service after January 1, 2009, is subject to a tax at the rate of three hundred dollars per mile [1.61 kilometers] or fraction of a mile. A transmission line subject to tax under this subsection is exempt for the first taxable year after the line is initially placed in service, and transmission line taxes under this section must be reduced by:

- a. Seventy-five percent for the second taxable year of operation of the transmission line.
- b. Fifty percent for the third taxable year of operation of the transmission line.
- c. Twenty-five percent for the fourth taxable year of operation of the transmission line.

After the fourth taxable year of operation, such transmission lines are subject to the standard transmission line taxes under this subsection.

For purposes of this section, "initially placed in service" includes both new construction and substantial expansion of the carrying capacity of a preexisting line, and "substantial expansion" means an increase in carrying capacity of fifty percent or more.

Renumber accordingly



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 #2 p. 1

HOUSE BILL 1059 PROPOSED AMENDMENTS FISCAL EFFECT
HOUSE FINANCE AND TAXATION COMMITTEE
FEBRUARY 3, 2015
PREPARED BY SARA MEIER, PROPERTY TAX SPECIALIST

Purpose of Memo

Prepared at the request of Representative Headland, this memo lists the estimated cost of extending the State-paid property tax relief credit to electric transmission and electric distribution taxes that currently make payments in lieu of real property tax.

Estimated fiscal effect of the proposed amendment:

Following is the calculation of the fiscal note for applying the State-paid property tax relief credit at a rate of 12% to the transmission and distribution taxes under N.D.C.C. 57-33.2 and the transmission tax under N.D.C.C. 57-06-17.3.

2014 Transmission Tax:	\$1,415,797.75
2014 Distribution Tax:	\$7,051,446.68
2014 Transmission Tax under 57-06-17.3	<u>44,451.30</u>
Total Tax:	\$8,511,695.73
Effect of changing Tax rate to \$300.00 per mile for 230 kV or larger, placed in service after January 1, 2009 under 57-33.2:	(\$10,282.65)
Effect of changing Tax rate to \$300.00 per mile for 230 kV or larger, placed in service after October 1, 2002 under 57-06-17.3:	<u>(\$1,544.53)</u>
	\$8,499,868.55
 Total tax credit at 12%	 \$1,019,984.23

Estimated growth

2015 Estimated Transmission Tax 2% for the next biennium:	\$1,444,000.00
2015 Estimated Tax 20% for the next biennium:	\$8,461,800.00
2015 Estimated Transmission Tax under 57-06-17.3 20% for the next biennium:	<u>53,400.00</u>
Total Tax:	\$9,959,200.00
Effect of changing Tax rate to \$300.00 per mile for 230 kV or larger, placed in service after January 1, 2009 under 57-33.2:	(\$11,000.00)
Effect of changing Tax rate to \$300.00 per mile for 230 kV or larger, placed in service after October 1, 2002 under 57-06-17.3:	<u>(\$1,550.00)</u>
	\$9,946,650.00
 Total tax credit at 12%	 \$1,193,598.00
Estimated expenditure for biennium	\$2,400,000.00



#2 p.2

ELECTRIC DISTRIBUTION AND TRANSMISSION TAX
HOUSE FINANCE AND TAXATION COMMITTEE
HOUSE BILL 1059
January 15, 2015
 Prepared by Sara Meier, Property Tax Specialist

Purpose of Memo

To provide tax information from 2013 and 2014 taxes on electric distribution and transmission property owned and operated by investor owned utility companies that are subject to ad valorem tax. The taxes paid by companies subject to the electric distribution and transmission line tax, such as rural electric cooperatives, has also been included for comparative purposes.

The 2014 value, for a company subject to ad valorem tax, is developed by using 2013 financial information from the company. Likewise, the 2014 tax for electric transmission or distribution companies is based on the lines in service, and megawatt hours of sales from 2013. For comparison purposes, the 2014 tax payable is divided by the 2013 megawatt hour sales.

Corrections to memo prepared for Interim Committee

A memo provided to the 2013-2014 Interim Finance and Taxation Committee listed the 2013 tax and the 2013 sales, which are not relative to each other. The corrected calculations are shown in the following charts.

Investor Owned Utility Tax

Montana Dakota Utility

	2013 Taxes payable in 2014	2014 Taxes payable in 2015
Tax payable after 12% state paid credit	\$1,697,453.27 *	\$2,010,521.86 *
Megawatt sales	1,805,281	1,949,522
Property tax/megawatt after 12% credit	\$0.94	\$1.03

*Does not include tax levied against property that is used for both electric operations and natural gas distribution operations.

Ottertail Power Company

	2013 Taxes payable in 2014	2014 Taxes payable in 2015
Tax payable after 12% state paid credit	\$1,291,341.01	\$1,491,271.33
Megawatt sales	1,735,482	1,869,081
Property tax/megawatt after 12% credit	\$0.74	\$0.80

Xcel Energy

	2013 Taxes payable in 2014	2014 Taxes payable in 2015
Tax payable after 12% state paid credit	\$1,735,121.80	\$1,922,983.07 **
Megawatt sales	2,207,400	2,301,545
Property tax/megawatt after 12% credit	\$0.79	\$0.84

**Estimated proration of tax for electric property only is based on percentage of the 2013 tax on electric property to ND system tax.

Electric Distribution and Transmission Tax

The following statistics were obtained from the reports filed by companies subject to the Electric Generation, Distribution and Transmission Line Tax in accordance with North Dakota Century Code 57-33.2.

	2013 Taxes payable in 2014	2014 Taxes payable in 2015
Transmission Line tax	\$1,415,425.00	\$1,413,002.88
Distribution tax	\$5,958,263.73	\$7,051,446.68
Megawatt Hour Sales	7,448,664.88	8,814,308.35
Miles of distribution lines	63,380.0406	63,846.4932
Miles of transmission line	6,204.877	6,285.8548
Transmission and distribution tax/megawatt sales	\$0.99	\$0.96

Transmission line voltage over 200kV

The following page lists the companies with transmission lines with operating voltage over 200kV.

Company Name	Taxable Miles	Voltage	Tax per Mile	Percent of Exemption	Total Tax	Proposed tax per mile	Total tax	Tax Reduction
ALLETE, Inc. (d/b/a Minnesota Power)	234.03	250 kV	\$400.00	0%	\$93,612.96	\$300.00	\$70,209.72	\$23,403.24
Basin Electric Power Coop	214.22	230 kV	\$400.00	0%	\$85,688.00	\$300.00	\$64,266.00	\$21,422.00
Basin Electric Power Coop	520.62	345 kV	\$600.00	0%	\$312,372.00	\$300.00	\$156,186.00	\$156,186.00
Central Power Electric Coop	4.42	230 kV	\$400.00	0%	\$1,766.40	\$300.00	\$1,324.80	\$441.60
Great River Energy	288.25	230 kV	\$400.00	0%	\$115,300.80	\$300.00	\$86,475.65	\$28,825.15
Great River Energy	259.20	400 kV	\$600.00	0%	\$155,520.82	\$300.00	\$77,760.39	\$77,760.43
Minnkota Power Coop	175.58	230 kV	\$400.00	0%	\$70,232.80	\$300.00	\$52,674.60	\$17,558.20
Minnkota Power Coop	214.26	345 kV	\$600.00	0%	\$128,557.80	\$300.00	\$64,278.90	\$64,278.90
Square Butte Electric Cooperative	3.32	230 kV	\$400.00	0%	\$1,327.20	\$300.00	\$995.40	\$331.80
Reduced taxable rate applied to transmission lines placed in service after 2009.								
ALLETE, Inc. (d/b/a Minnesota Power)	22.15	230 kV	\$400.00	Fourth year-25%	\$6,645.60	\$300.00	\$4,984.20	\$1,661.40
Basin Electric Power Coop	60.81	230 kV	\$400.00	Third year-50%	\$12,162.00	\$300.00	\$9,121.50	\$3,040.50
Basin Electric Power Coop	74.25	230 kV	\$400.00	Fourth year-25%	\$22,275.00	\$300.00	\$16,706.25	\$5,568.75
Minnkota Power Coop	0.38	230 kV	\$400.00	First year - Exempt	\$0.00	\$300.00	\$0.00	\$0.00
Upper Missouri G&T Electric Coop	0.48	230 kV	\$400.00	Second year - 75%	\$48.00	\$300.00	\$36.00	\$12.00
							Total	\$400,489.96

#294

Date: March 17, 2015
 To: Senate Finance and Taxation Committee—Senator Dwight Cook, chairman
 RE: HB 1059
 From: Zac Smith, communications and government relations director, NDAREC

Mr. Chairman and members of the Committee, my name is Zac Smith with the North Dakota Association of Rural Electric Cooperatives (NDAREC). Together, our member cooperatives pay millions of dollars in property -related taxes, mainly from in lieu property taxes on distribution, transmission, and generation facilities. Because electric cooperatives and investor-owned utilities (IOUs) operate in a competitive environment, we are concerned that when providing property tax relief to assessed property taxpayers such as the IOUs, the legislature be mindful of keeping electric cooperative in lieu property taxes at a comparable level. Which is why the NDAREC supports the passage of HB as amended to include the distribution and transmission line mile taxes paid by our members in House Bill 1059.

We believe a disparity continues to exist, with electric cooperatives paying different and higher in lieu property taxes than the IOUs pay in assessed property taxes on an equivalent basis. That is because the IOUs have received the full benefit of state funded tax relief afforded assessed property taxpayers.

1.2
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3.17.15

While electric cooperatives have also received some tax adjustments, specifically in 2009 and 2013, we have received no state funded tax relief, so any relief we have received has been done at the expense of the political subdivisions.

The amendment we seek would apply the same level of state paid tax relief to the REC formula taxes for both the MWH tax that is paid to cover electric distribution plant (see North Dakota Century Code §57-33.2-03), and for the line mile taxes on transmission lines. In addition, the amendment we seek would cap high voltage transmission line mile taxes on new transmission operating above 200 kilovolts or more for both RECs and IOUs at \$300 per mile.

We appreciate your support of HB 1059 as amended. We would also ask each of you as legislators to recognize that electric cooperatives are major property taxpayers in our state which deserve the same tax relief afforded other taxpayers, including the IOUs.

I thank the Committee for their time and consideration and would urge an adoption of the proposed amendments to House Bill 1059. I would be happy to answer any questions you may have.

**North Dakota House Bill 1059
Jean Schafer - Basin Electric Power Cooperative
Senate Finance and Taxation Committee
March 17, 2015**

Mr. Chairman and members of the committee, my name is Jean Schafer, representing Basin Electric Power Cooperative. I am here today in support of Engrossed House Bill 1059 which will adjust property taxes for electric cooperatives.

The current line-mile-by-voltage transmission line tax was implemented in 2009 when the cooperative property tax system was changed from gross receipts to the current voltage per mile method.

When this change occurred, Basin Electric was paying a significant amount of gross receipt taxes because we were purchasing large amounts of power through contracts to meet our member's power requirements. Therefore, the increase in transmission line taxes that occurred with this change for us was fairly equivalent to the applicable gross receipts taxes that we were paying out at that point in time.

However, since the change in 2009 several additional reductions have taken place for taxes paid by cooperatives and investor-owned utilities, but the high voltage transmission line taxes paid by generation and transmission cooperatives such as Minnkota Power, Great River Energy, and Basin Electric, have not participated in those reductions.

Engrossed House bill 1059 caps the top rate of high voltage transmission line taxes at \$300 per mile for transmission lines larger than 200 kilovolts initially placed in service after January 1, 2009. This positions these tax rates at the same level as those paid by the investor-owned utilities in North Dakota. The taxes on high voltage transmission lines larger than 200 kilovolts initially placed in service prior to January 1, 2009 remains at the same rates in existence today.

I thank the committee for their time and consideration and would ask for a Do Pass recommendation for engrossed House Bill 1059 and a Do Pass vote on the final bill. I would be happy to answer any questions from the committee.

March 31, 2015

HB 1059
4-1-15 #1

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1059

Page 1, line 1, after "reenact" insert "subsection 1 of section 57-02-08.1 and"

Page 1, line 2, after "to" insert "the homestead tax credit,"

Page 1, after line 5, insert:

"SECTION 1. AMENDMENT. Subsection 1 of section 57-02-08.1 of the North Dakota Century Code is amended and reenacted as follows:

1. a. Any person sixty-five years of age or older or permanently and totally disabled, in the year in which the tax was levied, with an income that does not exceed the limitations of subdivision c is entitled to receive a reduction in the assessment on the taxable valuation on the person's homestead. An exemption under this subsection applies regardless of whether the person is the head of a family.
- b. The exemption under this subsection continues to apply if the person does not reside in the homestead and the person's absence is due to confinement in a nursing home, hospital, or other care facility, for as long as the portion of the homestead previously occupied by the person is not rented to another person.
- c. The exemption must be determined according to the following schedule:
 - (1) If the person's income is not in excess of twenty-two thousand dollars, a reduction of one hundred percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~four~~ five thousand ~~five~~ six hundred twenty-five dollars of taxable valuation.
 - (2) If the person's income is in excess of twenty-two thousand dollars and not in excess of twenty-six thousand dollars, a reduction of eighty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~three~~ four thousand ~~six~~ five hundred dollars of taxable valuation.
 - (3) If the person's income is in excess of twenty-six thousand dollars and not in excess of thirty thousand dollars, a reduction of sixty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~two~~ three thousand ~~seven~~ three hundred seventy-five dollars of taxable valuation.
 - (4) If the person's income is in excess of thirty thousand dollars and not in excess of thirty-four thousand dollars, a reduction of forty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~one~~ two thousand ~~eight~~ two hundred fifty dollars of taxable valuation.
 - (5) If the person's income is in excess of thirty-four thousand dollars and not in excess of thirty-eight thousand dollars, a reduction of

twenty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~nine~~ one thousand one hundred twenty-five dollars of taxable valuation.

- (6) If the person's income is in excess of thirty-eight thousand dollars and not in excess of forty-two thousand dollars, a reduction of ten percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~four~~ five hundred ~~fifty~~ sixty-three dollars of taxable valuation.
- d. Persons residing together, as spouses or when one or more is a dependent of another, are entitled to only one exemption between or among them under this subsection. Persons residing together, who are not spouses or dependents, who are co-owners of the property are each entitled to a percentage of a full exemption under this subsection equal to their ownership interests in the property.
 - e. This subsection does not reduce the liability of any person for special assessments levied upon any property.
 - f. Any person claiming the exemption under this subsection shall sign a verified statement of facts establishing the person's eligibility.
 - g. A person is ineligible for the exemption under this subsection if the value of the assets of the person and any dependent residing with the person exceeds five hundred thousand dollars, including the value of any assets divested within the last three years.
 - h. The assessor shall attach the statement filed under subdivision f to the assessment sheet and shall show the reduction on the assessment sheet.
 - i. An exemption under this subsection terminates at the end of the taxable year of the death of the applicant."

Renumber accordingly

HB 1059
4-1-15 #2



North Dakota Association of Rural Electric Cooperatives
3201 Nygren Drive NW • P.O. Box 727 • Mandan, ND 58554-0727

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April 1, 2015

To: Senate Appropriations Committee—Senator Ray Holmberg, chairman
RE: Testimony on HB 1059
From: Zachary Smith, Communications & Government Relations Director
North Dakota Association of Rural Electric Cooperative

Mr. Chairman and members of the Committee, my name is Zac Smith with the North Dakota Association of Rural Electric Cooperatives (NDAREC). Together, our member cooperatives pay millions of dollars in property-related taxes, mainly from in lieu property taxes on distribution, transmission, and generation facilities. Because electric cooperatives and investor-owned utilities (IOUs) operate in a competitive environment, we are concerned that when providing property tax relief to assessed property taxpayers such as the IOUs, the legislature be mindful of keeping electric cooperative in lieu of property taxes at a comparable level. Which is why the NDAREC supports the passage of HB 1059 as amended to include the distribution and transmission line mile taxes paid by our members.

We believe a disparity continues to exist, with electric cooperatives paying different and higher in lieu of property taxes than the IOUs pay in assessed property taxes on an equivalent basis. That is because the IOUs have received the full benefit of state funded tax relief afforded assessed property taxpayers. While electric cooperatives have also received some tax adjustments, specifically in 2009 and 2013, we have received no state funded tax relief, so any relief we have received has been done at the expense of the political subdivisions. As the 2015 legislative session convened for the organizational session, the minutes of the final interim committee recognized that "tax relief resulting from the 12 percent state-paid property tax credit is not being realized by rural electric cooperatives."

As a result, we worked with the North Dakota Tax Commissioner's office in order to draft legislation that would apply the relief to rural electric cooperative property in an equitable way. The resulting language has been unanimously approved by the policy committees of both chambers and House appropriations

The engrossed amendments apply the same level of state paid tax relief to the REC formula taxes for both the MWH tax that is paid to cover electric distribution plant (see North Dakota Century Code §57-33.2-03), and for the line mile taxes on transmission lines. In addition, the amendments cap high voltage transmission line mile taxes on new transmission operating above 200 kilovolts or more for both RECs and IOUs at \$300 per mile.

We appreciate your support of HB 1059 as amended. We would also ask each of you as legislators to recognize that electric cooperatives are major property taxpayers in our state which deserve the same tax relief afforded other taxpayers, including the IOUs.

I thank the Committee for their time and consideration and would urge an adoption of House Bill 1059. I would be happy to answer any questions you may have.

April 1, 2015

1
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4-14-15

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1059

Page 1, line 1, after "Act" insert "to create and enact section 57-02-01.1 of the North Dakota Century Code, relating to training and certification of assessors;"

Page 1, line 1, after "sections" insert "11-10.1-01, 11-10.1-05, 57-02-33,"

Page 1, line 2, after "to" insert "training and certification of assessors,"

Page 1, after line 5, insert:

SECTION 1. AMENDMENT. Section 11-10.1-01 of the North Dakota Century Code is amended and reenacted as follows:

11-10.1-01. County director of tax equalization.

