

Introduced by

Senators Cook, Laffen, Schaible

Representatives Headland, Howe, Olson

1 A BILL for an Act to create and enact a new section to chapter 57-15 of the North Dakota
2 Century Code, relating to a consolidated taxpayer notice containing estimated property tax
3 levies and budget hearing information; to amend and reenact sections 11-23-04, 40-40-04,
4 40-40-06, 40-40-08, and 40-51.2-06, subdivision c of subsection 1 of section 40-51.2-07,
5 sections 40-51.2-16, 57-02-53 and ~~57-15-02.1~~, 57-05-01, 57-05-01.1, 57-05-06, 57-05-07,
6 57-05-08, 57-06-06, 57-06-09, 57-06-11, 57-06-12, 57-06-15, 57-06-21, 57-13-02, and 57-15-13
7 of the North Dakota Century Code, relating to assessment increase notices and property tax
8 levy public hearings, the dates for general taxation of land by a city, notices of dates of
9 assessments and reports for centrally assessed property, the annual meeting of the state board
10 of equalization, and dates for school district tax levies; to repeal sections 11-23-03 and
11 57-15-02.1 of the North Dakota Century Code, relating to notice of levy increases and public
12 hearings; and to provide an effective date.

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

14 **SECTION 1. AMENDMENT.** Section 11-23-04 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **11-23-04. Hearing on budget - Taxpayer may appear.**

17 The board of county commissioners shall meet at the time and place designated in the
18 notice prescribed by section ~~11-23-03~~21 of this Act. Any taxpayer who may appear shall be
19 heard in favor of or against any proposed expenditures or tax levies. When the hearing shall
20 have been concluded, the board shall adopt such estimate as finally is determined upon. All
21 taxes shall be levied in specific amounts and shall not exceed the amount specified in the
22 published estimates.

23 **SECTION 2. AMENDMENT.** Section 40-40-04 of the North Dakota Century Code is
24 amended and reenacted as follows:

1 **40-40-04. Municipality to prepare preliminary budget statement.**

2 The governing body of each municipality, annually on or before ~~September~~August tenth,
3 shall make an itemized statement known as the preliminary budget statement showing the
4 amounts of money which, in the opinion of the governing body, will be required for the proper
5 maintenance, expansion, or improvement of the municipality during the year.

6 **SECTION 3. AMENDMENT.** Section 40-40-06 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **40-40-06. Notice of preliminary budget statement - Contents - How given.**

9 ~~After~~

10 1. On or before August tenth of each year, after the governing body has prepared the
11 preliminary budget statement, the auditor of the municipality shall ~~give notice that:~~

12 ~~1.—The preliminary budget is on file in the office of the auditor and may be examined by~~
13 ~~anyone upon request.~~

14 ~~2.—The governing body shall meet~~

15 a. Provide the county auditor with a copy of the preliminary budget statement.

16 b. Set a public budget hearing date no earlier than September seventh and no later
17 than October seventh ~~at the time and place specified in the notice as prescribed~~
18 ~~by subsection 3~~ for the purpose of adopting the final budget and making the
19 annual tax levy.

20 ~~3.—The governing body shall hold a public session at the time and place designated in the~~
21 ~~notice of hearing at which any taxpayer may appear and discuss with the body any~~
22 ~~item of proposed expenditures or may object to any item or amount.~~

23 ~~The~~

24 c. Provide notice of the public budget hearing date to the county auditor.

25 2. For municipalities anticipating levying less than one hundred thousand dollars in the
26 current year, notice must ~~contain:~~

27 a. Contain a statement of the total proposed expenditures for each fund in the
28 preliminary budget, but need not contain any detailed statement of the proposed
29 expenditures. ~~The notice must be:~~

30 b. Be published at least once, not less than six days prior to the budget hearing, in a
31 newspaper published in the municipality, if there is one, and if no newspaper is

1 published in the municipality, the notice must be published not less than six days
2 prior to the meeting in the official city newspaper as provided by section
3 40-01-09; and

4 c. Provide that any taxpayer may appear and discuss with the governing body any
5 item of proposed expenditures or may object to any item or amount.