1. The board of county commissioners of each county ~~in this state~~ shall appoint a county director of tax equalization who must be ~~qualified and experienced in property appraisals, familiar with assessment and equalization procedures and techniques, and who is the holder of~~ holds a current certificate certification as a class I assessor issued by the state supervisor of assessments. ~~The state supervisor of assessments shall confer with representatives of the county commissioners, city governing bodies, state township officers association, and personnel at North Dakota state university to establish or revise the minimum requirements for attaining the certificate. Any person who is denied such certificate may appeal to the state tax commissioner for a hearing under the provisions of chapter 28-32.~~
2. The board of county commissioners may, ~~in its discretion,~~ appoint a person county director of tax equalization on a probationary basis who does not hold a ~~current certificate as provided for in subsection 1~~ certification as a class I assessor, if the board deems ~~such person~~ the individual qualified to act as county director of tax equalization by virtue of education, training, and experience, and willingness to obtain certification as a class I assessor. The appointment must be for a term of not more than ~~three~~ two years. Any person receiving a probationary appointment who does not obtain a ~~certificate~~ certification as a class I assessor within ~~three~~ two years from the appointment is not eligible for reappointment.
3. The county director of tax equalization shall serve at the pleasure of the board of county commissioners and may be employed on a full-time or part-time basis. Vacancies in the office of county director of tax equalization must be filled in the same manner as the original appointment.

SECTION 2. AMENDMENT. Section 11-10.1-05 of the North Dakota Century Code is amended and reenacted as follows:

1.1

**11-10.1-05. Powers and duties of county director of tax equalization -
Qualifications of assessors.**

1. The county director of tax equalization shall ~~have~~has the power, duty, and responsibility to call upon and confer with ~~township and city~~ assessors in the county and to ~~instruct~~assist them in the preparation and proper use of land maps and property record cards, the preparation of assessment books, ~~the changes in assessment laws and regulations~~rules, the determination of proper standards of value, the use of proper classifications of property, determination of what property qualifies as exempt from property taxes, and the authority to require attendance at meetings, ~~to the end that a~~promote uniform assessment of all real property in the county ~~will prevail~~.

2. Any city with a population of under five thousand or township may, by resolution of its governing body, retain an assessor who is certified or eligible to be certified as a class II assessor who shall retain the powers, duties, and responsibilities of the office. Any city with a population of five thousand or greater may, by resolution of its governing body, retain an assessor who is certified or eligible to be certified as a class I assessor who shall retain the powers, duties, and responsibilities of the office. A person may not serve as an assessor for longer than twenty-four months before being certified by the state supervisor of assessments as having met the minimum requirements. The expenses of the city or township assessors must be paid by the city or township exercising this option.

- ~~2.3.~~ On January 1, 1981, theThe county director of tax equalization shall succeed to all the powers and duties of assessors of townships, cities with a population of under five thousand, and unorganized districtssupervise all individuals performing assessor services in the county and arrange for the assessment of property within the county, except that any city with a population of under five thousand or township may, at its option by resolution of its governing body, employ an assessor who shall retain the powers, duties, and responsibilities of the office. The resolution within the jurisdiction of a city or township in which the governing body to employ anretains a certified class I or class II assessor continues in force until rescinded by the governing body. Notwithstanding any other provision of law to the contrary, the state supervisor of assessments shall confer with representatives of the county commissioners, city governing bodies, state township officers association, and personnel at North Dakota state university to establish minimum requirements for all city and township assessors. The standards shall reflect their limited jurisdiction and need not be equal to those minimum requirements set for county directors of tax equalization. Any courses of instruction included in those minimum requirements for assessors of townships or cities with a population under five thousand must be conducted by the county director of tax equalization who may cooperate with other county directors of tax equalization in holding joint classes. The county director of tax equalization may call upon the state supervisor of assessments for any necessary materials and assistance. No person may serve as an assessor of a township or a city with a population under five thousand for longer than twelve months before being certified by the state supervisor of assessments as having met the minimum requirements. No person may serve as an assessor of a city with a population of five thousand or more for longer than three years before

being certified by the state supervisor of assessments as having met the minimum requirements. The expenses and salaries of city and township assessors must be paid by the city or township exercising this option.

- 3.4. Any city or township ~~which~~that does not employ its own ~~retain~~ a certified class I or class II assessor shall utilize the certified assessor of the county in which the city or township is located. The county commission may require the city or township to reimburse the county for the expenses incurred in assessing the property of that city or township.
- 4.5. Any assessment made by an assessor who is not currently certified as ~~qualified for that assessment jurisdiction~~ must be reviewed and approved by a certified county director of tax equalization, or a certified city assessor of a city with a population of five thousand or more assessor, prior to the township or city board of equalization annual meeting. The cost of the assessment review must be paid by the township or city having jurisdiction over the assessment at the same rate as paid to a special assessor in section 57-14-08.

SECTION 3. AMENDMENT. Section 57-01-05 of the North Dakota Century Code is amended and reenacted as follows:

57-01-05. State supervisor of assessments.

The state tax commissioner shall appoint a state supervisor of assessments who must be a person trained and experienced in property appraisals and familiar with assessment and equalization procedures and techniques. The state supervisor of assessments serves at the pleasure of the state tax commissioner and office space must be furnished to the state supervisor of assessments by the commissioner.

The state supervisor of assessments shall perform the following duties under the direction of the tax commissioner:

1. The state supervisor of assessments shall advise and give ~~the various assessors in the state~~ the necessary instructions and directions as to their duties under the laws of this state, ~~to the end that a promote~~ uniform assessment of all real and personal property in this state ~~will be attained.~~
2. The state supervisor of assessments shall assist and instruct ~~the various assessors in this state~~ in the use of soil ~~reconnaissance~~ surveys, land classification methods, in the preparation and proper use of land maps and record cards, in the proper classification of real and personal property, and in the determination of proper standards of value.
3. The state supervisor of assessments may require the attendance of groups of assessors at meetings called by the state supervisor of assessments for the purpose of giving them further assistance and instruction as to their duties.
4. The state supervisor of assessments may make sales, market, and productivity studies and other studies of property assessments in the ~~various counties and cities of this state for the purpose of to~~ properly ~~advising~~advise the various assessors and directors of tax equalization in the state and ~~for the purpose of recommending to~~ recommend to the tax commissioner changes to be made by the state board of equalization in

the performance of ~~theits~~ equalization powers and duties ~~prescribed for it by section 57-13-04~~. In any sales, market, and productivity study made according to section 57-01-06, the county directors of tax equalization or city assessors, ~~as the case may be, are responsible for compiling~~ shall compile a record of sales of property made in the county or city, and in conjunction with the board of county commissioners shall analyze the sales for the purpose of advising the state supervisor of assessments as to the value of using the sales in any such study. The compilations must be forwarded to the state supervisor of assessments with the findings of the county director of tax equalization, city assessors, and the board of county commissioners. In any county or city or any part thereof where the number of sales of properties is insufficient for making a sales, market, and productivity study, the county director of tax equalization or city assessor, as the case may be, in cooperation with the state supervisor of assessments or that person's assistants shall make appraisals of properties in order to determine the market value.

5. The state supervisor of assessments shall cooperate with North Dakota state university in the development of a soil mapping program, a land classification system, valuation studies, and other matters relating to the assessment of property and shall provide for the use of such information and procedure at the earliest possible date by the assessors of this state.
6. The state supervisor of assessments has general supervision of assessors and county directors of tax equalization pertaining to methods and procedures of assessment of all property and has authority to require all county directors of tax equalization to do any act necessary to obtain uniform methods and procedures of assessment.
7. Whenever an investigation by the state supervisor of assessments shows there is probable cause to believe the holder of a certificate issued by the state supervisor of assessments under ~~chapter 11-10.1~~ section 57-02-01.1 has failed to comply with any of the provisions of this title law pertaining to assessments, or any rules ~~prescribed~~ adopted by the tax commissioner, the state supervisor of assessments may petition the tax commissioner for a hearing to show cause why the certificate should be suspended or revoked.
 - a. The state supervisor of assessments must provide the certificate holder at least ten days' notice of the time and place of the hearing.
 - b. If cause to suspend or revoke the certificate is shown, the tax commissioner may suspend or revoke the certificate.
 - c. The tax commissioner may restore a certificate after suspension or revocation.
 - d. An individual whose certificate has been suspended or revoked in the manner provided in this section may appeal that determination to the district court as provided in section 28-32-42.
8. If a certificate holder's certificate is suspended or revoked under this section, the governing body of the county in which the certificate holder performs duties shall ensure the continued administration of assessments within that county by a person authorized under section 11-10.1-05 and be

responsible for any expenses associated with the fulfillment of this responsibility. Expenses incurred by a county to fulfill the duties of a township or city assessment official whose certificate has been suspended or revoked must be charged to the political subdivision in which the certificate holder is employed and must either be paid directly to the county by the political subdivision or deducted by the county treasurer from funds coming into the treasurer's control which are apportionable to the subdivision.

9. The state supervisor of assessments shall perform such other duties relating to assessment and taxation of property as the tax commissioner directs.
10. The tax commissioner may ~~prescribe~~adopt rules under chapter 28-32 necessary for the ~~detailed and efficient~~ administration of this section.

SECTION 4. Section 57-02-01.1 of the North Dakota Century Code is created and enacted as follows:

57-02-01.1. Certification of assessors.

The state supervisor of assessments shall certify assessors as provided in this section.

1. To be certified as a class I assessor, an individual must:
 - a. Have a high school diploma or its equivalent.
 - b. Successfully complete one hundred eighty hours of assessment and appraisal instruction approved by the state supervisor of assessments. The number of hours of instruction determined necessary by the state supervisor of assessments for each of the following topics is required:
 - (1) Tax administration.
 - (2) Principles and theory of value.
 - (3) Residential property appraisal.
 - (4) Commercial property appraisal.
 - (5) Agricultural property valuation.
2. To be certified as a class II assessor, an individual must:
 - a. Have a high school diploma or its equivalent.
 - b. Successfully complete one hundred hours of assessment and appraisal instruction approved by the state supervisor of assessments. The number of hours of instruction determined necessary by the state supervisor of assessments for each of the following topics is required:
 - (1) Tax administration.
 - (2) Principles and theory of value.

- (3) Residential property appraisal.
 - (4) Commercial property appraisal.
 - (5) Agricultural property valuation.
3. The state supervisor of assessments may allow credit against required instruction in any topic under subdivision b of subsection 1 and subdivision b of subsection 2 upon receipt of documented training in this state or another state in the topic.
 4. An individual appointed as an assessor must hold the required assessor certificate at the time of appointment or obtain that certificate within two years after initial appointment or by July 31, 2017, whichever is later. An assessor who does not obtain the required certificate within two years after initial appointment or by July 31, 2017, whichever is later, or who does not maintain that certificate in good standing is not eligible for reappointment.
 5. An assessor certificate is valid for a term of two years from the first day of the calendar year for which it becomes effective.
 6. A class I assessor certificate may be renewed if the holder has completed twenty hours of approved classroom instruction or seminars during the term of the certificate. For purposes of this subsection, an assessor certificate holder is entitled to one and one-half hours of credit for each hour spent as an instructor of approved classroom instruction or seminars during the term of the certificate.
 7. A class II assessor certificate may be renewed if the holder has completed ten hours of approved classroom instruction or seminars during the term of the certificate.
 8. The state supervisor of assessments shall notify the holder of an assessor certificate of the time for application for renewal of the individual's certificate. The state supervisor of assessments shall notify the governing body of the taxing district employing an assessor whose certificate is not renewed or whose certificate is suspended or revoked.
 9. Any person who is denied a certificate under this section may appeal to the tax commissioner for a hearing under chapter 28-32.
 10. The tax commissioner may adopt rules under chapter 28-32 for the administration of this section.

SECTION 5. AMENDMENT. Section 57-02-33 of the North Dakota Century Code is amended and reenacted as follows:

57-02-33. Assessor districtsservices for unorganized territory.

All counties or parts of counties in this state not organized into civil townshipsAny area not within an organized township or city must be divided into assessor districts, which must be designated by the board of county commissionersassessed by a certified assessor under the supervision and direction of the county director of tax equalization. The board of county commissioners shall appoint the district assessors to a four-year term of office, the first term commencing on

January 1, 1974. In case of vacancy in the office of district assessor in any of such districts, such vacancies must be filled by the board of county commissioners for the balance of the term. In making the appointment of a district assessor, ~~the~~The county director of tax equalization for such county is eligible for appointment to a district assessor position may serve as an assessor of property under this section. Every individual performing assessor of territory not organized into civil townships shall receive ~~asservices~~ services under this section is entitled to compensation for services a sum and mileage and travel expenses determined by the board of county commissioners for the time actually and necessarily employed in making ~~and completing~~ the assessment of the district ~~property~~. The compensation and expenses must be paid from the treasury of the county in which such ~~district~~the assessed property is located only upon submission of an itemized statement setting forth the actual time spent in the work of the assessor and mileage traveled, approved by the board of county commissioners. ~~In addition, the district assessor must be paid such mileage as is required to perform the duties of the office. The board of county commissioners has the authority to appoint a deputy assessor if needed, to be compensated in the same manner as the district assessor."~~

Page 5, after line 29, insert:

"SECTION 10. TRANSITION. The state supervisor of assessments shall recertify assessors at the end of the term of any certification that expires after July 31, 2017, upon application and submission by the certificate holder of evidence of completion of required educational sessions under North Dakota Administrative Code chapter 81-02.1-02 or under section 57-02-01.1 or rules adopted to administer that section, subject to the following additional requirements:

1. The holder of a township assessor or class II city assessor certification may be recertified as a certified class II assessor upon completion of the instruction required for class II assessor certification, with credit allowed by the state supervisor of assessments for any instruction previously received by the applicant for certification as a township assessor.
2. The holder of a class I city assessor or county director of tax equalization certification may be recertified as a certified class I assessor upon submission of evidence of completion of required education sessions during the term of the class I city assessor or county director of tax equalization certification."

Renumber accordingly

#2
NB 1059
4-14-15

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1059

Page 1, line 1, after "reenact" insert "subsection 1 of section 57-02-08.1 and"

Page 1, line 2, after "to" insert "the homestead tax credit,"

Page 1, after line 5, insert:

"SECTION 1. AMENDMENT. Subsection 1 of section 57-02-08.1 of the North Dakota Century Code is amended and reenacted as follows:

1. a. Any person sixty-five years of age or older or permanently and totally disabled, in the year in which the tax was levied, with an income that does not exceed the limitations of subdivision c is entitled to receive a reduction in the assessment on the taxable valuation on the person's homestead. An exemption under this subsection applies regardless of whether the person is the head of a family.
- b. The exemption under this subsection continues to apply if the person does not reside in the homestead and the person's absence is due to confinement in a nursing home, hospital, or other care facility, for as long as the portion of the homestead previously occupied by the person is not rented to another person.
- c. The exemption must be determined according to the following schedule:
 - (1) If the person's income is not in excess of twenty-two thousand dollars, a reduction of one hundred percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~four~~five thousand ~~five~~six hundred ~~twenty-five~~ dollars of taxable valuation.
 - (2) If the person's income is in excess of twenty-two thousand dollars and not in excess of twenty-six thousand dollars, a reduction of eighty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~three~~four thousand ~~six~~five hundred dollars of taxable valuation.
 - (3) If the person's income is in excess of twenty-six thousand dollars and not in excess of thirty thousand dollars, a reduction of sixty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~two~~three thousand ~~seven~~three hundred ~~seventy-five~~ dollars of taxable valuation.
 - (4) If the person's income is in excess of thirty thousand dollars and not in excess of thirty-four thousand dollars, a reduction of forty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~one~~two thousand ~~eight~~two hundred ~~fifty~~ dollars of taxable valuation.
 - (5) If the person's income is in excess of thirty-four thousand dollars and not in excess of thirty-eight thousand dollars, a reduction of

twenty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~nine~~ one thousand one hundred twenty-five dollars of taxable valuation.

- (6) If the person's income is in excess of thirty-eight thousand dollars and not in excess of forty-two thousand dollars, a reduction of ten percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~four~~ five hundred ~~fifty~~ sixty-three dollars of taxable valuation.
- d. Persons residing together, as spouses or when one or more is a dependent of another, are entitled to only one exemption between or among them under this subsection. Persons residing together, who are not spouses or dependents, who are co-owners of the property are each entitled to a percentage of a full exemption under this subsection equal to their ownership interests in the property.
 - e. This subsection does not reduce the liability of any person for special assessments levied upon any property.
 - f. Any person claiming the exemption under this subsection shall sign a verified statement of facts establishing the person's eligibility.
 - g. A person is ineligible for the exemption under this subsection if the value of the assets of the person and any dependent residing with the person exceeds five hundred thousand dollars, including the value of any assets divested within the last three years.
 - h. The assessor shall attach the statement filed under subdivision f to the assessment sheet and shall show the reduction on the assessment sheet.
 - i. An exemption under this subsection terminates at the end of the taxable year of the death of the applicant."

Renumber accordingly

HB 1059
4-22-15
#1

I

PROVIDING FOR A COUNTY ASSESSOR SYSTEM

WEAKNESSES OF THE PRESENT ASSESSOR SYSTEM.

The reason that the property tax is so difficult to administer is because the "tax base" itself is not easily identified. In contrast to the sales and income taxes, for example (where the "tax base" is a dollar of income or a dollar of sale), the tax base for the property tax is subject to the judgment of tax assessors and is, therefore, more difficult.

The vital role of the assessor in property tax administration and the need to strengthen that role has long been recognized. The fourth biennial report of the Tax Commissioner in 1918 recommended the abolishment of township and district assessors in favor of a county assessor system. The same or similar recommendations have been made throughout the years by governors, tax officials, study groups, and others, yet no North Dakota Legislature has been able to enact legislation that would accomplish this objective. So we continue in North Dakota to try to administer a tax, the major element of which relies on judgment, with a part-time assessor force of nearly 1,800 assessors. Most of the assessors have not been properly trained in value estimating techniques and they have not been given adequate measurement tools. The result is a weak assessing system and inequitable assessments for many of our citizens.

Our objective in the property tax program should be to have the most equitable tax assessments possible. The 1977 Legislature passed legislation which requires that assessors meet minimum qualifications by 1981. That was a positive step, but it only partially addressed the problem.

REDUCE THE NUMBER OF ASSESSORS AND PROVIDE FOR EFFECTIVE MANAGEMENT.

The Legislature should reduce the number of statutory assessors from the present level of 1,800 to 53 – one County Assessor's office for each county, with the exception that cities and townships within a county could continue to employ their own assessor, provided the assessor has the same qualifications as that of the County Assessor, and provided that the local city or township absorb the cost. The recommendation that the State Tax Commissioner made in 1918 is even more compelling today. Today's assessor must be well trained, compensated on a full-time basis, given value measurement tools and techniques, and some independence from local pressures to give fair and impartial treatment to all property owners. Under the recommended program, the County Assessor with a qualified staff would be responsible for the assessment of all property within the county.