6 **SECTION 4. AMENDMENT.** Section 40-40-08 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **40-40-08. Hearing of protests and objections - Changes in preliminary budget -**
9 **Preparation of final budget - Contents.**

10 The governing body shall meet at the time and place ~~specified in the notice~~ set pursuant to
11 section 40-40-06 and shall hear any and all protests or objections to the items or amounts set
12 forth in the preliminary budget statement. At the hearing, the governing body shall make any
13 changes in the items or amounts shown on the preliminary budget statement as it may deem
14 advisable except as limited in this chapter, and shall prepare the final budget, which must
15 consist of the preliminary budget with the addition of columns showing:

- 16 1. The final appropriations for the various expenditure items specified in the preliminary
17 budget statement. The final appropriation of any fund total may not exceed the total
18 amount requested in the preliminary budget.
- 19 2. The estimated amount of unencumbered cash on hand at the end of the current year
20 may not include cash or investments of the equipment replacement fund as provided
21 in section 40-40-05.
- 22 3. The levy amount determined by subtracting the total resources from the total
23 appropriations and cash reserve for each fund. The governing body may increase the
24 levy an additional five percent for delinquent tax collections.
- 25 4. The certificate of levy which includes a summary of the amount levied for each fund
26 and the total amount levied.

27 **SECTION 5. AMENDMENT.** Section 40-51.2-06 of the North Dakota Century Code is
28 amended and reenacted as follows:

1 **40-51.2-06. Petition of owners and electors - Annexation or exclusion - Classification**
2 **of annexed agricultural lands for tax purposes.**

3 If the governing body annexes the area, it shall do so by ordinance. When a copy of the
4 ordinance and an accurate map of the annexed area, certified by the executive officer of the
5 city, are filed and recorded with the county recorder, the annexation becomes effective. An
6 annexation is effective for the purpose of general taxation on and after the first day of the next
7 ~~February~~January. However, the city shall continue to classify as agricultural lands for tax
8 purposes all lands in the annexed area which were classified as agricultural lands immediately
9 before the annexation proceedings until those lands are put to another use. If the governing
10 body determines to exclude the area petitioned for, it may do so by ordinance adopted and
11 recorded as in the case of annexation.

12 **SECTION 6. AMENDMENT.** Subdivision c of subsection 1 of section 40-51.2-07 of the
13 North Dakota Century Code is amended and reenacted as follows:

- 14 c. In the absence of protests filed by the owners of more than one-fourth of the
15 territory proposed to be annexed as of the date of the adoption of the resolution,
16 the territory described in the resolution becomes a part of the city. When a copy
17 of the resolution and an accurate map of the annexed area, certified by the
18 executive officer of the city, are filed and recorded with the county recorder, the
19 annexation becomes effective. Annexation is effective for the purpose of general
20 taxation on and after the first day of the next ~~February~~January. However, the city
21 shall continue to classify as agricultural lands for tax purposes all lands in the
22 annexed area which were classified as agricultural lands immediately before the
23 annexation proceedings until those lands are put to another use.

24 **SECTION 7. AMENDMENT.** Section 40-51.2-16 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **40-51.2-16. Effective date of annexation by administrative law judge - Classification of**
27 **annexed agricultural lands for tax purposes.**

28 Territory annexed to a city pursuant to petition to the director of the office of administrative
29 hearings is annexed as of the date of the order of the administrative law judge, except for tax
30 purposes, and a copy of the resolution with an accurate map of the annexed area, certified by
31 the executive officer of the city, must be filed and recorded with the county recorder. Annexation

1 is effective for the purpose of general taxation on and after the first day of the next
2 ~~February~~ January. However, the city shall continue to classify as agricultural lands for tax
3 purposes all lands in the annexed area which were classified as agricultural lands immediately
4 before the annexation proceedings until those lands are put to another use.

5 **SECTION 8. AMENDMENT.** Section 57-02-53 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **57-02-53. Assessment increase notice to property owner.**

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

- 1 c. The tax commissioner shall prescribe suitable forms for written notices under this
2 subsection. The written notice under subdivision a must show the true and full
3 value of the property, including improvements, that the assessor determined for
4 the current year and for the previous year and must also show the date
5 prescribed by law for the meeting of the local board of equalization of the
6 assessment district in which the property is located and the meeting date of the
7 county board of equalization.
- 8 d. Delivery of written notice under this section must be by personal delivery to the
9 property owner, mail addressed to the property owner at the property owner's
10 last-known address, or electronic mail to the property owner directed with
11 verification of receipt to an electronic mail address at which the property owner
12 has consented to receive notice.
- 13 2. The form of notice prescribed by the tax commissioner must require a statement to
14 inform the taxpayer that an assessment increase does not mean property taxes on the
15 parcel will increase. ~~The notice must state that each taxing district must provide mailed~~
16 ~~notice of public hearing to the property owner if a greater property tax levy is being~~
17 ~~proposed than a zero increase number of mills. The notice may not contain an~~
18 ~~estimate of a tax increase resulting from the assessment increase.~~
- 19 3. ~~The assessor shall provide an electronic or printed list including the name and address~~
20 ~~of the addressee of each assessment increase notice required under subdivision a of~~
21 ~~subsection 1 and the officer responsible for providing notice under subdivision b of~~
22 ~~subsection 1 shall provide an electronic or printed list including the name and address~~
23 ~~of the addressee of each assessment increase notice required under subdivision b of~~
24 ~~subsection 1 to each city, county, school district, or city park district in which the~~
25 ~~subject property is located, but a copy does not have to be provided to any such taxing~~
26 ~~district that levied a property tax levy of less than one hundred thousand dollars for the~~
27 ~~prior year.~~

28 **SECTION 9. AMENDMENT.** Section 57-05-01 of the North Dakota Century Code is
29 amended and reenacted as follows:

57-05-01. Railroad property to be assessed by state board of equalization.

The state board of equalization, at its annual meeting in ~~August~~July in each year, shall assess, at its actual value on the first day of January of that year, the operating property, including franchises, of each railroad operated in this state, including any electric or other street or interurban railway. If any railroad allows any portion of its railway to be used for any purpose other than the operation of a railroad, the portion of its railway while so used must be assessed in a manner provided for the assessment of other real property. To enable the board to make a correct valuation of property, it shall have access to all reports, estimates, and surveys of a line of railroad on file in the office of the public service commission and has power to summon and compel the attendance of witnesses, and to examine witnesses under oath in any matter relating to the value of the property. In fixing the value of any railroad, and of branch lines and sidetracks, the board must be governed by the rules prescribed for county and township assessors in valuing other property in this state. The board shall make a record of the value placed by it upon the property of the railroad, including the valuation per mile [1.61 kilometers] of main line and of branch lines and sidetracks. Railroad property held in trust by the public service commission for purposes of reorganization or reopening of the railway line is exempt from assessment as provided in this section.

SECTION 10. AMENDMENT. Section 57-05-01.1 of the North Dakota Century Code is amended and reenacted as follows:

57-05-01.1. Tentative assessment - Notice of hearing.

1. The tax commissioner, on or before ~~July~~June fifteenth of each year, shall ascertain and determine the value of, and a tentative assessment of, all operative property of any company required to be assessed under the provisions of this chapter. ~~Such~~The determination of value must be made for the guidance of the state board of equalization in assessing ~~such~~the property at its annual meeting in ~~August~~July. In making ~~such~~this determination of value, the tax commissioner must be governed by the rules ~~laid down by~~provided in this chapter.
2. The tax commissioner shall give ten days' notice by mail to each company, or its representative in North Dakota, of the amount of its tentative assessment; and ~~shall appoint a time and place between~~the meeting of the state board of equalization on the ~~first~~second Tuesday of ~~August and the first day of September~~July, at which ~~meeting~~

1 each company is entitled to present evidence before the state board of equalization
2 relating to the value of the property of the company.

3 **SECTION 11. AMENDMENT.** Section 57-05-06 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **57-05-06. County auditor to send maps to railroad corporation.**

6 The county auditor of each county in the state shall ~~mail~~provide to each railroad corporation
7 doing business in that county, on or before the first day of ~~March~~February of each year, an
8 accurate map of the county showing the boundaries of each assessment district.

9 **SECTION 12. AMENDMENT.** Section 57-05-07 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **57-05-07. Railroad shall file information with county auditor.**

12 Every railroad corporation, on or before the fifteenth day of ~~February~~January in each year,
13 shall file in the office of the county auditor of each county in the state in which ~~said~~the
14 company's lines are located:

- 15 1. The name of the corporation.
- 16 2. The principal place of doing business.
- 17 3. The names and post-office addresses of the president, secretary, and treasurer of the
18 corporation.