In order to reduce the financial burden on local government of maintaining a County Assessor's office, the salary of the County Assessor should be funded by the state. To attract and maintain a quality assessor force, the position of County Assessor should be compensated under guidelines of the State Personnel Classification System. The County Assessor would be hired by the County Commissioners for a fixed term of four years and could be dismissed before the term ends by the County Commissioners only for cause and with the concurrence of the State Supervisor of Assessments.

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1059

That the Senate recede from its amendments as printed on pages 1735-1742 of the House Journal and pages 1487-1494 of the Senate Journal and that Reengrossed House Bill No. 1059 be amended as follows:

Page 1, line 1, after "Act" insert "to create and enact section 57-02-01.1 of the North Dakota Century Code, relating to training and certification of assessors;"

Page 1, line 1, after "sections" insert "11-10.1-01, 11-10.1-05, 18-10-07, and 57-01-05, subsection 1 of section 57-02-08.1, and sections 57-02-33,"

Page 1, line 2, after "to" insert "training and certification of assessors, the homestead tax credit, rural fire protection district increased levy approval,"

Page 1, line 3, after the semicolon, insert "to provide for transition;"

Page 1, after line 5, insert:

"SECTION 1. AMENDMENT. Section 11-10.1-01 of the North Dakota Century Code is amended and reenacted as follows:

11-10.1-01. County director of tax equalization.

1. The board of county commissioners of each county ~~in this state~~ shall appoint a county director of tax equalization who must be ~~qualified and~~ experienced in ~~property appraisals, familiar with~~ assessment and equalization procedures and techniques, and who ~~is the holder of~~ holds a current ~~certificate~~ certification as a class I assessor issued by the state supervisor of assessments. ~~The state supervisor of assessments shall confer with representatives of the county commissioners, city governing bodies, state township officers association, and personnel at North Dakota state university to establish or revise the minimum requirements for attaining the certificate. Any person who is denied such certificate may appeal to the state tax commissioner for a hearing under the provisions of chapter 28-32.~~
2. The board of county commissioners may, ~~in its discretion,~~ appoint a ~~person~~ county director of tax equalization on a probationary basis who does not hold a current ~~certificate as provided for in subsection 1~~ certification as a class I assessor, if the board deems ~~such person~~ the individual qualified to act as county director of tax equalization by virtue of education, training, ~~and experience, and willingness to obtain certification as a class I~~ assessor. The appointment must be for a term of not more than ~~three~~ two years. Any person receiving a probationary appointment who does not obtain a ~~certificate~~ certification as a class I assessor within ~~three~~ two years from the appointment is not eligible for reappointment.
3. The county director of tax equalization shall serve at the pleasure of the board of county commissioners and may be employed on a full-time or part-time basis. Vacancies in the office of county director of tax equalization must be filled in the same manner as the original appointment.

#19.2

SECTION 2. AMENDMENT. Section 11-10.1-05 of the North Dakota Century Code is amended and reenacted as follows:

11-10.1-05. Powers and duties of county director of tax equalization - Qualifications of assessors.

1. The county director of tax equalization ~~shall have~~has the power, duty, and responsibility to call upon and confer with ~~township and city~~ assessors in the county and to ~~instruct~~assist them in the preparation and proper use of land maps and property record cards, ~~the~~ preparation of assessment books, ~~the~~ changes in assessment laws and ~~regulations~~rules, ~~the~~ determination of proper standards of value, ~~the~~ use of proper classifications of property, determination of what property qualifies as exempt from property taxes, and the authority to require attendance at meetings, ~~to the end that a~~promote uniform assessment of all real property in the county ~~will prevail~~.
2. Any city with a population of under five thousand or township may, by resolution of its governing body, retain an assessor who is certified or eligible to be certified as a class II assessor who shall retain the powers, duties, and responsibilities of the office. Any city with a population of five thousand or greater may, by resolution of its governing body, retain an assessor who is certified or eligible to be certified as a class I assessor who shall retain the powers, duties, and responsibilities of the office. A person may not serve as an assessor for longer than twenty-four months before being certified by the state supervisor of assessments as having met the minimum requirements. The expenses of the city or township assessors must be paid by the city or township exercising this option.
- 2.3. ~~On January 1, 1981, the~~The county director of tax equalization shall ~~succeed to all the powers and duties of assessors of townships, cities with a population of under five thousand, and unorganized districts~~supervise all individuals performing assessor services in the county and arrange for the assessment of property within the county, except that any city with a population of under five thousand or township may, at its option by resolution of its governing body, employ an assessor who shall retain the powers, duties, and responsibilities of the office. The resolution within the jurisdiction of a city or township in which the governing body to employ an ~~retains a certified class I or class II assessor continues in force until rescinded by the governing body. Notwithstanding any other provision of law to the contrary, the state supervisor of assessments shall confer with representatives of the county commissioners, city governing bodies, state township officers association, and personnel at North Dakota state university to establish minimum requirements for all city and township assessors. The standards shall reflect their limited jurisdiction and need not be equal to those minimum requirements set for county directors of tax equalization. Any courses of instruction included in those minimum requirements for assessors of townships or cities with a population under five thousand must be conducted by the county director of tax equalization who may cooperate with other county directors of tax equalization in holding joint classes. The county director of tax equalization may call upon the state supervisor of assessments for any necessary materials and assistance. No person may serve as an assessor of a township or a city with a population under five thousand for longer than twelve months before~~

~~being certified by the state supervisor of assessments as having met the minimum requirements. No person may serve as an assessor of a city with a population of five thousand or more for longer than three years before being certified by the state supervisor of assessments as having met the minimum requirements. The expenses and salaries of city and township assessors must be paid by the city or township exercising this option.~~

3.4. Any city or township ~~which~~that does not employ its own ~~retain~~ a certified class I or class II assessor shall utilize the certified assessor of the county in which the city or township is located. The county commission may require the city or township to reimburse the county for the expenses incurred in assessing the property of that city or township.

4.5. Any assessment made by an assessor who is not currently certified as ~~qualified for that assessment jurisdiction~~ must be reviewed and approved by a certified ~~county director of tax equalization, or a certified city assessor of a city with a population of five thousand or more~~ assessor, prior to the township or city board of equalization annual meeting. The cost of the assessment review must be paid by the township or city having jurisdiction over the assessment at the same rate as paid to a special assessor in section 57-14-08.

SECTION 3. AMENDMENT. Section 18-10-07 of the North Dakota Century Code as amended in section 1 of House Bill No. 1056, as approved by the sixty-fourth legislative assembly, is amended and reenacted as follows:

18-10-07. Fire protection policy to be determined - Tax levy.

The board of directors shall determine a general fire protection policy for the district and shall annually estimate the probable expense for carrying out the contemplated program. The annual estimate of probable expense may include an amount determined by the board of directors to be necessary to be carried over to a future year for purchase of firefighting equipment, ambulances, or other emergency vehicles. The estimate must be certified by the president and secretary to the proper county auditor or county auditors, on or before June thirtieth of each year, who shall levy a tax upon the taxable property within the district for the maintenance of the fire protection district for the fiscal year as provided by law. The tax may not exceed a tax rate of five mills per dollar of the taxable valuation of property in the district except upon resolution adopted by the board of directors and approval by a majority of the qualified electors voting on the question at an annual or special meeting of electors called by the board of directors, the levy may be made in an amount not exceeding thirteen mills. If an election to approve or reauthorize an excess levy will be held at an annual or special meeting of electors of the district called by the board of directors, notice of the meeting and the proposed excess levy election must be provided by at least one publication in the official newspaper of each county in which the district is located at least seven days, but not more than fourteen days, before the date of the public meeting. The published notice must include the amount of the proposed tax rate increase in mills and the duration for which elector approval of the increase is sought and must include the location where, and hours during which, ballots may be cast.

Votes to approve or disapprove the levy increase must be cast on the date of the meeting. The polling place must remain open for at least six hours on the date of the meeting. The secretary-treasurer of the district shall prepare and distribute to qualified electors at the polling place paper ballots to conduct the election on the

12.4

question of increased levy authority. Three election judges to receive and count the ballots, who are qualified electors of the district but not members of the board, must be selected at least seven days before the meeting by approval of a majority of the members of the board. A marked ballot must be delivered to one of the judges, folded to conceal its contents, the judge shall deposit it in the ballot box, and another judge shall enter the name of the elector who cast the ballot in the poll book. When the election is closed, the judges shall count the ballots and announce the result. Results of the election must be certified by the secretary-treasurer of the district and each of the election judges to the tax commissioner and to the county auditor of each county in which the district is located within ten days after the election. The certificate must include a statement of the question as it appeared on the ballot, together with the total number of votes cast in favor, and the number of votes cast against, authorizing the excess levy.

After July 31, 2015, approval or reauthorization by electors of increased levy authority under this section may not be effective for more than ten taxable years or the period of time necessary for repayment of indebtedness incurred which was intended to be repaid from the increased levy, whichever expires later. Additional levy authority authorized by the board of directors after petition of electors before August 1, 2015, remains in effect under the provisions of law at the time the levy was authorized for the time period authorized by the electors but not exceeding five ten taxable years or the period of time necessary for repayment of indebtedness incurred which was intended to be repaid from the increased levy, whichever expires later. The tax must be:

1. Collected as other taxes are collected in the county.
2. Turned over to the secretary-treasurer of the rural fire protection district, who shall have a surety bond in the amount of at least five thousand dollars.
3. Placed to the credit of the rural fire protection district so authorizing the same by its secretary-treasurer in a state or national bank, except amounts to be carried over to a future year for purchase of firefighting equipment, ambulances, or other emergency vehicles may be invested to earn the maximum return available.
4. Paid out upon warrants drawn upon the fund by authority of the board of directors of the district, bearing the signature of the secretary-treasurer and the countersignature of the president of the rural fire protection district.

The amount of tax levy may not exceed the amount of funds required to defray the expenses of the district for a period of one year as embraced in the annual estimate of expense, including the amount of principal and interest upon the indebtedness of the district for the ensuing year and including any amount determined by the board of directors to be necessary to be carried over to a future year for purchase of firefighting equipment, ambulances, or other emergency vehicles.

SECTION 4. AMENDMENT. Section 57-01-05 of the North Dakota Century Code is amended and reenacted as follows:

57-01-05. State supervisor of assessments.

The state tax commissioner shall appoint a state supervisor of assessments who must be a person trained and experienced in property appraisals and familiar with

assessment and equalization procedures and techniques. The state supervisor of assessments serves at the pleasure of the state tax commissioner and office space must be furnished to the state supervisor of assessments by the commissioner.

The state supervisor of assessments shall perform the following duties under the direction of the tax commissioner:

1. The state supervisor of assessments shall advise and give ~~the various assessors in the state~~ the necessary instructions and directions as to their duties under the laws of this state, ~~to the end that a promote~~ uniform assessment of all real and personal property in this state ~~will be attained~~.
2. The state supervisor of assessments shall assist and instruct ~~the various assessors in this state~~ in the use of soil reconnaissance surveys, land classification methods, ~~in the preparation and proper use of~~ land maps and record cards, ~~in the proper classification of~~ real and personal property, and ~~in the determination of~~ proper standards of value.
3. The state supervisor of assessments may require the attendance of groups of assessors at meetings called by the state supervisor of assessments for the purpose of giving them further assistance and instruction as to their duties.
4. The state supervisor of assessments may make sales, market, and productivity studies and other studies of property assessments in the ~~various counties and cities of this state for the purpose of to~~ properly ~~advising~~ advise the ~~various assessors and directors of tax equalization in the state and for the purpose of recommending to~~ recommend to the tax commissioner changes to be made by the state board of equalization in the performance of ~~the its~~ equalization powers and duties ~~prescribed for it by section 57-13-04~~. In any sales, market, and productivity study made according to section 57-01-06, the county directors of tax equalization or city assessors, ~~as the case may be, are responsible for compiling~~ shall compile a record of sales of property made in the county or city, and in conjunction with the board of county commissioners shall analyze the sales for the purpose of advising the state supervisor of assessments as to the value of using the sales in any such study. The compilations must be forwarded to the state supervisor of assessments with the findings of the county director of tax equalization, city assessors, and the board of county commissioners. In any county or city or any part thereof where the number of sales of properties is insufficient for making a sales, market, and productivity study, the county director of tax equalization or city assessor, as the case may be, in cooperation with the state supervisor of assessments or that person's assistants shall make appraisals of properties in order to determine the market value.
5. The state supervisor of assessments shall cooperate with North Dakota state university in the development of a soil mapping program, a land classification system, valuation studies, and other matters relating to the assessment of property and shall provide for the use of such information and procedure at the earliest possible date by the assessors of this state.
6. The state supervisor of assessments has general supervision of assessors and county directors of tax equalization pertaining to methods and

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procedures of assessment of all property and has authority to require all county directors of tax equalization to do any act necessary to obtain uniform methods and procedures of assessment.

7. Whenever an investigation by the state supervisor of assessments shows there is probable cause to believe the holder of a certificate issued by the state supervisor of assessments under ~~chapter 11-10.1~~ section 57-02-01.1 has failed to comply with any of the provisions of ~~this title~~ law pertaining to assessments, or any rules ~~prescribed~~ adopted by the tax commissioner, the state supervisor of assessments may petition the tax commissioner for a hearing to show cause why the certificate should be suspended or revoked.
 - a. The state supervisor of assessments must provide the certificate holder at least ten days' notice of the time and place of the hearing.
 - b. If cause to suspend or revoke the certificate is shown, the tax commissioner may suspend or revoke the certificate.
 - c. The tax commissioner may restore a certificate after suspension or revocation.
 - d. An individual whose certificate has been suspended or revoked in the manner provided in this section may appeal that determination to the district court as provided in section 28-32-42.
8. If a certificate holder's certificate is suspended or revoked under this section, the governing body of the county in which the certificate holder performs duties shall ensure the continued administration of assessments within that county by a person authorized under section 11-10.1-05 and be responsible for any expenses associated with the fulfillment of this responsibility. Expenses incurred by a county to fulfill the duties of a township or city assessment official whose certificate has been suspended or revoked must be charged to the political subdivision in which the certificate holder is employed and must either be paid directly to the county by the political subdivision or deducted by the county treasurer from funds coming into the treasurer's control which are apportionable to the subdivision.
9. The state supervisor of assessments shall perform such other duties relating to assessment and taxation of property as the tax commissioner directs.
10. The tax commissioner may ~~prescribe~~ adopt rules under chapter 28-32 necessary for the ~~detailed and efficient~~ administration of this section.

SECTION 5. Section 57-02-01.1 of the North Dakota Century Code is created and enacted as follows:

57-02-01.1. Certification of assessors.

The state supervisor of assessments shall certify assessors as provided in this section.

1. To be certified as a class I assessor, an individual must:

- a. Have a high school diploma or its equivalent.
 - b. Successfully complete one hundred eighty hours of assessment and appraisal instruction approved by the state supervisor of assessments. The number of hours of instruction determined necessary by the state supervisor of assessments for each of the following topics is required:
 - (1) Tax administration.
 - (2) Principles and theory of value.
 - (3) Residential property appraisal.
 - (4) Commercial property appraisal.
 - (5) Agricultural property valuation.
2. To be certified as a class II assessor, an individual must:
- a. Have a high school diploma or its equivalent.
 - b. Successfully complete eighty hours of assessment and appraisal instruction approved by the state supervisor of assessments. The number of hours of instruction determined necessary by the state supervisor of assessments for each of the following topics is required:
 - (1) Tax administration.
 - (2) Principles and theory of value.
 - (3) Residential property appraisal.
 - (4) Commercial property appraisal.
 - (5) Agricultural property valuation.
3. The state supervisor of assessments may allow credit against required instruction in any topic under subdivision b of subsection 1 and subdivision b of subsection 2 upon receipt of documented training in this state or another state in the topic.
4. An individual appointed as an assessor must hold the required assessor certificate at the time of appointment or obtain that certificate within two years after initial appointment or by July 31, 2017, whichever is later. An assessor who does not obtain the required certificate within two years after initial appointment or by July 31, 2017, whichever is later, or who does not maintain that certificate in good standing is not eligible for reappointment.
5. An assessor certificate is valid for a term of two years from the first day of the calendar year for which it becomes effective.
6. A class I assessor certificate may be renewed if the holder has completed twenty hours of approved classroom instruction or seminars during the term of the certificate. For purposes of this subsection, an assessor certificate holder is entitled to one and one-half hours of credit for each hour spent as an instructor of approved classroom instruction or seminars during the term of the certificate.

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- 7. A class II assessor certificate may be renewed if the holder has completed ten hours of approved classroom instruction or seminars during the term of the certificate.
- 8. The state supervisor of assessments shall notify the holder of an assessor certificate of the time for application for renewal of the individual's certificate. The state supervisor of assessments shall notify the governing body of the taxing district employing an assessor whose certificate is not renewed or whose certificate is suspended or revoked.
- 9. Any person who is denied a certificate under this section may appeal to the tax commissioner for a hearing under chapter 28-32.
- 10. The tax commissioner may adopt rules under chapter 28-32 for the administration of this section.

SECTION 6. AMENDMENT. Subsection 1 of section 57-02-08.1 of the North Dakota Century Code is amended and reenacted as follows:

- 1. a. Any person sixty-five years of age or older or permanently and totally disabled, in the year in which the tax was levied, with an income that does not exceed the limitations of subdivision c is entitled to receive a reduction in the assessment on the taxable valuation on the person's homestead. An exemption under this subsection applies regardless of whether the person is the head of a family.
- b. The exemption under this subsection continues to apply if the person does not reside in the homestead and the person's absence is due to confinement in a nursing home, hospital, or other care facility, for as long as the portion of the homestead previously occupied by the person is not rented to another person.
- c. The exemption must be determined according to the following schedule:
 - (1) If the person's income is not in excess of twenty-two thousand dollars, a reduction of one hundred percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~four~~five thousand ~~five~~six hundred ~~twenty~~-five dollars of taxable valuation.
 - (2) If the person's income is in excess of twenty-two thousand dollars and not in excess of twenty-six thousand dollars, a reduction of eighty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~three~~four thousand ~~six~~five hundred dollars of taxable valuation.
 - (3) If the person's income is in excess of twenty-six thousand dollars and not in excess of thirty thousand dollars, a reduction of sixty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~two~~three thousand ~~seven~~three hundred ~~seventy~~-five dollars of taxable valuation.
 - (4) If the person's income is in excess of thirty thousand dollars and not in excess of thirty-four thousand dollars, a reduction of forty percent of the taxable valuation of the person's homestead up to

a maximum reduction of ~~one~~two thousand ~~eight~~two hundred fifty dollars of taxable valuation.