19 **SECTION 13. AMENDMENT.** Section 57-05-08 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **57-05-08. Report by railroad corporation to state tax commissioner.**

22 Each railroad corporation required to be assessed under the provisions of this chapter
23 annually shall, on or before ~~May~~April first of each year, under oath of the presiding or other chief
24 executive officer, make and file ~~in such~~on the form and in the manner as the tax commissioner
25 may prescribe a report containing the following information:

- 26 1. The name of the company;
- 27 2. The laws of what state or country organized, the date of original organization, the date
28 of reorganization, consolidation, or merger, with specific reference to laws authorizing
29 the same;
- 30 3. Location of its principal office;
- 31 4. The name of the place where its books, papers, and accounts are kept;

- 1 5. The name and post-office address of the president, secretary, treasurer, auditor,
2 superintendent, general manager, and all other general officers;
- 3 6. The name and post-office address of the chief officer or managing agent of the
4 company in North Dakota and of all other general officers residing in this state;
- 5 7. The total number of shares of capital stock;
- 6 8. The par value of the shares of the capital stock for the whole system, showing
7 separately the amount authorized, amount issued, amount outstanding, and dividends
8 paid thereon;
- 9 9. If such capital stock has no market value, the actual value on the dates and for the
10 periods designated by the tax commissioner of this state;
- 11 10. The funded debt of the company for the whole system and a detailed statement of all
12 series of bonds, debentures, or other securities, forming a part of the funded debt, at
13 par value, with the date of issue, maturity, rate of interest, and amount of interest for
14 the preceding year;
- 15 11. The market value of each series of funded debt securities for the whole system on the
16 dates and for the periods designated by the tax commissioner, and if the whole or a
17 part of ~~such~~the funded debt has no market value, then the actual value thereof for
18 ~~such~~the dates and periods as the tax commissioner may specify;
- 19 12. Such general description of the operative and nonoperative real estate of the company
20 in North Dakota as would be sufficient in a conveyance thereof, under a judicial
21 decree, to vest in the grantee all title and interest in and to the said property;
- 22 13. A description of the personal property of the company;
- 23 14. The number of miles [kilometers] of each main line of railroad, the number of miles
24 [kilometers] of each branch line and sidetracks thereof within the state of North
25 Dakota;
- 26 15. The entire gross earnings of the company from operation, expenses of operation, net
27 earnings and income from operation, and the income from other sources, for the whole
28 system, and in North Dakota, for the years or period the tax commissioner may
29 request or specify, not exceeding five years;

1 16. The location of the property of the company within this state by counties,
2 municipalities, and districts, in ~~such~~the manner and ~~in such~~ detail as the tax
3 commissioner shall prescribe; and

4 17. ~~Such other~~Other facts and information as the tax commissioner may require in the
5 form of returns prescribed by the tax commissioner or which the company may deem
6 material upon the question of taxation of its property in this state.

7 **SECTION 14. AMENDMENT.** Section 57-06-06 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **57-06-06. Reports of companies.**

10 Each company required to be assessed under the provisions of this chapter annually, on or
11 before the ~~first~~fifteenth day of ~~May~~April, under oath of the president or other chief executive
12 officer, and the secretary or treasurer or auditor or superintendent of such company, shall make
13 and file with the tax commissioner, in ~~such~~the form ~~as~~ the tax commissioner may prescribe, a
14 report containing the following information, so far as applicable to the company making ~~such~~the
15 report, as of January first of the year in which the report is furnished:

- 16 1. The name of the company.
- 17 2. The nature of the company, whether a person, association, corporation, or limited
18 liability company, and under the laws of what state or country organized, the date of
19 original organization, the date of reorganization, consolidation, or merger, with specific
20 reference to laws authorizing the same.
- 21 3. Location of its principal office.
- 22 4. The name of the place where its books, papers, and accounts are kept.
- 23 5. The name and post-office address of the president, secretary, treasurer, auditor,
24 superintendent, general manager, and all other general officers.
- 25 6. The name and post-office address of the chief officer or managing agent of the
26 company in North Dakota and of all other general officers residing in this state.
- 27 7. The total number of shares of capital stock.
- 28 8. The par value of the shares of the capital stock for the whole system, showing
29 separately the amount authorized, amount issued, amount outstanding, and dividends
30 paid thereon.

- 1 9. If ~~such~~the capital stock has no market value, the actual value on the dates and for the
2 periods designated by the tax commissioner of this state.
- 3 10. The funded debt of the company for the whole system and a detailed statement of all
4 series of bonds, debentures, or other securities, forming a part of the funded debt, at
5 par value, with the date of issue, maturity, rate of interest, and amount of interest for
6 the preceding year.
- 7 11. The market value of each series of funded debt securities for the whole system on the
8 dates and for the periods designated by the tax commissioner, and if the whole or a
9 part of ~~such~~the funded debt has no market value, then the actual value thereof for
10 ~~such~~the dates and periods as the tax commissioner may specify.
- 11 12. ~~Such~~The general description of the operative and nonoperative real estate of the
12 company in North Dakota as would be sufficient in a conveyance thereof, under a
13 judicial decree, to vest in the grantee all title and interest in and to the said property.
- 14 13. A description of the personal property, including moneys and credits, held by the
15 company as a whole system, and the part thereof apportioned to the line in North
16 Dakota.
- 17 14. The whole length of the lines of the system operated by the company and the length of
18 the lines in North Dakota, whether operated as owner, lessee, or otherwise. The length
19 of the line operated for the whole system and in North Dakota shall be separately
20 reported.
- 21 15. The entire gross earnings of the company from operation, expenses of operation, net
22 earnings and income from operation, and the income from other sources, for the whole
23 system, and in North Dakota, for the years or period the tax commissioner may
24 request or specify, not exceeding five years.
- 25 16. The location of the property of the company within this state by counties,
26 municipalities, and districts, in ~~such~~the manner and ~~in such~~detail as the tax
27 commissioner shall prescribe.
- 28 17. Other facts and information as the tax commissioner may require or which the
29 company may deem material relating to the taxation of its property in this state.

30 **SECTION 15. AMENDMENT.** Section 57-06-09 of the North Dakota Century Code is
31 amended and reenacted as follows:

1 **57-06-09. Penalty for failure to furnish report.**

2 If any company refuses or neglects to make the report required by this chapter or refuses or
3 neglects to furnish any information requested, the tax commissioner shall obtain the best
4 information available on the facts necessary to be known in order to discharge the tax
5 commissioner's duties with respect to the valuation and assessment of the property of the
6 company. If any company fails to make the report required under this chapter on or before the
7 ~~first~~fifteenth day of ~~May~~April of any year, the state board of equalization shall add ~~ten~~twenty
8 percent to the assessed value of the property of the company for that year, but the tax
9 commissioner, upon written application received on or before the ~~first~~fifteenth day of ~~May~~April,
10 may grant an extension of time through the first day of ~~June~~May to file the required report. If any
11 company fails to make the report required under this chapter on or before the first day of
12 ~~July~~June of any year, the state board of equalization shall add an additional ten percent to the
13 assessed value of the property of the company for that year. On or before the ~~fifteenth~~first day
14 of ~~July~~June, for good cause shown, the tax commissioner may waive all or any part of the
15 penalty that attached under this section.

16 **SECTION 16. AMENDMENT.** Section 57-06-11 of the North Dakota Century Code is
17 amended and reenacted as follows:

18 **57-06-11. Tentative valuation by tax commissioner.**

19 The tax commissioner, on or before ~~July~~June fifteenth of each year, shall ascertain and
20 determine the value of all operative property of any company required to be assessed under the
21 provisions of this chapter. ~~Such~~This determination of value must be made for the guidance of
22 the state board of equalization in assessing ~~such~~the property at its annual meeting in
23 ~~August~~July. In making ~~such~~the determination of value, the tax commissioner must be governed
24 by the rules ~~laid down by~~provided in this chapter and by ~~such directions as may be~~direction
25 given to the tax commissioner by the state board of equalization.