(5) If the person's income is in excess of thirty-four thousand dollars and not in excess of thirty-eight thousand dollars, a reduction of twenty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~nine~~one thousand one hundred twenty-five dollars of taxable valuation.

(6) If the person's income is in excess of thirty-eight thousand dollars and not in excess of forty-two thousand dollars, a reduction of ten percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~four~~five hundred ~~fifty~~sixty-three dollars of taxable valuation.

d. Persons residing together, as spouses or when one or more is a dependent of another, are entitled to only one exemption between or among them under this subsection. Persons residing together, who are not spouses or dependents, who are coowners of the property are each entitled to a percentage of a full exemption under this subsection equal to their ownership interests in the property.

e. This subsection does not reduce the liability of any person for special assessments levied upon any property.

f. Any person claiming the exemption under this subsection shall sign a verified statement of facts establishing the person's eligibility.

g. A person is ineligible for the exemption under this subsection if the value of the assets of the person and any dependent residing with the person exceeds five hundred thousand dollars, including the value of any assets divested within the last three years.

h. The assessor shall attach the statement filed under subdivision f to the assessment sheet and shall show the reduction on the assessment sheet.

i. An exemption under this subsection terminates at the end of the taxable year of the death of the applicant.

SECTION 7. AMENDMENT. Section 57-02-33 of the North Dakota Century Code is amended and reenacted as follows:

57-02-33. Assessor ~~districts~~services for unorganized territory.

~~All counties or parts of counties in this state not organized into civil townships~~Any area not within an organized township or city must be divided into assessor districts, which must be designated by the board of county commissioners~~assessed by a certified assessor under the supervision and direction of the county director of tax equalization. The board of county commissioners shall appoint the district assessors to a four year term of office, the first term commencing on January 1, 1974. In case of vacancy in the office of district assessor in any of such districts, such vacancies must be filled by the board of county commissioners for the balance of the term. In making the appointment of a district assessor, the~~The county director of tax equalization for such county is eligible for appointment to a district assessor position~~may serve as an assessor of property under this section. Every individual performing assessor of territory not organized into civil townships shall~~

~~receive services under this section is entitled to compensation for services a sum and mileage and travel expenses determined by the board of county commissioners for the time actually and necessarily employed in making and completing the assessment of the district property. The compensation and expenses must be paid from the treasury of the county in which such district the assessed property is located only upon submission of an itemized statement setting forth the actual time spent in the work of the assessor and mileage traveled, approved by the board of county commissioners. In addition, the district assessor must be paid such mileage as is required to perform the duties of the office. The board of county commissioners has the authority to appoint a deputy assessor if needed, to be compensated in the same manner as the district assessor."~~

Page 5, after line 27, insert:

"SECTION 11. TRANSITION. The state supervisor of assessments shall recertify assessors at the end of the term of any certification that expires after July 31, 2017, upon application and submission by the certificate holder of evidence of completion of required educational sessions under North Dakota Administrative Code chapter 81-02.1-02 or under section 57-02-01.1 or rules adopted to administer that section, subject to the following additional requirements:

1. The holder of a township assessor or class II city assessor certification may be recertified as a certified class II assessor upon completion of the instruction required for class II assessor certification, with credit allowed by the state supervisor of assessments for any instruction previously received by the applicant for certification as a township assessor.
2. The holder of a class I city assessor or county director of tax equalization certification may be recertified as a certified class I assessor upon submission of evidence of completion of required education sessions during the term of the class I city assessor or county director of tax equalization certification."

Renumber accordingly

HB 1059
4-23-15
#2p.1

Sixty-fourth
Legislative Assembly
of North Dakota

REENGROSSED HOUSE BILL NO. 1059

Introduced by

Legislative Management

(Taxation Committee and Advisory Commission on Intergovernmental Relations)

1 A BILL for an Act to create and enact section 57-02-01.1 of the North Dakota Century Code,
 2 relating to training and certification of assessors; to amend and reenact sections 11-10.1-01,
 3 11-10.1-05, 18-10-07, and 57-01-05, subsection 1 of section 57-02-08.1, and sections 57-02-33,
 4 57-06-17.3, 57-20-07.2, and 57-33.2-02 of the North Dakota Century Code, relating to training
 5 and certification of assessors, the homestead tax credit, rural fire protection district increased
 6 levy approval, a new transmission line property tax exemption, a state-paid property tax relief
 7 credit, and the transmission line mile tax rate; to provide for transition; and to provide an
 8 effective date.

9 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

10 **SECTION 1. AMENDMENT.** Section 11-10.1-01 of the North Dakota Century Code is
 11 amended and reenacted as follows:

12 **11-10.1-01. County director of tax equalization.**

- 13 1. The board of county commissioners of each county ~~in this state~~ shall appoint a county
 14 director of tax equalization who must be ~~qualified and~~ experienced in ~~property~~
 15 ~~appraisals, familiar with~~ assessment and equalization procedures and techniques, and
 16 who ~~is the holder of~~ holds a current ~~certificate~~ certification as a class I assessor issued
 17 by the state supervisor of assessments. ~~The state supervisor of assessments shall~~
 18 ~~confer with representatives of the county commissioners, city governing bodies, state~~
 19 ~~township officers association, and personnel at North Dakota state university to~~
 20 ~~establish or revise the minimum requirements for attaining the certificate. Any person~~
 21 ~~who is denied such certificate may appeal to the state tax commissioner for a hearing~~
 22 ~~under the provisions of chapter 28-32.~~
 23 2. The board of county commissioners may, ~~in its discretion,~~ appoint a ~~person~~ county
 24 director of tax equalization on a probationary basis who does not hold a current

1 ~~certificate as provided for in subsection 1~~certification as a class I assessor, if the board
2 deems ~~such person~~the individual qualified to act as county director of tax equalization
3 by virtue of education, training, ~~and~~ experience, and willingness to obtain certification
4 as a class I assessor. The appointment must be for a term of not more than ~~three~~two
5 years. Any person receiving a probationary appointment who does not obtain a
6 ~~certificate~~certification as a class I assessor within ~~three~~two years from the appointment
7 is not eligible for reappointment.

- 8 3. The county director of tax equalization shall serve at the pleasure of the board of
9 county commissioners and may be employed on a full-time or part-time basis.

10 Vacancies in the office of county director of tax equalization must be filled in the same
11 manner as the original appointment.

12 **SECTION 2. AMENDMENT.** Section 11-10.1-05 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **11-10.1-05. Powers and duties of county director of tax equalization - Qualifications**
15 **of assessors.**

- 16 1. The county director of tax equalization ~~shall have~~has the power, duty, and
17 responsibility to call upon and confer with ~~township and city~~ assessors in the county
18 and to ~~instruct~~assist them in the preparation and proper use of land maps and property
19 record cards, ~~the~~ preparation of assessment books, ~~the~~ changes in assessment laws
20 and ~~regulations~~rules, ~~the~~ determination of proper standards of value, ~~the~~ use of proper
21 classifications of property, determination of what property qualifies as exempt from
22 property taxes, and ~~the~~ authority to require attendance at meetings, to ~~the end that~~
23 apromote uniform assessment of all real property in the county ~~will prevail~~.

- 24 2. Any city with a population of under five thousand or township may, by resolution of its
25 governing body, retain an assessor who is certified or eligible to be certified as a
26 class II assessor who shall retain the powers, duties, and responsibilities of the office.
27 Any city with a population of five thousand or greater may, by resolution of its
28 governing body, retain an assessor who is certified or eligible to be certified as a
29 class I assessor who shall retain the powers, duties, and responsibilities of the office.
30 A person may not serve as an assessor for longer than twenty-four months before
31 being certified by the state supervisor of assessments as having met the minimum

1 requirements. The expenses of the city or township assessors must be paid by the city
2 or township exercising this option.

3 ~~2.3. On January 1, 1981, the~~The county director of tax equalization shall ~~succeed to all the~~
4 ~~powers and duties of assessors of townships, cities with a population of under five~~
5 ~~thousand, and unorganized districts~~supervise all individuals performing assessor
6 services in the county and arrange for the assessment of property within the county,
7 except ~~that any city with a population of under five thousand or township may, at its~~
8 ~~option by resolution of its governing body, employ an assessor who shall retain the~~
9 ~~powers, duties, and responsibilities of the office. The resolution~~within the jurisdiction of
10 a city or township in which the governing body ~~to employ an~~retains a certified class I
11 or class II assessor ~~continues in force until rescinded by the governing body.~~

12 ~~Notwithstanding any other provision of law to the contrary, the state supervisor of~~
13 ~~assessments shall confer with representatives of the county commissioners, city~~
14 ~~governing bodies, state township officers association, and personnel at North Dakota~~
15 ~~state university to establish minimum requirements for all city and township assessors.~~
16 ~~The standards shall reflect their limited jurisdiction and need not be equal to those~~
17 ~~minimum requirements set for county directors of tax equalization. Any courses of~~
18 ~~instruction included in those minimum requirements for assessors of townships or~~
19 ~~cities with a population under five thousand must be conducted by the county director~~
20 ~~of tax equalization who may cooperate with other county directors of tax equalization~~
21 ~~in holding joint classes. The county director of tax equalization may call upon the state~~
22 ~~supervisor of assessments for any necessary materials and assistance. No person~~
23 ~~may serve as an assessor of a township or a city with a population under five~~
24 ~~thousand for longer than twelve months before being certified by the state supervisor~~
25 ~~of assessments as having met the minimum requirements. No person may serve as~~
26 ~~an assessor of a city with a population of five thousand or more for longer than three~~
27 ~~years before being certified by the state supervisor of assessments as having met the~~
28 ~~minimum requirements. The expenses and salaries of city and township assessors~~
29 ~~must be paid by the city or township exercising this option.~~

30 ~~3.4.~~ Any city or township ~~which that~~ does not ~~employ its own~~retain a certified class I or
31 class II assessor shall utilize the certified assessor of the county in which the city or

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1 township is located. The county commission may require the city or township to
2 reimburse the county for the expenses incurred in assessing the property of that city or
3 township.

4 4.5. Any assessment made by an assessor who is not currently certified ~~as qualified for~~
5 ~~that assessment jurisdiction~~ must be reviewed and approved by a certified ~~county~~
6 ~~director of tax equalization, or a certified city assessor of a city with a population of five~~
7 ~~thousand or more~~ assessor, prior to the township or city board of equalization annual
8 meeting. The cost of the assessment review must be paid by the township or city
9 having jurisdiction over the assessment at the same rate as paid to a special assessor
10 in section 57-14-08.

11 **SECTION 3. AMENDMENT.** Section 18-10-07 of the North Dakota Century Code as
12 amended in section 1 of House Bill No. 1056, as approved by the sixty-fourth legislative
13 assembly, is amended and reenacted as follows:

14 **18-10-07. Fire protection policy to be determined - Tax levy.**

15 The board of directors shall determine a general fire protection policy for the district and
16 shall annually estimate the probable expense for carrying out the contemplated program. The
17 annual estimate of probable expense may include an amount determined by the board of
18 directors to be necessary to be carried over to a future year for purchase of firefighting
19 equipment, ambulances, or other emergency vehicles. The estimate must be certified by the
20 president and secretary to the proper county auditor or county auditors, on or before June
21 thirtieth of each year, who shall levy a tax upon the taxable property within the district for the
22 maintenance of the fire protection district for the fiscal year as provided by law. The tax may not
23 exceed a tax rate of five mills per dollar of the taxable valuation of property in the district except
24 upon resolution adopted by the board of directors and approval by a majority of the qualified
25 electors voting on the question at an annual or special meeting of electors called by the board
26 of directors, the levy may be made in an amount not exceeding thirteen mills. If an election to
27 approve or reauthorize an excess levy will be held at an annual or special meeting of electors of
28 the district called by the board of directors, notice of the meeting and the proposed excess levy
29 election must be provided by at least one publication in the official newspaper of each county in
30 which the district is located at least seven days, but not more than fourteen days, before the
31 date of the public meeting. The published notice must include the amount of the proposed tax

1 rate increase in mills and the duration for which elector approval of the increase is sought and
2 must include the location where, and hours during which, ballots may be cast.

3 Votes to approve or disapprove the levy increase must be cast on the date of the meeting.
4 The polling place must remain open for at least six hours on the date of the meeting. The
5 secretary-treasurer of the district shall prepare and distribute to qualified electors at the polling
6 place paper ballots to conduct the election on the question of increased levy authority. Three
7 election judges to receive and count the ballots, who are qualified electors of the district but not
8 members of the board, must be selected at least seven days before the meeting by approval of
9 a majority of the members of the board. A marked ballot must be delivered to one of the judges,
10 folded to conceal its contents, the judge shall deposit it in the ballot box, and another judge shall
11 enter the name of the elector who cast the ballot in the poll book. When the election is closed,
12 the judges shall count the ballots and announce the result. Results of the election must be
13 certified by the secretary-treasurer of the district and each of the election judges to the tax
14 commissioner and to the county auditor of each county in which the district is located within ten
15 days after the election. The certificate must include a statement of the question as it appeared
16 on the ballot, together with the total number of votes cast in favor, and the number of votes cast
17 against, authorizing the excess levy.

18 After July 31, 2015, approval or reauthorization by electors of increased levy authority under
19 this section may not be effective for more than ten taxable years or the period of time necessary
20 for repayment of indebtedness incurred which was intended to be repaid from the increased
21 levy, whichever expires later. Additional levy authority authorized by the board of directors after
22 petition of electors before August 1, 2015, remains in effect under the provisions of law at the
23 time the levy was authorized for the time period authorized by the electors but not exceeding
24 ~~five~~ten taxable years or the period of time necessary for repayment of indebtedness incurred
25 which was intended to be repaid from the increased levy, whichever expires later. The tax must
26 be:

- 27 1. Collected as other taxes are collected in the county.
- 28 2. Turned over to the secretary-treasurer of the rural fire protection district, who shall
29 have a surety bond in the amount of at least five thousand dollars.
- 30 3. Placed to the credit of the rural fire protection district so authorizing the same by its
31 secretary-treasurer in a state or national bank, except amounts to be carried over to a

1 future year for purchase of firefighting equipment, ambulances, or other emergency
2 vehicles may be invested to earn the maximum return available.

3 4. Paid out upon warrants drawn upon the fund by authority of the board of directors of
4 the district, bearing the signature of the secretary-treasurer and the countersignature
5 of the president of the rural fire protection district.

6 The amount of tax levy may not exceed the amount of funds required to defray the expenses of
7 the district for a period of one year as embraced in the annual estimate of expense, including
8 the amount of principal and interest upon the indebtedness of the district for the ensuing year
9 and including any amount determined by the board of directors to be necessary to be carried
10 over to a future year for purchase of firefighting equipment, ambulances, or other emergency
11 vehicles.

12 **SECTION 4. AMENDMENT.** Section 57-01-05 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **57-01-05. State supervisor of assessments.**

15 The state tax commissioner shall appoint a state supervisor of assessments who must be a
16 person trained and experienced in property appraisals and familiar with assessment and
17 equalization procedures and techniques. The state supervisor of assessments serves at the
18 pleasure of the state tax commissioner and office space must be furnished to the state
19 supervisor of assessments by the commissioner.

20 The state supervisor of assessments shall perform the following duties under the direction
21 of the tax commissioner:

- 22 1. The state supervisor of assessments shall advise and give ~~the various~~ assessors ~~in~~
23 ~~the state~~ the necessary instructions and directions as to their duties under the laws of
24 this state, ~~to the end that~~ apromote uniform assessment ~~of all real and personal~~
25 property in this state ~~will be attained~~.
- 26 2. The state supervisor of assessments shall assist and instruct ~~the various~~ assessors in
27 ~~this state in the~~ use of soil ~~reconnaissance~~ surveys, land classification methods, ~~in the~~
28 preparation and proper use of land maps and record cards, ~~in the~~ proper classification
29 of real and personal property, and ~~in the~~ determination of proper standards of value.

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- 1 3. The state supervisor of assessments may require the attendance of groups of
2 assessors at meetings called by the state supervisor of assessments for the purpose
3 of giving them further assistance and instruction as to their duties.
- 4 4. The state supervisor of assessments may make sales, market, and productivity
5 studies and other studies of property assessments in the ~~various~~ counties and cities of
6 this state ~~for the purpose of to~~ properly advising advise the ~~various~~ assessors and
7 directors of tax equalization in the state and ~~for the purpose of recommending to~~
8 recommend to the tax commissioner changes to be made by the state board of
9 equalization in the performance of ~~theits~~ equalization powers and duties ~~prescribed for~~
10 ~~it by section 57-13-04~~. In any sales, market, and productivity study made according to
11 section 57-01-06, the county directors of tax equalization or city assessors, ~~as the~~
12 ~~case may be, are responsible for compiling~~ shall compile a record of sales of property
13 made in the county or city, and in conjunction with the board of county commissioners
14 shall analyze the sales for the purpose of advising the state supervisor of
15 assessments as to the value of using the sales in any such study. The compilations
16 must be forwarded to the state supervisor of assessments with the findings of the
17 county director of tax equalization, city assessors, and the board of county
18 commissioners. In any county or city or any part thereof where the number of sales of
19 properties is insufficient for making a sales, market, and productivity study, the county
20 director of tax equalization or city assessor, as the case may be, in cooperation with
21 the state supervisor of assessments or that person's assistants shall make appraisals
22 of properties in order to determine the market value.
- 23 5. The state supervisor of assessments shall cooperate with North Dakota state
24 university in the development of a soil mapping program, a land classification system,
25 valuation studies, and other matters relating to the assessment of property and shall
26 provide for the use of such information and procedure at the earliest possible date by
27 the assessors of this state.
- 28 6. The state supervisor of assessments has general supervision of assessors and county
29 directors of tax equalization pertaining to methods and procedures of assessment of
30 all property and has authority to require all county directors of tax equalization to do
31 any act necessary to obtain uniform methods and procedures of assessment.