26 **SECTION 17. AMENDMENT.** Section 57-06-12 of the North Dakota Century Code is
27 amended and reenacted as follows:

28 **57-06-12. Tentative assessment to be made and notice of hearing.**

29 The tax commissioner shall give ten days' notice by mail to each company, or its
30 representative in North Dakota, of the amount of its tentative assessment and ~~shall appoint a~~
31 ~~time and place, between~~the meeting of the state board of equalization on the ~~first~~second

1 Tuesday of ~~August and the first day of September~~ July, at which meeting each company is
2 entitled to present evidence before the state board of equalization relating to the value of the
3 property of the company.

4 **SECTION 18. AMENDMENT.** Section 57-06-15 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **57-06-15. Assessment by state board of equalization - Notice of increase.**

7 The state board of equalization may adopt the tentative assessment of the tax
8 commissioner in whole or in part. The valuation and tentative assessments made by the tax
9 commissioner must be considered merely findings of fact of the executive officer of the board.
10 The state board of equalization shall review ~~such~~the valuation and tentative assessment at the
11 time of its annual meeting in ~~August~~July of each year and then shall make a final assessment of
12 ~~such~~the property. It may increase or lower the entire assessment, or any assessment contained
13 therein, on any item contained within the assessment of any company. Before the state board of
14 equalization may make an increase in the assessed valuation of the property of ~~any such~~the
15 company over the valuation contained in the tentative assessment, notice must be given to the
16 company of ~~any such~~the proposed increase and a hearing granted thereon. A ten-day written
17 notice of the proposed increase and hearing must be given to the company ~~in such instance~~,
18 either by mail addressed to the company, or personally served on a duly authorized agent of the
19 company.

20 **SECTION 19. AMENDMENT.** Section 57-06-21 of the North Dakota Century Code is
21 amended and reenacted as follows:

22 **57-06-21. Reports to county auditors.**

23 On or before the fifteenth day of ~~March~~February of each year, each company required to be
24 assessed under this chapter shall file with the county auditor of each county within which any
25 part of its operative property is located a report giving a general description of all its property
26 located within the county, with operative and nonoperative property listed separately. The report
27 must give the length of the line or lines within the county and the length in each taxing district of
28 each line constituting part of a single and continuous line or property. The company also shall
29 file with the county auditor and the tax commissioner a map of all of its lines within the county
30 showing clearly the length of its lines within each taxing district as of January first of that year.
31 To facilitate the making of the maps, the county auditor, on or before the first day of

1 ~~February~~ January of each year, shall provide to each company a current map of the county
2 showing the boundaries of each taxing district in the county.

3 **SECTION 20. AMENDMENT.** Section 57-13-02 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **57-13-02. Annual meeting to assess taxable property.**

6 The state board of equalization shall meet annually on the ~~first~~ second Tuesday in
7 ~~August~~ July at the office of the state tax commissioner and shall assess all of the taxable
8 property which such board is required to assess pursuant to and in accordance with the
9 provisions of section 4 of article X of the Constitution of North Dakota, as amended, and the
10 statutes of this state.

11 **SECTION 21.** A new section to chapter 57-15 of the North Dakota Century Code is created
12 and enacted as follows:

13 **Estimated property tax and budget hearing notice.**

- 14 1. On or before August ~~first~~ tenth of each year the governing body of a taxing district shall
15 provide to the county ~~treasurer~~ auditor in each county in which the taxing district has
16 taxable property a preliminary budget statement and the date, time, and location of the
17 taxing district's public hearing on its property tax levy. ~~For purposes of this section, a~~
18 ~~taxing district means a city, county, school district, or city park district but does not~~
19 ~~include any such taxing district that levied a property tax levy of less than one hundred~~
20 ~~thousand dollars for the prior year and sets a budget for the current year calling for a~~
21 ~~property tax levy of less than one hundred thousand dollars, which may be no earlier~~
22 ~~than September seventh. A taxing district that fails to provide the information required~~
23 ~~under this subsection on or before August tenth may not impose a property tax levy in~~
24 ~~a greater amount of dollars than was imposed by the taxing district in the prior year.~~
- 25 2. By August ~~twenty-fifth~~ thirty-first of each year the county ~~treasurer~~ auditor shall provide
26 a written notice to the owner of each parcel of taxable property with a total estimated
27 property tax of at least one hundred dollars. The text of the notice must contain:
- 28 a. The date, time, and location of the public budget hearing for each of the taxing
29 districts in which the property owner's parcel is located, which anticipate levying
30 in excess of one hundred thousand dollars in the current year, and the location at
31 which the taxing district's budget is available for review;