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- 1 7. Whenever an investigation by the state supervisor of assessments shows there is
2 probable cause to believe the holder of a certificate issued by the state supervisor of
3 assessments under ~~chapter 11-10.1~~section 57-02-01.1 has failed to comply with any
4 of the provisions of ~~this title~~law pertaining to assessments, or any rules
5 ~~prescribed~~adopted by the tax commissioner, the state supervisor of assessments may
6 petition the tax commissioner for a hearing to show cause why the certificate should
7 be suspended or revoked.
 - 8 a. The state supervisor of assessments must provide the certificate holder at least
9 ten days' notice of the time and place of the hearing.
 - 10 b. If cause to suspend or revoke the certificate is shown, the tax commissioner may
11 suspend or revoke the certificate.
 - 12 c. The tax commissioner may restore a certificate after suspension or revocation.
 - 13 d. An individual whose certificate has been suspended or revoked in the manner
14 provided in this section may appeal that determination to the district court as
15 provided in section 28-32-42.
- 16 8. If a certificate holder's certificate is suspended or revoked under this section, the
17 governing body of the county in which the certificate holder performs duties shall
18 ensure the continued administration of assessments within that county by a person
19 authorized under section 11-10.1-05 and be responsible for any expenses associated
20 with the fulfillment of this responsibility. Expenses incurred by a county to fulfill the
21 duties of a township or city assessment official whose certificate has been suspended
22 or revoked must be charged to the political subdivision in which the certificate holder is
23 employed and must either be paid directly to the county by the political subdivision or
24 deducted by the county treasurer from funds coming into the treasurer's control which
25 are apportionable to the subdivision.
- 26 9. The state supervisor of assessments shall perform such other duties relating to
27 assessment and taxation of property as the tax commissioner directs.
- 28 10. The tax commissioner may ~~prescribe~~adopt rules under chapter 28-32 necessary for
29 the ~~detailed and efficient~~ administration of this section.

30 **SECTION 5.** Section 57-02-01.1 of the North Dakota Century Code is created and enacted
31 as follows:

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1 **57-02-01.1. Certification of assessors.**

2 The state supervisor of assessments shall certify assessors as provided in this section.

3 1. To be certified as a class I assessor, an individual must:

4 a. Have a high school diploma or its equivalent.

5 b. Successfully complete one hundred eighty hours of assessment and appraisal

6 instruction approved by the state supervisor of assessments. The number of

7 hours of instruction determined necessary by the state supervisor of

8 assessments for each of the following topics is required:

9 (1) Tax administration.

10 (2) Principles and theory of value.

11 (3) Residential property appraisal.

12 (4) Commercial property appraisal.

13 (5) Agricultural property valuation.

14 2. To be certified as a class II assessor, an individual must:

15 a. Have a high school diploma or its equivalent.

16 b. Successfully complete eighty hours of assessment and appraisal instruction

17 approved by the state supervisor of assessments. The number of hours of

18 instruction determined necessary by the state supervisor of assessments for

19 each of the following topics is required:

20 (1) Tax administration.

21 (2) Principles and theory of value.

22 (3) Residential property appraisal.

23 (4) Commercial property appraisal.

24 (5) Agricultural property valuation.

25 3. The state supervisor of assessments may allow credit against required instruction in

26 any topic under subdivision b of subsection 1 and subdivision b of subsection 2 upon

27 receipt of documented training in this state or another state in the topic.

28 4. An individual appointed as an assessor must hold the required assessor certificate at

29 the time of appointment or obtain that certificate within two years after initial

30 appointment or by July 31, 2017, whichever is later. An assessor who does not obtain

31 the required certificate within two years after initial appointment or by July 31, 2017,

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- 1 whichever is later, or who does not maintain that certificate in good standing is not
- 2 eligible for reappointment.
- 3 5. An assessor certificate is valid for a term of two years from the first day of the calendar
- 4 year for which it becomes effective.
- 5 6. A class I assessor certificate may be renewed if the holder has completed twenty
- 6 hours of approved classroom instruction or seminars during the term of the certificate.
- 7 For purposes of this subsection, an assessor certificate holder is entitled to one and
- 8 one-half hours of credit for each hour spent as an instructor of approved classroom
- 9 instruction or seminars during the term of the certificate.
- 10 7. A class II assessor certificate may be renewed if the holder has completed ten hours
- 11 of approved classroom instruction or seminars during the term of the certificate.
- 12 8. The state supervisor of assessments shall notify the holder of an assessor certificate
- 13 of the time for application for renewal of the individual's certificate. The state
- 14 supervisor of assessments shall notify the governing body of the taxing district
- 15 employing an assessor whose certificate is not renewed or whose certificate is
- 16 suspended or revoked.
- 17 9. Any person who is denied a certificate under this section may appeal to the tax
- 18 commissioner for a hearing under chapter 28-32.
- 19 10. The tax commissioner may adopt rules under chapter 28-32 for the administration of
- 20 this section.

21 **SECTION 6. AMENDMENT.** Subsection 1 of section 57-02-08.1 of the North Dakota
22 Century Code is amended and reenacted as follows:

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

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1 c. The exemption must be determined according to the following schedule:

- 2 (1) If the person's income is not in excess of twenty-two thousand dollars, a
3 reduction of one hundred percent of the taxable valuation of the person's
4 homestead up to a maximum reduction of fourfive thousand fivesix hundred
5 twenty-five dollars of taxable valuation.
- 6 (2) If the person's income is in excess of twenty-two thousand dollars and not in
7 excess of twenty-six thousand dollars, a reduction of eighty percent of the
8 taxable valuation of the person's homestead up to a maximum reduction of
9 threefour thousand sixfive hundred dollars of taxable valuation.
- 10 (3) If the person's income is in excess of twenty-six thousand dollars and not in
11 excess of thirty thousand dollars, a reduction of sixty percent of the taxable
12 valuation of the person's homestead up to a maximum reduction of twethree
13 thousand seventhree hundred seventy-five dollars of taxable valuation.
- 14 (4) If the person's income is in excess of thirty thousand dollars and not in
15 excess of thirty-four thousand dollars, a reduction of forty percent of the
16 taxable valuation of the person's homestead up to a maximum reduction of
17 onetwo thousand eighttwo hundred fifty dollars of taxable valuation.
- 18 (5) If the person's income is in excess of thirty-four thousand dollars and not in
19 excess of thirty-eight thousand dollars, a reduction of twenty percent of the
20 taxable valuation of the person's homestead up to a maximum reduction of
21 nineone thousand one hundred twenty-five dollars of taxable valuation.
- 22 (6) If the person's income is in excess of thirty-eight thousand dollars and not in
23 excess of forty-two thousand dollars, a reduction of ten percent of the
24 taxable valuation of the person's homestead up to a maximum reduction of
25 fourfive hundred fiftysixty-three dollars of 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 this
28 subsection. Persons residing together, who are not spouses or dependents, who
29 are coowners of the property are each entitled to a percentage of a full exemption
30 under this subsection equal to their ownership interests in the property.

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- 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 the
- 6 assets of the person and any dependent residing with the person exceeds five
- 7 hundred thousand dollars, including the value of any assets divested within the
- 8 last three years.
- 9 h. The assessor shall attach the statement filed under subdivision f to the
- 10 assessment sheet and shall show the reduction on the assessment sheet.
- 11 i. An exemption under this subsection terminates at the end of the taxable year of
- 12 the death of the applicant.

13 **SECTION 7. AMENDMENT.** Section 57-02-33 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **57-02-33. Assessor ~~districts~~services for unorganized territory.**

16 ~~All counties or parts of counties in this state not organized into civil townships~~Any area not
17 within an organized township or city must be ~~divided into assessor districts, which must be~~
18 designated by the board of county commissioners assessed by a certified assessor under the
19 supervision and direction of the county director of tax equalization. ~~The board of county~~
20 ~~commissioners shall appoint the district assessors to a four year term of office, the first term~~
21 ~~commencing on January 1, 1974. In case of vacancy in the office of district assessor in any of~~
22 ~~such districts, such vacancies must be filled by the board of county commissioners for the~~
23 ~~balance of the term. In making the appointment of a district assessor, the~~The county director of
24 tax equalization ~~for such county is eligible for appointment to a district assessor position~~may
25 serve as an assessor of property under this section. Every individual performing assessor of
26 ~~territory not organized into civil townships shall receive as~~services under this section is entitled
27 to compensation ~~for services a sum~~and mileage and travel expenses determined by the board
28 of county commissioners for the time actually and necessarily employed in ~~making and~~
29 ~~completing the~~ assessment of ~~the district~~property. The compensation and expenses must be
30 paid from the treasury of the county in which ~~such district~~the assessed property is located only
31 upon submission of an itemized statement setting forth the actual time spent in the work of the

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1 assessor and mileage traveled, approved by the board of county commissioners. ~~In addition,~~
2 ~~the district assessor must be paid such mileage as is required to perform the duties of the office.~~
3 ~~The board of county commissioners has the authority to appoint a deputy assessor if needed, to~~
4 ~~be compensated in the same manner as the district assessor.~~

5 **SECTION 8. AMENDMENT.** Section 57-06-17.3 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **57-06-17.3. New transmission line property tax exemption.**

8 A transmission line of two hundred thirty kilovolts or larger, and its associated transmission
9 substations, which is not taxable under chapter 57-33.2 and is initially placed in service on or
10 after October 1, 2002, is subject to a tax at the rate of three hundred dollars per mile [1.61
11 kilometers] or fraction of a mile. A transmission line subject to taxation under this section is
12 exempt from property taxes for the first taxable year after the line is initially placed in service,
13 and the ~~taxable valuation as otherwise determined by law on the transmission line and its~~
14 ~~associated transmission substation~~ taxes under this section must be reduced by:

- 15 1. Seventy-five percent for the second taxable year of operation of the transmission line.
- 16 2. Fifty percent for the third taxable year of operation of the transmission line.
- 17 3. Twenty-five percent for the fourth taxable year of operation of the transmission line.

18 After the fourth taxable year of operation of the transmission line, the transmission line and
19 its associated transmission substations are exempt from property taxes and are subject to a tax
20 at the rate of three hundred dollars per mile [1.61 kilometers] or fraction thereof of the line
21 located in this state. The per mile tax imposed by this section applies to the transmission line
22 and its associated transmission substations and is subject to allocation among counties in the
23 proportion that the miles of that transmission line in the county bears to the miles of that
24 transmission line in the state.

25 For purposes of this section, "initially placed in service" includes both new construction and
26 substantial expansion of the carrying capacity of a preexisting line, and "substantial expansion"
27 means an increase in carrying capacity of fifty percent or more.

28 **SECTION 9. AMENDMENT.** Section 57-20-07.2 of the North Dakota Century Code is
29 amended and reenacted as follows:

1 **57-20-07.2. (~~Effective for the first two taxable years beginning after December 31,~~**
2 **2012) State-paid property tax relief credit.**

- 3 1. The owner of taxable property is entitled to a credit against property taxes levied
4 against the total amount of property or mobile home taxes in dollars levied against the
5 taxable value of the property. The credit is equal to twelve percent of property or
6 mobile home taxes levied in dollars against that property.
- 7 2. The owner, operator, or lessee of railroad property assessed by the state board of
8 equalization under chapter 57-05 or public utility operative property assessed by the
9 state board of equalization under chapter 57-06 is entitled to a credit against property
10 taxes levied within each county against that property in the amount provided in
11 subsection 1 against property taxes levied in dollars against that property in that
12 county.
- 13 3. The owner, operator, or lessee of transmission lines assessed by the state board of
14 equalization under section 57-06-17.3 is entitled to a credit against taxes per mile in
15 the amount provided in subsection 1. The tax commissioner shall determine the total
16 amount of credits under this subsection and certify the amount to the state treasurer
17 for transfer from the general fund to the electric generation, transmission, and
18 distribution tax fund. The credit for each transmission company must be allocated and
19 distributed to counties in the same manner as the tax collected from that company is
20 allocated.
- 21 4. The owner, operator, or lessee of electric transmission or distribution property
22 assessed by the state board of equalization under section 57-33.2-02 or 57-33.2-03 is
23 entitled to a credit against the transmission or distribution tax in the amount provided
24 in subsection 1. The tax commissioner shall determine the total amount of credits
25 under this subsection and certify the amount to the state treasurer for transfer from the
26 general fund to the electric generation, transmission, and distribution tax fund. The
27 credit for each transmission or distribution company must be allocated and distributed
28 to counties in the same manner as the tax collected from that company is allocated.
- 29 5. The owner, operator, or lessee of operative property of an air carrier transportation
30 company assessed and taxed under chapter 57-32 is entitled to a credit in the amount
31 provided in subsection 1 against property taxes in dollars levied against that property.

1 The tax commissioner shall determine the total amount of credits under this
2 subsection and certify the amount to the state treasurer for transfer from the general
3 fund to the air transportation fund. The credit for each air transportation company must
4 be allocated to each city or municipal airport authority where that company makes
5 regularly scheduled landings, in the same manner as the tax collected from that
6 company is allocated.

7 4.6. The tax commissioner shall estimate the amount necessary to provide each county
8 advance payment of seventy-five percent of the amount the county and the taxing
9 districts in the county will ultimately receive for a taxable year under this section and
10 certify the estimated amounts to the state treasurer by March fifteenth for transfer by
11 April first to the county treasurer and distribution to the county and taxing districts in
12 the county as provided in subsection 57.

13 5.7. The tax commissioner shall determine the total amount of credits under this section for
14 each county from the abstract of the tax list filed by the county auditor under section
15 57-20-04, as audited and corrected by the tax commissioner. The tax commissioner
16 shall certify to the state treasurer for payment, by June first following receipt of the
17 abstract of the tax list, the amount determined for each county under this subsection.
18 No penalty or interest applies to any state payment under this section, regardless of
19 when the payment is made. The tax commissioner shall reduce the June certification
20 of payments to reflect the April estimated payments previously made to counties under
21 subsection 46.

22 6.8. Upon receipt of the payment from the state treasurer under subsections 46 and 57, the
23 county treasurer shall apportion and distribute it to the county and the taxing districts
24 in the county on the basis on which the general real estate tax for the preceding year
25 is apportioned and distributed.

26 7.9. After payments to counties under subsection 57 have been made, the tax
27 commissioner shall certify to the state treasurer as necessary any supplemental
28 amounts payable to counties or the air transportation fund or any amounts that must
29 be returned by counties or returned from the air transportation fund for deposit in the
30 state general fund to correct any errors in payments or reflect any abatement or
31 compromise of taxes, court-ordered tax reduction or increase, or levy of taxes against

1 omitted property. The county auditor shall provide any supplemental information
2 requested by the tax commissioner after submission of the abstract of the tax list. The
3 county treasurer shall apply to the tax commissioner for any supplemental payments
4 to which the county treasurer believes the county is entitled.

5 ~~8-10.~~ Notwithstanding any other provision of law, for any property other than mobile homes,
6 the property tax credit under this section does not apply to any property subject to
7 payments or taxes that are stated by law to be in lieu of personal or real property
8 taxes.

9 **SECTION 10. AMENDMENT.** Section 57-33.2-02 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **57-33.2-02. Transmission line mile tax - Exemption.**

12 Transmission lines are subject to annual taxes per mile [1.61 kilometers] or fraction of a
13 mile based on their nominal operating voltages on January first of each year, as follows:

- 14 1. For transmission lines that operate at a nominal operating voltage of less than fifty
15 kilovolts, a tax of fifty dollars.
- 16 2. For transmission lines that operate at a nominal operating voltage of fifty kilovolts or
17 more, but less than one hundred kilovolts, a tax of one hundred dollars.
- 18 3. For transmission lines that operate at a nominal operating voltage of one hundred
19 kilovolts or more, but less than two hundred kilovolts, a tax of two hundred dollars.
- 20 4. For transmission lines that operate at a nominal operating voltage of two hundred
21 kilovolts or more, but less than three hundred kilovolts, a tax of four hundred dollars.
- 22 5. For transmission lines that operate at a nominal operating voltage of three hundred
23 kilovolts or more, a tax of six hundred dollars.
- 24 6. A transmission line initially placed in service after January 1, 2009, and before
25 December 31, 2013, is exempt from transmission line taxes under this section for the
26 first taxable year after the line is initially placed in service, and transmission line taxes
27 under this section must be reduced by:
 - 28 a. Seventy-five percent for the second taxable year of operation of the transmission
29 line.
 - 30 b. Fifty percent for the third taxable year of operation of the transmission line.

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- 1 c. Twenty-five percent for the fourth taxable year of operation of the transmission
2 line.
- 3 d. After the fourth taxable year of operation, such transmission lines are subject to
4 the standard transmission line taxes under this section.
- 5 7. A transmission line of two hundred thirty kilovolts or larger initially placed in service
6 after January 1, 2009, is subject to a tax at the rate of three hundred dollars per mile
7 [1.61 kilometers] or fraction of a mile. A transmission line subject to tax under this
8 subsection is exempt for the first taxable year after the line is initially placed in service,
9 and transmission line taxes under this subsection must be reduced by:
- 10 a. Seventy-five percent for the second taxable year of operation of the transmission
11 line.
- 12 b. Fifty percent for the third taxable year of operation of the transmission line.
- 13 c. Twenty-five percent for the fourth taxable year of operation of the transmission
14 line.
- 15 d. After the fourth taxable year of taxable operation, such transmission lines are
16 subject to the standard transmission line taxes under this subsection.
- 17 8. For purposes of this section, "initially placed in service" includes both new construction
18 and substantial expansion of the carrying capacity of a preexisting line, and
19 "substantial expansion" means an increase in carrying capacity of fifty percent or
20 more.

21 **SECTION 11. TRANSITION.** The state supervisor of assessments shall recertify assessors
22 at the end of the term of any certification that expires after July 31, 2017, upon application and
23 submission by the certificate holder of evidence of completion of required educational sessions
24 under North Dakota Administrative Code chapter 81-02.1-02 or under section 57-02-01.1 or
25 rules adopted to administer that section, subject to the following additional requirements:

- 26 1. The holder of a township assessor or class II city assessor certification may be
27 recertified as a certified class II assessor upon completion of the instruction required
28 for class II assessor certification, with credit allowed by the state supervisor of
29 assessments for any instruction previously received by the applicant for certification as
30 a township assessor.

- 1
2. The holder of a class I city assessor or county director of tax equalization certification
- 2 may be recertified as a certified class I assessor upon submission of evidence of
- 3 completion of required education sessions during the term of the class I city assessor
- 4 or county director of tax equalization certification.

5 **SECTION 12. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
6 December 31, 2014.

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1059

That the Senate recede from its amendments as printed on pages 1735-1742 of the House Journal and pages 1487-1494 of the Senate Journal and that Reengrossed House Bill No. 1059 be amended as follows:

Page 1, line 1, after "Act" insert "to create and enact section 57-02-01.1 of the North Dakota Century Code, relating to training and certification of assessors;"

Page 1, line 1, after "sections" insert "11-10.1-01, 11-10.1-05, 18-10-07, and 57-01-05, subsection 1 of section 57-02-08.1, and sections 57-02-33,"

Page 1, line 2, after "to" insert "training and certification of assessors, the homestead tax credit, rural fire protection district increased levy approval,"

Page 1, line 3, after the semicolon, insert "to provide for transition;"

Page 1, after line 5, insert:

"SECTION 1. AMENDMENT. Section 11-10.1-01 of the North Dakota Century Code is amended and reenacted as follows:

11-10.1-01. County director of tax equalization.

1. The board of county commissioners of each county ~~in this state~~ shall appoint a county director of tax equalization who must be ~~qualified and experienced in property appraisals, familiar with assessment and equalization procedures and techniques, and who is the holder of~~ holds a current ~~certificate~~ certification as a class I assessor issued by the state supervisor of assessments. ~~The state supervisor of assessments shall confer with representatives of the county commissioners, city governing bodies, state township officers association, and personnel at North Dakota state university to establish or revise the minimum requirements for attaining the certificate. Any person who is denied such certificate may appeal to the state tax commissioner for a hearing under the provisions of chapter 28-32.~~
2. The board of county commissioners may, ~~in its discretion,~~ appoint a ~~person~~ county director of tax equalization on a probationary basis who does not hold a current ~~certificate as provided for in subsection 1~~ certification as a class I assessor, if the board deems ~~such person~~ the individual qualified to act as county director of tax equalization by virtue of education, training, ~~and experience, and willingness to obtain certification as a class I assessor.~~ The appointment must be for a term of not more than ~~three~~ two years. Any person receiving a probationary appointment who does not obtain a ~~certificate~~ certification as a class I assessor within ~~three~~ two years from the appointment is not eligible for reappointment.
3. The county director of tax equalization shall serve at the pleasure of the board of county commissioners and may be employed on a full-time or part-time basis. Vacancies in the office of county director of tax equalization must be filled in the same manner as the original appointment.

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SECTION 2. AMENDMENT. Section 11-10.1-05 of the North Dakota Century Code is amended and reenacted as follows:

11-10.1-05. Powers and duties of county director of tax equalization - Qualifications of assessors.

1. The county director of tax equalization ~~shall have~~has the power, duty, and responsibility to call upon and confer with ~~township and city~~ assessors in the county and to ~~instruct~~assist them in the preparation and proper use of land maps and property record cards, ~~the preparation of assessment books, the changes in assessment laws and regulations~~rules, the determination of proper standards of value, ~~the use of proper classifications of property, determination of what property qualifies as exempt from property taxes,~~ and the authority to require attendance at meetings, to ~~the end that a~~promote uniform assessment of all real property in the county ~~will prevail~~.
2. Any city with a population of under five thousand or township may, by resolution of its governing body, retain an assessor who is certified or eligible to be certified as a class II assessor who shall retain the powers, duties, and responsibilities of the office. Any city with a population of five thousand or greater may, by resolution of its governing body, retain an assessor who is certified or eligible to be certified as a class I assessor who shall retain the powers, duties, and responsibilities of the office. A person may not serve as an assessor for longer than twenty-four months before being certified by the state supervisor of assessments as having met the minimum requirements. The expenses of the city or township assessors must be paid by the city or township exercising this option.
- 2.3. ~~On January 1, 1981, the~~The county director of tax equalization shall ~~succeed to all the powers and duties of assessors of townships, cities with a population of under five thousand, and unorganized districts~~supervise all individuals performing assessor services in the county and arrange for the assessment of property within the county, except that any city with a population of under five thousand or township may, at its option by resolution of its governing body, employ an assessor who shall retain the powers, duties, and responsibilities of the office. The resolution within the jurisdiction of a city or township in which the governing body to employ an ~~retains a certified class I or class II assessor continues in force until rescinded by the governing body. Notwithstanding any other provision of law to the contrary, the state supervisor of assessments shall confer with representatives of the county commissioners, city governing bodies, state township officers association, and personnel at North Dakota state university to establish minimum requirements for all city and township assessors. The standards shall reflect their limited jurisdiction and need not be equal to those minimum requirements set for county directors of tax equalization. Any courses of instruction included in those minimum requirements for assessors of townships or cities with a population under five thousand must be conducted by the county director of tax equalization who may cooperate with other county directors of tax equalization in holding joint classes. The county director of tax equalization may call upon the state supervisor of assessments for any necessary materials and assistance. No person may serve as an assessor of a township or a city with a population under five thousand for longer than twelve months before~~

~~being certified by the state supervisor of assessments as having met the minimum requirements. No person may serve as an assessor of a city with a population of five thousand or more for longer than three years before being certified by the state supervisor of assessments as having met the minimum requirements. The expenses and salaries of city and township assessors must be paid by the city or township exercising this option.~~

~~3.4.~~ Any city or township ~~which that~~ does not employ its own ~~retain a certified class I or class II assessor shall utilize the certified assessor of the county in which the city or township is located. The county commission may require the city or township to reimburse the county for the expenses incurred in assessing the property of that city or township.~~

~~4.5.~~ Any assessment made by an assessor who is not currently certified as ~~qualified for that assessment jurisdiction~~ must be reviewed and approved by a certified ~~county director of tax equalization, or a certified city assessor of a city with a population of five thousand or more~~ assessor, prior to the township or city board of equalization annual meeting. The cost of the assessment review must be paid by the township or city having jurisdiction over the assessment at the same rate as paid to a special assessor in section 57-14-08.

SECTION 3. AMENDMENT. Section 18-10-07 of the North Dakota Century Code as amended in section 1 of House Bill No. 1056, as approved by the sixty-fourth legislative assembly, is amended and reenacted as follows:

18-10-07. Fire protection policy to be determined - Tax levy.

The board of directors shall determine a general fire protection policy for the district and shall annually estimate the probable expense for carrying out the contemplated program. The annual estimate of probable expense may include an amount determined by the board of directors to be necessary to be carried over to a future year for purchase of firefighting equipment, ambulances, or other emergency vehicles. The estimate must be certified by the president and secretary to the proper county auditor or county auditors, on or before June thirtieth of each year, who shall levy a tax upon the taxable property within the district for the maintenance of the fire protection district for the fiscal year as provided by law. The tax may not exceed a tax rate of five mills per dollar of the taxable valuation of property in the district except upon resolution adopted by the board of directors and approval by a majority of the qualified electors voting on the question at an annual or special meeting of electors called by the board of directors, the levy may be made in an amount not exceeding thirteen mills. If an election to approve or reauthorize an excess levy will be held at an annual or special meeting of electors of the district called by the board of directors, notice of the meeting and the proposed excess levy election must be provided by at least one publication in the official newspaper of each county in which the district is located at least seven days, but not more than fourteen days, before the date of the public meeting. The published notice must include the amount of the proposed tax rate increase in mills and the duration for which elector approval of the increase is sought and must include the location where, and hours during which, ballots may be cast.

Votes to approve or disapprove the levy increase must be cast on the date of the meeting. The polling place must remain open for at least six hours on the date of the meeting. The secretary-treasurer of the district shall prepare and distribute to qualified electors at the polling place paper ballots to conduct the election on the

question of increased levy authority. Three election judges to receive and count the ballots, who are qualified electors of the district but not members of the board, must be selected at least seven days before the meeting by approval of a majority of the members of the board. A marked ballot must be delivered to one of the judges, folded to conceal its contents, the judge shall deposit it in the ballot box, and another judge shall enter the name of the elector who cast the ballot in the poll book. When the election is closed, the judges shall count the ballots and announce the result. Results of the election must be certified by the secretary-treasurer of the district and each of the election judges to the tax commissioner and to the county auditor of each county in which the district is located within ten days after the election. The certificate must include a statement of the question as it appeared on the ballot, together with the total number of votes cast in favor, and the number of votes cast against, authorizing the excess levy.

After July 31, 2015, approval or reauthorization by electors of increased levy authority under this section may not be effective for more than ten taxable years or the period of time necessary for repayment of indebtedness incurred which was intended to be repaid from the increased levy, whichever expires later. Additional levy authority authorized by the board of directors after petition of electors before August 1, 2015, remains in effect under the provisions of law at the time the levy was authorized for the time period authorized by the electors but not exceeding five ten taxable years or the period of time necessary for repayment of indebtedness incurred which was intended to be repaid from the increased levy, whichever expires later. The tax must be:

1. Collected as other taxes are collected in the county.
2. Turned over to the secretary-treasurer of the rural fire protection district, who shall have a surety bond in the amount of at least five thousand dollars.
3. Placed to the credit of the rural fire protection district so authorizing the same by its secretary-treasurer in a state or national bank, except amounts to be carried over to a future year for purchase of firefighting equipment, ambulances, or other emergency vehicles may be invested to earn the maximum return available.
4. Paid out upon warrants drawn upon the fund by authority of the board of directors of the district, bearing the signature of the secretary-treasurer and the countersignature of the president of the rural fire protection district.

The amount of tax levy may not exceed the amount of funds required to defray the expenses of the district for a period of one year as embraced in the annual estimate of expense, including the amount of principal and interest upon the indebtedness of the district for the ensuing year and including any amount determined by the board of directors to be necessary to be carried over to a future year for purchase of firefighting equipment, ambulances, or other emergency vehicles.

SECTION 4. AMENDMENT. Section 57-01-05 of the North Dakota Century Code is amended and reenacted as follows:

57-01-05. State supervisor of assessments.

The state tax commissioner shall appoint a state supervisor of assessments who must be a person trained and experienced in property appraisals and familiar with

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assessment and equalization procedures and techniques. The state supervisor of assessments serves at the pleasure of the state tax commissioner and office space must be furnished to the state supervisor of assessments by the commissioner.

The state supervisor of assessments shall perform the following duties under the direction of the tax commissioner:

1. The state supervisor of assessments shall advise and give ~~the various assessors in the state~~ the necessary instructions and directions as to their duties under the laws of this state, ~~to the end that a promote~~ uniform assessment of all real and personal property in this state ~~will be attained~~.
2. The state supervisor of assessments shall assist and instruct ~~the various assessors in this state~~ in the use of soil ~~reconnaissance~~ surveys, land classification methods, ~~in the~~ preparation and proper use of land maps and record cards, ~~in the~~ proper classification of real and personal property, and ~~in the~~ determination of proper standards of value.
3. The state supervisor of assessments may require the attendance of groups of assessors at meetings called by the state supervisor of assessments for the purpose of giving them further assistance and instruction as to their duties.
4. The state supervisor of assessments may make sales, market, and productivity studies and other studies of property assessments in the ~~various~~ counties and cities of this state ~~for the purpose of to~~ properly ~~advising~~ advise the ~~various~~ assessors and directors of tax equalization in the state and ~~for the purpose of recommending to~~ recommend to the tax commissioner changes to be made by the state board of equalization in the performance of ~~the its~~ equalization powers and duties ~~prescribed for it by section 57-13-04~~. In any sales, market, and productivity study made according to section 57-01-06, the county directors of tax equalization or city assessors, ~~as the case may be, are responsible for compiling~~ shall compile a record of sales of property made in the county or city, and in conjunction with the board of county commissioners shall analyze the sales for the purpose of advising the state supervisor of assessments as to the value of using the sales in any such study. The compilations must be forwarded to the state supervisor of assessments with the findings of the county director of tax equalization, city assessors, and the board of county commissioners. In any county or city or any part thereof where the number of sales of properties is insufficient for making a sales, market, and productivity study, the county director of tax equalization or city assessor, as the case may be, in cooperation with the state supervisor of assessments or that person's assistants shall make appraisals of properties in order to determine the market value.
5. The state supervisor of assessments shall cooperate with North Dakota state university in the development of a soil mapping program, a land classification system, valuation studies, and other matters relating to the assessment of property and shall provide for the use of such information and procedure at the earliest possible date by the assessors of this state.
6. The state supervisor of assessments has general supervision of assessors and county directors of tax equalization pertaining to methods and

procedures of assessment of all property and has authority to require all county directors of tax equalization to do any act necessary to obtain uniform methods and procedures of assessment.

7. Whenever an investigation by the state supervisor of assessments shows there is probable cause to believe the holder of a certificate issued by the state supervisor of assessments under ~~chapter 11-10.1~~ section 57-02-01.1 has failed to comply with any of the provisions of ~~this title~~ law pertaining to assessments, or any rules ~~prescribed~~ adopted by the tax commissioner, the state supervisor of assessments may petition the tax commissioner for a hearing to show cause why the certificate should be suspended or revoked.
 - a. The state supervisor of assessments must provide the certificate holder at least ten days' notice of the time and place of the hearing.
 - b. If cause to suspend or revoke the certificate is shown, the tax commissioner may suspend or revoke the certificate.
 - c. The tax commissioner may restore a certificate after suspension or revocation.
 - d. An individual whose certificate has been suspended or revoked in the manner provided in this section may appeal that determination to the district court as provided in section 28-32-42.
8. If a certificate holder's certificate is suspended or revoked under this section, the governing body of the county in which the certificate holder performs duties shall ensure the continued administration of assessments within that county by a person authorized under section 11-10.1-05 and be responsible for any expenses associated with the fulfillment of this responsibility. Expenses incurred by a county to fulfill the duties of a township or city assessment official whose certificate has been suspended or revoked must be charged to the political subdivision in which the certificate holder is employed and must either be paid directly to the county by the political subdivision or deducted by the county treasurer from funds coming into the treasurer's control which are apportionable to the subdivision.
9. The state supervisor of assessments shall perform such other duties relating to assessment and taxation of property as the tax commissioner directs.
10. The tax commissioner may ~~prescribe~~ adopt rules under chapter 28-32 necessary for the ~~detailed and efficient~~ administration of this section.

SECTION 5. Section 57-02-01.1 of the North Dakota Century Code is created and enacted as follows:

57-02-01.1. Certification of assessors.

The state supervisor of assessments shall certify assessors as provided in this section.

1. To be certified as a class I assessor, an individual must:

#1 p. 7

- a. Have a high school diploma or its equivalent.
 - b. Successfully complete one hundred eighty hours of assessment and appraisal instruction approved by the state supervisor of assessments. The number of hours of instruction determined necessary by the state supervisor of assessments for each of the following topics is required:
 - (1) Tax administration.
 - (2) Principles and theory of value.
 - (3) Residential property appraisal.
 - (4) Commercial property appraisal.
 - (5) Agricultural property valuation.
2. To be certified as a class II assessor, an individual must:
- a. Have a high school diploma or its equivalent.
 - b. Successfully complete eighty hours of assessment and appraisal instruction approved by the state supervisor of assessments. The number of hours of instruction determined necessary by the state supervisor of assessments for each of the following topics is required:
 - (1) Tax administration.
 - (2) Principles and theory of value.
 - (3) Residential property appraisal.
 - (4) Commercial property appraisal.
 - (5) Agricultural property valuation.
3. The state supervisor of assessments may allow credit against required instruction in any topic under subdivision b of subsection 1 and subdivision b of subsection 2 upon receipt of documented training in this state or another state in the topic.
4. An individual appointed as an assessor must hold the required assessor certificate at the time of appointment or obtain that certificate within two years after initial appointment or by July 31, 2017, whichever is later. An assessor who does not obtain the required certificate within two years after initial appointment or by July 31, 2017, whichever is later, or who does not maintain that certificate in good standing is not eligible for reappointment.
5. An assessor certificate is valid for a term of two years from the first day of the calendar year for which it becomes effective.
6. A class I assessor certificate may be renewed if the holder has completed twenty hours of approved classroom instruction or seminars during the term of the certificate. For purposes of this subsection, an assessor certificate holder is entitled to one and one-half hours of credit for each hour spent as an instructor of approved classroom instruction or seminars during the term of the certificate.

7. A class II assessor certificate may be renewed if the holder has completed ten hours of approved classroom instruction or seminars during the term of the certificate.
8. The state supervisor of assessments shall notify the holder of an assessor certificate of the time for application for renewal of the individual's certificate. The state supervisor of assessments shall notify the governing body of the taxing district employing an assessor whose certificate is not renewed or whose certificate is suspended or revoked.
9. Any person who is denied a certificate under this section may appeal to the tax commissioner for a hearing under chapter 28-32.
10. The tax commissioner may adopt rules under chapter 28-32 for the administration of this section.

SECTION 6. AMENDMENT. Subsection 1 of section 57-02-08.1 of the North Dakota Century Code is amended and reenacted as follows:

1. a. Any person sixty-five years of age or older or permanently and totally disabled, in the year in which the tax was levied, with an income that does not exceed the limitations of subdivision c is entitled to receive a reduction in the assessment on the taxable valuation on the person's homestead. An exemption under this subsection applies regardless of whether the person is the head of a family.
- b. The exemption under this subsection continues to apply if the person does not reside in the homestead and the person's absence is due to confinement in a nursing home, hospital, or other care facility, for as long as the portion of the homestead previously occupied by the person is not rented to another person.
- c. The exemption must be determined according to the following schedule:
 - (1) If the person's income is not in excess of twenty-two thousand dollars, a reduction of one hundred percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~four~~five thousand ~~five~~six hundred ~~twenty~~five dollars of taxable valuation.
 - (2) If the person's income is in excess of twenty-two thousand dollars and not in excess of twenty-six thousand dollars, a reduction of eighty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~three~~four thousand ~~six~~five hundred dollars of taxable valuation.
 - (3) If the person's income is in excess of twenty-six thousand dollars and not in excess of thirty thousand dollars, a reduction of sixty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~two~~three thousand ~~seven~~three hundred ~~seventy~~five dollars of taxable valuation.
 - (4) If the person's income is in excess of thirty thousand dollars and not in excess of thirty-four thousand dollars, a reduction of forty percent of the taxable valuation of the person's homestead up to

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a maximum reduction of ~~one~~two thousand eighttwo hundred fifty dollars of taxable valuation.

- (5) If the person's income is in excess of thirty-four thousand dollars and not in excess of thirty-eight thousand dollars, a reduction of twenty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~nine~~one thousand one hundred twenty-five dollars of taxable valuation.
- (6) If the person's income is in excess of thirty-eight thousand dollars and not in excess of forty-two thousand dollars, a reduction of ten percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~four~~five hundred fiftysixty-three dollars of taxable valuation.
- d. Persons residing together, as spouses or when one or more is a dependent of another, are entitled to only one exemption between or among them under this subsection. Persons residing together, who are not spouses or dependents, who are coowners of the property are each entitled to a percentage of a full exemption under this subsection equal to their ownership interests in the property.
- e. This subsection does not reduce the liability of any person for special assessments levied upon any property.
- f. Any person claiming the exemption under this subsection shall sign a verified statement of facts establishing the person's eligibility.
- g. A person is ineligible for the exemption under this subsection if the value of the assets of the person and any dependent residing with the person exceeds five hundred thousand dollars, including the value of any assets divested within the last three years.
- h. The assessor shall attach the statement filed under subdivision f to the assessment sheet and shall show the reduction on the assessment sheet.
- i. An exemption under this subsection terminates at the end of the taxable year of the death of the applicant.

SECTION 7. AMENDMENT. Section 57-02-33 of the North Dakota Century Code is amended and reenacted as follows:

57-02-33. Assessor ~~districts~~services for unorganized territory.

~~All counties or parts of counties in this state not organized into civil townships~~Any area not within an organized township or city must be divided into assessor districts, which must be designated by the board of county commissioners~~assessed by a certified assessor under the supervision and direction of the county director of tax equalization.~~ The board of county commissioners shall appoint the district assessors to a four-year term of office, the first term commencing on January 1, 1974. In case of vacancy in the office of district assessor in any of such districts, such vacancies must be filled by the board of county commissioners for the balance of the term. In making the appointment of a district assessor, the~~The~~ county director of tax equalization for such county is eligible for appointment to a district assessor positionmay serve as an assessor of property under this section. Every individual performing assessor of territory not organized into civil townships shall

~~receive asservices under this section is entitled to compensation for services a sum and mileage and travel expenses determined by the board of county commissioners for the time actually and necessarily employed in making and completing the assessment of the district property. The compensation and expenses must be paid from the treasury of the county in which such district the assessed property is located only upon submission of an itemized statement setting forth the actual time spent in the work of the assessor and mileage traveled, approved by the board of county commissioners. In addition, the district assessor must be paid such mileage as is required to perform the duties of the office. The board of county commissioners has the authority to appoint a deputy assessor if needed, to be compensated in the same manner as the district assessor.~~

Page 5, after line 27, insert:

"SECTION 11. TRANSITION. The state supervisor of assessments shall recertify assessors at the end of the term of any certification that expires after July 31, 2017, upon application and submission by the certificate holder of evidence of completion of required educational sessions under North Dakota Administrative Code chapter 81-02.1-02 or under section 57-02-01.1 or rules adopted to administer that section, subject to the following additional requirements:

1. The holder of a township assessor or class II city assessor certification may be recertified as a certified class II assessor upon completion of the instruction required for class II assessor certification, with credit allowed by the state supervisor of assessments for any instruction previously received by the applicant for certification as a township assessor.
2. The holder of a class I city assessor or county director of tax equalization certification may be recertified as a certified class I assessor upon submission of evidence of completion of required education sessions during the term of the class I city assessor or county director of tax equalization certification."

Page 5, line 29, after "2014" insert ", except section 6, which is effective for taxable years beginning after December 31, 2015."

Renumber accordingly

Sixty-fourth
Legislative Assembly
of North Dakota

REENGROSSED HOUSE BILL NO. 1059

Introduced by

Legislative Management

(Taxation Committee and Advisory Commission on Intergovernmental Relations)

1 A BILL for an Act to create and enact section 57-02-01.1 of the North Dakota Century Code,
 2 relating to training and certification of assessors; to amend and reenact sections 11-10.1-01,
 3 11-10.1-05, 18-10-07, and 57-01-05, subsection 1 of section 57-02-08.1, and sections 57-02-33,
 4 57-06-17.3, 57-20-07.2, and 57-33.2-02 of the North Dakota Century Code, relating to training
 5 and certification of assessors, the homestead tax credit, rural fire protection district increased
 6 levy approval, a new transmission line property tax exemption, a state-paid property tax relief
 7 credit, and the transmission line mile tax rate; to provide for transition; and to provide an
 8 effective date.

9 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

10 **SECTION 1. AMENDMENT.** Section 11-10.1-01 of the North Dakota Century Code is
 11 amended and reenacted as follows:

12 **11-10.1-01. County director of tax equalization.**

- 13 1. The board of county commissioners of each county ~~in this state~~ shall appoint a county
 14 director of tax equalization who must be ~~qualified and~~ experienced in ~~property~~
 15 ~~appraisals, familiar with~~ assessment and equalization procedures and techniques, and
 16 who ~~is the holder of~~ holds a current ~~certificate~~ certification as a class I assessor issued
 17 by the state supervisor of assessments. ~~The state supervisor of assessments shall~~
 18 ~~confer with representatives of the county commissioners, city governing bodies, state~~
 19 ~~township officers association, and personnel at North Dakota state university to~~
 20 ~~establish or revise the minimum requirements for attaining the certificate. Any person~~
 21 ~~who is denied such certificate may appeal to the state tax commissioner for a hearing~~
 22 ~~under the provisions of chapter 28-32.~~
 23 2. The board of county commissioners may, ~~in its discretion,~~ appoint a ~~person~~ county
 24 director of tax equalization on a probationary basis who does not hold a current

~~certificate as provided for in subsection 1~~ certification as a class I assessor, if the board deems ~~such person~~ the individual qualified to act as county director of tax equalization by virtue of education, training, ~~and~~ experience, and willingness to obtain certification as a class I assessor. The appointment must be for a term of not more than ~~three~~ two years. Any person receiving a probationary appointment who does not obtain a ~~certificate~~ certification as a class I assessor within ~~three~~ two years from the appointment is not eligible for reappointment.

3. The county director of tax equalization shall serve at the pleasure of the board of county commissioners and may be employed on a full-time or part-time basis.

Vacancies in the office of county director of tax equalization must be filled in the same manner as the original appointment.

SECTION 2. AMENDMENT. Section 11-10.1-05 of the North Dakota Century Code is

amended and reenacted as follows:

11-10.1-05. Powers and duties of county director of tax equalization - Qualifications of assessors.

1. The county director of tax equalization ~~shall have~~ has the power, duty, and responsibility to call upon and confer with ~~township and city~~ assessors in the county and to ~~instruct~~ assist them in the preparation and proper use of land maps and property record cards, ~~the~~ preparation of assessment books, ~~the~~ changes in assessment laws and ~~regulations~~ rules, ~~the~~ determination of proper standards of value, ~~the~~ use of proper classifications of property, determination of what property qualifies as exempt from property taxes, and ~~the~~ authority to require attendance at meetings, to the end that a promote uniform assessment of all real property in the county ~~will prevail~~.

2. Any city with a population of under five thousand or township may, by resolution of its governing body, retain an assessor who is certified or eligible to be certified as a class II assessor who shall retain the powers, duties, and responsibilities of the office. Any city with a population of five thousand or greater may, by resolution of its governing body, retain an assessor who is certified or eligible to be certified as a class I assessor who shall retain the powers, duties, and responsibilities of the office. A person may not serve as an assessor for longer than twenty-four months before being certified by the state supervisor of assessments as having met the minimum

1 requirements. The expenses of the city or township assessors must be paid by the city
2 or township exercising this option.

3 2.3. On January 1, 1981, the~~The~~ county director of tax equalization shall ~~succeed to all the~~
4 ~~powers and duties of assessors of townships, cities with a population of under five~~
5 ~~thousand, and unorganized districts~~supervise all individuals performing assessor
6 services in the county and arrange for the assessment of property within the county,
7 ~~except that any city with a population of under five thousand or township may, at its~~
8 ~~option by resolution of its governing body, employ an assessor who shall retain the~~
9 ~~powers, duties, and responsibilities of the office. The resolution~~within the jurisdiction of
10 a city or township in which the governing body ~~to employ an~~retains a certified class I
11 or class II assessor ~~continues in force until rescinded by the governing body.~~

12 ~~Notwithstanding any other provision of law to the contrary, the state supervisor of~~
13 ~~assessments shall confer with representatives of the county commissioners, city~~
14 ~~governing bodies, state township officers association, and personnel at North Dakota~~
15 ~~state university to establish minimum requirements for all city and township assessors.~~
16 ~~The standards shall reflect their limited jurisdiction and need not be equal to those~~
17 ~~minimum requirements set for county directors of tax equalization. Any courses of~~
18 ~~instruction included in those minimum requirements for assessors of townships or~~
19 ~~cities with a population under five thousand must be conducted by the county director~~
20 ~~of tax equalization who may cooperate with other county directors of tax equalization~~
21 ~~in holding joint classes. The county director of tax equalization may call upon the state~~
22 ~~supervisor of assessments for any necessary materials and assistance. No person~~
23 ~~may serve as an assessor of a township or a city with a population under five~~
24 ~~thousand for longer than twelve months before being certified by the state supervisor~~
25 ~~of assessments as having met the minimum requirements. No person may serve as~~
26 ~~an assessor of a city with a population of five thousand or more for longer than three~~
27 ~~years before being certified by the state supervisor of assessments as having met the~~
28 ~~minimum requirements. The expenses and salaries of city and township assessors~~
29 ~~must be paid by the city or township exercising this option.~~

30 3.4. Any city or township ~~which~~that does not ~~employ its own~~retain a certified class I or
31 class II assessor shall utilize the certified assessor of the county in which the city or

1 township is located. The county commission may require the city or township to
2 reimburse the county for the expenses incurred in assessing the property of that city or
3 township.

4 ~~4.5.~~ Any assessment made by an assessor who is not currently certified ~~as qualified for~~
5 ~~that assessment jurisdiction~~ must be reviewed and approved by a certified county
6 ~~director of tax equalization, or a certified city assessor of a city with a population of five~~
7 ~~thousand or more~~ assessor, prior to the township or city board of equalization annual
8 meeting. The cost of the assessment review must be paid by the township or city
9 having jurisdiction over the assessment at the same rate as paid to a special assessor
10 in section 57-14-08.

11 **SECTION 3. AMENDMENT.** Section 18-10-07 of the North Dakota Century Code as
12 amended in section 1 of House Bill No. 1056, as approved by the sixty-fourth legislative
13 assembly, is amended and reenacted as follows:

14 **18-10-07. Fire protection policy to be determined - Tax levy.**

15 The board of directors shall determine a general fire protection policy for the district and
16 shall annually estimate the probable expense for carrying out the contemplated program. The
17 annual estimate of probable expense may include an amount determined by the board of
18 directors to be necessary to be carried over to a future year for purchase of firefighting
19 equipment, ambulances, or other emergency vehicles. The estimate must be certified by the
20 president and secretary to the proper county auditor or county auditors, on or before June
21 thirtieth of each year, who shall levy a tax upon the taxable property within the district for the
22 maintenance of the fire protection district for the fiscal year as provided by law. The tax may not
23 exceed a tax rate of five mills per dollar of the taxable valuation of property in the district except
24 upon resolution adopted by the board of directors and approval by a majority of the qualified
25 electors voting on the question at an annual or special meeting of electors called by the board
26 of directors, the levy may be made in an amount not exceeding thirteen mills. If an election to
27 approve or reauthorize an excess levy will be held at an annual or special meeting of electors of
28 the district called by the board of directors, notice of the meeting and the proposed excess levy
29 election must be provided by at least one publication in the official newspaper of each county in
30 which the district is located at least seven days, but not more than fourteen days, before the
31 date of the public meeting. The published notice must include the amount of the proposed tax

1 rate increase in mills and the duration for which elector approval of the increase is sought and
2 must include the location where, and hours during which, ballots may be cast.

3 Votes to approve or disapprove the levy increase must be cast on the date of the meeting.
4 The polling place must remain open for at least six hours on the date of the meeting. The
5 secretary-treasurer of the district shall prepare and distribute to qualified electors at the polling
6 place paper ballots to conduct the election on the question of increased levy authority. Three
7 election judges to receive and count the ballots, who are qualified electors of the district but not
8 members of the board, must be selected at least seven days before the meeting by approval of
9 a majority of the members of the board. A marked ballot must be delivered to one of the judges,
10 folded to conceal its contents, the judge shall deposit it in the ballot box, and another judge shall
11 enter the name of the elector who cast the ballot in the poll book. When the election is closed,
12 the judges shall count the ballots and announce the result. Results of the election must be
13 certified by the secretary-treasurer of the district and each of the election judges to the tax
14 commissioner and to the county auditor of each county in which the district is located within ten
15 days after the election. The certificate must include a statement of the question as it appeared
16 on the ballot, together with the total number of votes cast in favor, and the number of votes cast
17 against, authorizing the excess levy.

18 After July 31, 2015, approval or reauthorization by electors of increased levy authority under
19 this section may not be effective for more than ten taxable years or the period of time necessary
20 for repayment of indebtedness incurred which was intended to be repaid from the increased
21 levy, whichever expires later. Additional levy authority authorized by the board of directors after
22 petition of electors before August 1, 2015, remains in effect under the provisions of law at the
23 time the levy was authorized for the time period authorized by the electors but not exceeding
24 ~~five~~ten taxable years or the period of time necessary for repayment of indebtedness incurred
25 which was intended to be repaid from the increased levy, whichever expires later. The tax must
26 be:

- 27 1. Collected as other taxes are collected in the county.
- 28 2. Turned over to the secretary-treasurer of the rural fire protection district, who shall
29 have a surety bond in the amount of at least five thousand dollars.
- 30 3. Placed to the credit of the rural fire protection district so authorizing the same by its
31 secretary-treasurer in a state or national bank, except amounts to be carried over to a

1 future year for purchase of firefighting equipment, ambulances, or other emergency
2 vehicles may be invested to earn the maximum return available.

- 3 4. Paid out upon warrants drawn upon the fund by authority of the board of directors of
4 the district, bearing the signature of the secretary-treasurer and the countersignature
5 of the president of the rural fire protection district.

6 The amount of tax levy may not exceed the amount of funds required to defray the expenses of
7 the district for a period of one year as embraced in the annual estimate of expense, including
8 the amount of principal and interest upon the indebtedness of the district for the ensuing year
9 and including any amount determined by the board of directors to be necessary to be carried
10 over to a future year for purchase of firefighting equipment, ambulances, or other emergency
11 vehicles.

12 **SECTION 4. AMENDMENT.** Section 57-01-05 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **57-01-05. State supervisor of assessments.**

15 The state tax commissioner shall appoint a state supervisor of assessments who must be a
16 person trained and experienced in property appraisals and familiar with assessment and
17 equalization procedures and techniques. The state supervisor of assessments serves at the
18 pleasure of the state tax commissioner and office space must be furnished to the state
19 supervisor of assessments by the commissioner.

20 The state supervisor of assessments shall perform the following duties under the direction
21 of the tax commissioner:

- 22 1. The state supervisor of assessments shall advise and give ~~the various~~ assessors ~~in~~
23 ~~the state~~ the necessary instructions and directions as to their duties under the laws of
24 this state, ~~to the end that a~~ promote uniform assessment ~~of all real and personal~~
25 property in this state ~~will be attained~~.
- 26 2. The state supervisor of assessments shall assist and instruct ~~the various~~ assessors in
27 ~~this state in the~~ use of soil ~~reconnaissance~~ surveys, land classification methods, ~~in the~~
28 preparation and proper use of land maps and record cards, ~~in the~~ proper classification
29 of real and personal property, and ~~in the~~ determination of proper standards of value.

- 1 3. The state supervisor of assessments may require the attendance of groups of
2 assessors at meetings called by the state supervisor of assessments for the purpose
3 of giving them further assistance and instruction as to their duties.
- 4 4. The state supervisor of assessments may make sales, market, and productivity
5 studies and other studies of property assessments in the ~~various~~ counties and cities of
6 this state ~~for the purpose of to~~ properly ~~advising~~advise the ~~various~~ assessors and
7 directors of tax equalization in the state and ~~for the purpose of recommending to~~
8 recommend to the tax commissioner changes to be made by the state board of
9 equalization in the performance of ~~the~~its equalization powers and duties ~~prescribed for~~
10 ~~it by section 57-13-04~~. In any sales, market, and productivity study made according to
11 section 57-01-06, the county directors of tax equalization or city assessors, ~~as the~~
12 ~~case may be, are responsible for compiling~~ shall compile a record of sales of property
13 made in the county or city, and in conjunction with the board of county commissioners
14 shall analyze the sales for the purpose of advising the state supervisor of
15 assessments as to the value of using the sales in any such study. The compilations
16 must be forwarded to the state supervisor of assessments with the findings of the
17 county director of tax equalization, city assessors, and the board of county
18 commissioners. In any county or city or any part thereof where the number of sales of
19 properties is insufficient for making a sales, market, and productivity study, the county
20 director of tax equalization or city assessor, as the case may be, in cooperation with
21 the state supervisor of assessments or that person's assistants shall make appraisals
22 of properties in order to determine the market value.
- 23 5. The state supervisor of assessments shall cooperate with North Dakota state
24 university in the development of a soil mapping program, a land classification system,
25 valuation studies, and other matters relating to the assessment of property and shall
26 provide for the use of such information and procedure at the earliest possible date by
27 the assessors of this state.
- 28 6. The state supervisor of assessments has general supervision of assessors and county
29 directors of tax equalization pertaining to methods and procedures of assessment of
30 all property and has authority to require all county directors of tax equalization to do
31 any act necessary to obtain uniform methods and procedures of assessment.

1 7. Whenever an investigation by the state supervisor of assessments shows there is
2 probable cause to believe the holder of a certificate issued by the state supervisor of
3 assessments under ~~chapter 11-10.1~~section 57-02-01.1 has failed to comply with any
4 of the provisions of ~~this title~~law pertaining to assessments, or any rules
5 ~~prescribed~~adopted by the tax commissioner, the state supervisor of assessments may
6 petition the tax commissioner for a hearing to show cause why the certificate should
7 be suspended or revoked.

8 a. The state supervisor of assessments must provide the certificate holder at least
9 ten days' notice of the time and place of the hearing.

10 b. If cause to suspend or revoke the certificate is shown, the tax commissioner may
11 suspend or revoke the certificate.

12 c. The tax commissioner may restore a certificate after suspension or revocation.

13 d. An individual whose certificate has been suspended or revoked in the manner
14 provided in this section may appeal that determination to the district court as
15 provided in section 28-32-42.

16 8. If a certificate holder's certificate is suspended or revoked under this section, the
17 governing body of the county in which the certificate holder performs duties shall
18 ensure the continued administration of assessments within that county by a person
19 authorized under section 11-10.1-05 and be responsible for any expenses associated
20 with the fulfillment of this responsibility. Expenses incurred by a county to fulfill the
21 duties of a township or city assessment official whose certificate has been suspended
22 or revoked must be charged to the political subdivision in which the certificate holder is
23 employed and must either be paid directly to the county by the political subdivision or
24 deducted by the county treasurer from funds coming into the treasurer's control which
25 are apportionable to the subdivision.

26 9. The state supervisor of assessments shall perform such other duties relating to
27 assessment and taxation of property as the tax commissioner directs.

28 10. The tax commissioner may ~~prescribe~~adopt rules under chapter 28-32 necessary for
29 the ~~detailed and efficient~~ administration of this section.

30 **SECTION 5.** Section 57-02-01.1 of the North Dakota Century Code is created and enacted
31 as follows:

1 **57-02-01.1. Certification of assessors.**

2 The state supervisor of assessments shall certify assessors as provided in this section.

3 1. To be certified as a class I assessor, an individual must:

4 a. Have a high school diploma or its equivalent.

5 b. Successfully complete one hundred eighty hours of assessment and appraisal
6 instruction approved by the state supervisor of assessments. The number of
7 hours of instruction determined necessary by the state supervisor of
8 assessments for each of the following topics is required:

9 (1) Tax administration.

10 (2) Principles and theory of value.

11 (3) Residential property appraisal.

12 (4) Commercial property appraisal.

13 (5) Agricultural property valuation.

14 2. To be certified as a class II assessor, an individual must:

15 a. Have a high school diploma or its equivalent.

16 b. Successfully complete eighty hours of assessment and appraisal instruction
17 approved by the state supervisor of assessments. The number of hours of
18 instruction determined necessary by the state supervisor of assessments for
19 each of the following topics is required:

20 (1) Tax administration.

21 (2) Principles and theory of value.

22 (3) Residential property appraisal.

23 (4) Commercial property appraisal.

24 (5) Agricultural property valuation.

25 3. The state supervisor of assessments may allow credit against required instruction in
26 any topic under subdivision b of subsection 1 and subdivision b of subsection 2 upon
27 receipt of documented training in this state or another state in the topic.

28 4. An individual appointed as an assessor must hold the required assessor certificate at
29 the time of appointment or obtain that certificate within two years after initial
30 appointment or by July 31, 2017, whichever is later. An assessor who does not obtain
31 the required certificate within two years after initial appointment or by July 31, 2017,

- 1 whichever is later, or who does not maintain that certificate in good standing is not
2 eligible for reappointment.
- 3 5. An assessor certificate is valid for a term of two years from the first day of the calendar
4 year for which it becomes effective.
- 5 6. A class I assessor certificate may be renewed if the holder has completed twenty
6 hours of approved classroom instruction or seminars during the term of the certificate.
7 For purposes of this subsection, an assessor certificate holder is entitled to one and
8 one-half hours of credit for each hour spent as an instructor of approved classroom
9 instruction or seminars during the term of the certificate.
- 10 7. A class II assessor certificate may be renewed if the holder has completed ten hours
11 of approved classroom instruction or seminars during the term of the certificate.
- 12 8. The state supervisor of assessments shall notify the holder of an assessor certificate
13 of the time for application for renewal of the individual's certificate. The state
14 supervisor of assessments shall notify the governing body of the taxing district
15 employing an assessor whose certificate is not renewed or whose certificate is
16 suspended or revoked.
- 17 9. Any person who is denied a certificate under this section may appeal to the tax
18 commissioner for a hearing under chapter 28-32.
- 19 10. The tax commissioner may adopt rules under chapter 28-32 for the administration of
20 this section.

21 **SECTION 6. AMENDMENT.** Subsection 1 of section 57-02-08.1 of the North Dakota
22 Century Code is amended and reenacted as follows:

- 23 1. a. Any person sixty-five years of age or older or permanently and totally disabled, in
24 the year in which the tax was levied, with an income that does not exceed the
25 limitations of subdivision c is entitled to receive a reduction in the assessment on
26 the taxable valuation on the person's homestead. An exemption under this
27 subsection applies regardless of whether the person is the head of a family.
- 28 b. The exemption under this subsection continues to apply if the person does not
29 reside in the homestead and the person's absence is due to confinement in a
30 nursing home, hospital, or other care facility, for as long as the portion of the
31 homestead previously occupied by the person is not rented to another 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 twenty-two thousand dollars, a
3 reduction of one hundred percent of the taxable valuation of the person's
4 homestead up to a maximum reduction of fourfive thousand fivesix hundred
5 twenty-five dollars of taxable valuation.
- 6 (2) If the person's income is in excess of twenty-two thousand dollars and not in
7 excess of twenty-six thousand dollars, a reduction of eighty percent of the
8 taxable valuation of the person's homestead up to a maximum reduction of
9 threefour thousand sixfive hundred dollars of taxable valuation.
- 10 (3) If the person's income is in excess of twenty-six thousand dollars and not in
11 excess of thirty thousand dollars, a reduction of sixty percent of the taxable
12 valuation of the person's homestead up to a maximum reduction of twethree
13 thousand seventhree hundred seventy-five dollars of taxable valuation.
- 14 (4) If the person's income is in excess of thirty thousand dollars and not in
15 excess of thirty-four thousand dollars, a reduction of forty percent of the
16 taxable valuation of the person's homestead up to a maximum reduction of
17 onetwo thousand eighttwo hundred fifty dollars of taxable valuation.
- 18 (5) If the person's income is in excess of thirty-four thousand dollars and not in
19 excess of thirty-eight thousand dollars, a reduction of twenty percent of the
20 taxable valuation of the person's homestead up to a maximum reduction of
21 nineone thousand one hundred twenty-five dollars of taxable valuation.
- 22 (6) If the person's income is in excess of thirty-eight thousand dollars and not in
23 excess of forty-two thousand dollars, a reduction of ten percent of the
24 taxable valuation of the person's homestead up to a maximum reduction of
25 fourfive hundred fiftysixty-three dollars of 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 this
28 subsection. Persons residing together, who are not spouses or dependents, who
29 are coowners of the property are each entitled to a percentage of a full exemption
30 under this subsection equal to their ownership 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 the
6 assets of the person and any dependent residing with the person exceeds five
7 hundred thousand dollars, including the value of any assets divested within the
8 last three years.
- 9 h. The assessor shall attach the statement filed under subdivision f to the
10 assessment sheet and shall show the reduction on the assessment sheet.
- 11 i. An exemption under this subsection terminates at the end of the taxable year of
12 the death of the applicant.

13 **SECTION 7. AMENDMENT.** Section 57-02-33 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **57-02-33. Assessor ~~districts~~ services for unorganized territory.**

16 ~~All counties or parts of counties in this state not organized into civil townships~~ Any area not
17 within an organized township or city must be ~~divided into assessor districts, which must be~~
18 ~~designated by the board of county commissioners~~ assessed by a certified assessor under the
19 supervision and direction of the county director of tax equalization. ~~The board of county~~
20 ~~commissioners shall appoint the district assessors to a four-year term of office, the first term~~
21 ~~commencing on January 1, 1974. In case of vacancy in the office of district assessor in any of~~
22 ~~such districts, such vacancies must be filled by the board of county commissioners for the~~
23 ~~balance of the term. In making the appointment of a district assessor, the~~ The county director of
24 tax equalization ~~for such county is eligible for appointment to a district assessor position~~ may
25 serve as an assessor of property under this section. Every individual performing assessor ~~of~~
26 ~~territory not organized into civil townships shall receive~~ services under this section is entitled
27 to compensation ~~for services a sum~~ and mileage and travel expenses determined by the board
28 of county commissioners for the time actually and necessarily employed in ~~making and~~
29 ~~completing the~~ assessment of ~~the district~~ property. The compensation and expenses must be
30 paid from the treasury of the county in which ~~such district~~ the assessed property is located only
31 upon submission of an itemized statement setting forth the actual time spent in the work of the

1 assessor and mileage traveled, approved by the board of county commissioners. ~~In addition,~~
2 ~~the district assessor must be paid such mileage as is required to perform the duties of the office.~~
3 ~~The board of county commissioners has the authority to appoint a deputy assessor if needed, to~~
4 ~~be compensated in the same manner as the district assessor.~~

5 **SECTION 8. AMENDMENT.** Section 57-06-17.3 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **57-06-17.3. New transmission line property tax exemption.**

8 A transmission line of two hundred thirty kilovolts or larger, and its associated transmission
9 substations, which is not taxable under chapter 57-33.2 and is initially placed in service on or
10 after October 1, 2002, is subject to a tax at the rate of three hundred dollars per mile [1.61
11 kilometers] or fraction of a mile. A transmission line subject to taxation under this section is
12 exempt from property taxes for the first taxable year after the line is initially placed in service,
13 and the taxable valuation as otherwise determined by law on the transmission line and its
14 associated transmission substation taxes under this section must be reduced by:

- 15 1. Seventy-five percent for the second taxable year of operation of the transmission line.
- 16 2. Fifty percent for the third taxable year of operation of the transmission line.
- 17 3. Twenty-five percent for the fourth taxable year of operation of the transmission line.

18 After the fourth taxable year of operation of the transmission line, the transmission line and
19 its associated transmission substations are exempt from property taxes and are subject to a tax
20 at the rate of three hundred dollars per mile [1.61 kilometers] or fraction thereof of the line
21 located in this state. The per mile tax imposed by this section applies to the transmission line
22 and its associated transmission substations and is subject to allocation among counties in the
23 proportion that the miles of that transmission line in the county bears to the miles of that
24 transmission line in the state.

25 For purposes of this section, "initially placed in service" includes both new construction and
26 substantial expansion of the carrying capacity of a preexisting line, and "substantial expansion"
27 means an increase in carrying capacity of fifty percent or more.

28 **SECTION 9. AMENDMENT.** Section 57-20-07.2 of the North Dakota Century Code is
29 amended and reenacted as follows:

1 **57-20-07.2. (Effective for the first two taxable years beginning after December 31,**
2 **2012) State-paid property tax relief credit.**

- 3 1. The owner of taxable property is entitled to a credit against property taxes levied
4 against the total amount of property or mobile home taxes in dollars levied against the
5 taxable value of the property. The credit is equal to twelve percent of property or
6 mobile home taxes levied in dollars against that property.
- 7 2. The owner, operator, or lessee of railroad property assessed by the state board of
8 equalization under chapter 57-05 or public utility operative property assessed by the
9 state board of equalization under chapter 57-06 is entitled to a credit against property
10 taxes levied within each county against that property in the amount provided in
11 subsection 1 against property taxes levied in dollars against that property in that
12 county.
- 13 3. The owner, operator, or lessee of transmission lines assessed by the state board of
14 equalization under section 57-06-17.3 is entitled to a credit against taxes per mile in
15 the amount provided in subsection 1. The tax commissioner shall determine the total
16 amount of credits under this subsection and certify the amount to the state treasurer
17 for transfer from the general fund to the electric generation, transmission, and
18 distribution tax fund. The credit for each transmission company must be allocated and
19 distributed to counties in the same manner as the tax collected from that company is
20 allocated.
- 21 4. The owner, operator, or lessee of electric transmission or distribution property
22 assessed by the state board of equalization under section 57-33.2-02 or 57-33.2-03 is
23 entitled to a credit against the transmission or distribution tax in the amount provided
24 in subsection 1. The tax commissioner shall determine the total amount of credits
25 under this subsection and certify the amount to the state treasurer for transfer from the
26 general fund to the electric generation, transmission, and distribution tax fund. The
27 credit for each transmission or distribution company must be allocated and distributed
28 to counties in the same manner as the tax collected from that company is allocated.
- 29 5. The owner, operator, or lessee of operative property of an air carrier transportation
30 company assessed and taxed under chapter 57-32 is entitled to a credit in the amount
31 provided in subsection 1 against property taxes in dollars levied against that property.

1 The tax commissioner shall determine the total amount of credits under this
2 subsection and certify the amount to the state treasurer for transfer from the general
3 fund to the air transportation fund. The credit for each air transportation company must
4 be allocated to each city or municipal airport authority where that company makes
5 regularly scheduled landings, in the same manner as the tax collected from that
6 company is allocated.

7 4.6. The tax commissioner shall estimate the amount necessary to provide each county
8 advance payment of seventy-five percent of the amount the county and the taxing
9 districts in the county will ultimately receive for a taxable year under this section and
10 certify the estimated amounts to the state treasurer by March fifteenth for transfer by
11 April first to the county treasurer and distribution to the county and taxing districts in
12 the county as provided in subsection 57.

13 ~~5.7.~~ The tax commissioner shall determine the total amount of credits under this section for
14 each county from the abstract of the tax list filed by the county auditor under section
15 57-20-04, as audited and corrected by the tax commissioner. The tax commissioner
16 shall certify to the state treasurer for payment, by June first following receipt of the
17 abstract of the tax list, the amount determined for each county under this subsection.
18 No penalty or interest applies to any state payment under this section, regardless of
19 when the payment is made. The tax commissioner shall reduce the June certification
20 of payments to reflect the April estimated payments previously made to counties under
21 subsection 46.

22 ~~6.8.~~ Upon receipt of the payment from the state treasurer under subsections 46 and 57, the
23 county treasurer shall apportion and distribute it to the county and the taxing districts
24 in the county on the basis on which the general real estate tax for the preceding year
25 is apportioned and distributed.

26 ~~7.9.~~ After payments to counties under subsection 57 have been made, the tax
27 commissioner shall certify to the state treasurer as necessary any supplemental
28 amounts payable to counties or the air transportation fund or any amounts that must
29 be returned by counties or returned from the air transportation fund for deposit in the
30 state general fund to correct any errors in payments or reflect any abatement or
31 compromise of taxes, court-ordered tax reduction or increase, or levy of taxes against

1 omitted property. The county auditor shall provide any supplemental information
2 requested by the tax commissioner after submission of the abstract of the tax list. The
3 county treasurer shall apply to the tax commissioner for any supplemental payments
4 to which the county treasurer believes the county is entitled.

5 ~~8.10.~~ Notwithstanding any other provision of law, for any property other than mobile homes,
6 the property tax credit under this section does not apply to any property subject to
7 payments or taxes that are stated by law to be in lieu of personal or real property
8 taxes.

9 **SECTION 10. AMENDMENT.** Section 57-33.2-02 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **57-33.2-02. Transmission line mile tax - Exemption.**

12 Transmission lines are subject to annual taxes per mile [1.61 kilometers] or fraction of a
13 mile based on their nominal operating voltages on January first of each year, as follows:

- 14 1. For transmission lines that operate at a nominal operating voltage of less than fifty
15 kilovolts, a tax of fifty dollars.
- 16 2. For transmission lines that operate at a nominal operating voltage of fifty kilovolts or
17 more, but less than one hundred kilovolts, a tax of one hundred dollars.
- 18 3. For transmission lines that operate at a nominal operating voltage of one hundred
19 kilovolts or more, but less than two hundred kilovolts, a tax of two hundred dollars.
- 20 4. For transmission lines that operate at a nominal operating voltage of two hundred
21 kilovolts or more, but less than three hundred kilovolts, a tax of four hundred dollars.
- 22 5. For transmission lines that operate at a nominal operating voltage of three hundred
23 kilovolts or more, a tax of six hundred dollars.
- 24 6. A transmission line initially placed in service after January 1, 2009, and before
25 December 31, 2013, is exempt from transmission line taxes under this section for the
26 first taxable year after the line is initially placed in service, and transmission line taxes
27 under this section must be reduced by:
 - 28 a. Seventy-five percent for the second taxable year of operation of the transmission
29 line.
 - 30 b. Fifty percent for the third taxable year of operation of the transmission line.

- 1 c. Twenty-five percent for the fourth taxable year of operation of the transmission
2 line.
- 3 d. After the fourth taxable year of operation, such transmission lines are subject to
4 the standard transmission line taxes under this section.
- 5 7. A transmission line of two hundred thirty kilovolts or larger initially placed in service
6 after January 1, 2009, is subject to a tax at the rate of three hundred dollars per mile
7 [1.61 kilometers] or fraction of a mile. A transmission line subject to tax under this
8 subsection is exempt for the first taxable year after the line is initially placed in service,
9 and transmission line taxes under this subsection must be reduced by:
- 10 a. Seventy-five percent for the second taxable year of operation of the transmission
11 line.
- 12 b. Fifty percent for the third taxable year of operation of the transmission line.
- 13 c. Twenty-five percent for the fourth taxable year of operation of the transmission
14 line.
- 15 d. After the fourth taxable year of taxable operation, such transmission lines are
16 subject to the standard transmission line taxes under this subsection.
- 17 8. For purposes of this section, "initially placed in service" includes both new construction
18 and substantial expansion of the carrying capacity of a preexisting line, and
19 "substantial expansion" means an increase in carrying capacity of fifty percent or
20 more.

21 **SECTION 11. TRANSITION.** The state supervisor of assessments shall recertify assessors
22 at the end of the term of any certification that expires after July 31, 2017, upon application and
23 submission by the certificate holder of evidence of completion of required educational sessions
24 under North Dakota Administrative Code chapter 81-02.1-02 or under section 57-02-01.1 or
25 rules adopted to administer that section, subject to the following additional requirements:

26 1. The holder of a township assessor or class II city assessor certification may be
27 recertified as a certified class II assessor upon completion of the instruction required
28 for class II assessor certification, with credit allowed by the state supervisor of
29 assessments for any instruction previously received by the applicant for certification as
30 a township assessor.

1 2. The holder of a class I city assessor or county director of tax equalization certification
2 may be recertified as a certified class I assessor upon submission of evidence of
3 completion of required education sessions during the term of the class I city assessor
4 or county director of tax equalization certification.

5 **SECTION 12. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
6 December 31, 2014, except section 6, which is effective for taxable years beginning after
7 December 31, 2015.