- 1 ~~b. The number of mills against the taxing district's current year taxable valuation,~~
2 ~~excluding consideration of the taxable valuation of any property that was not~~
3 ~~taxable in the prior year, which would provide the same amount of property tax~~
4 ~~revenue as the property tax levy in the prior year~~ The true and full value of the
5 property based on the best information available;
6 ~~c. A statement regarding whether the taxing district anticipates increasing the~~
7 ~~property tax levy~~ A column showing the actual property tax levy in dollars against
8 the parcel by the taxing district that levied taxes against the parcel in the
9 immediately preceding taxable year and a column showing the estimated
10 property tax levy in dollars against the parcel by the taxing district levying tax in
11 the taxable year for which the notice applies based on the preliminary budget
12 statements of all taxing jurisdictions;
13 ~~d. The additional number of mills the taxing district may require, calculated as the~~
14 ~~number of mills exceeding the amount determined in subdivision b, if the taxing~~
15 ~~district anticipates increasing its property tax levy~~ A column indicating the
16 difference between the taxing district's total levy from the previous year and the
17 taxing district's estimated levy with the word "INCREASE" printed in boldface
18 type if the proposed tax levy is larger in dollars than the levy in dollars in the
19 previous year;
20 e. Information identifying the estimated property tax savings that will be provided
21 pursuant to section 57-20-07.1 based on the best information available; and
22 ~~e.f.~~ A statement that there will be an opportunity for citizens to present oral or written
23 comments regarding each taxing district's property tax levy.

- 24 3. Delivery of written notice under this section must be by personal delivery to the
25 property owner, mail addressed to the property owner at the property owner's
26 last-known address, or electronic mail to the property owner directed with verification
27 of receipt to an electronic mail address at which the property owner has consented to
28 receive notice. If a parcel of taxable property is owned by more than one owner, notice
29 must be sent to only one owner of the property. Failure of an owner to receive a notice
30 under this section will not relieve the owner of property tax liability or modify the

1 qualifying date under section 57-20-09 for which an owner may receive a discount for
2 early payment of tax.

3 4. The tax commissioner shall prescribe suitable forms for written notices under this
4 section.

5 5. The direct cost of providing taxpayer notices under this section may be allocated in a
6 manner proportionate to the number of notices mailed on behalf of each taxing district
7 that intends to levy in excess of one hundred thousand dollars in property taxes in the
8 current year.

9 ~~SECTION 3. AMENDMENT. Section 57-15-02.1 of the North Dakota Century Code is~~
10 ~~amended and reenacted as follows:~~

11 ~~57-15-02.1. Property tax levy increase notice and public hearing.~~

12 ~~Notwithstanding any other provision of law, a taxing district may not impose a property tax~~
13 ~~levy in a greater number of mills than the zero increase number of mills, unless the taxing~~
14 ~~district is in substantial compliance with this section.~~

15 ~~1. The governing body shall cause publication of notice in its official newspaper at least~~
16 ~~seven days before a public hearing on its property tax levy. A provide notice of a public~~
17 ~~hearing under this section in accordance with the requirements under section 2 of this~~
18 ~~Act. A public hearing under this section may not be scheduled to begin earlier than six~~
19 ~~p.m. The notice must have at least one-half inch [1.27 centimeters] white space~~
20 ~~margin on all four sides and must be at least two columns wide by five inches [12.7~~
21 ~~centimeters] high. The heading must be capitalized in boldface type of at least~~
22 ~~eighteen point stating "IMPORTANT NOTICE TO (name of taxing district)~~
23 ~~TAXPAYERS". The proposed percentage increase must be printed in a boldface type~~
24 ~~size no less than two points less than the heading, while the remaining portion of the~~
25 ~~advertisement must be printed in a type face size no less than four points less than the~~
26 ~~heading. The text of the notice must contain:~~

27 ~~a. The date, time, and place of the public hearing.~~

28 ~~b. A statement that the public hearing will be held to consider increasing the~~
29 ~~property tax levy by a stated percentage, expressed as a percentage increase~~
30 ~~exceeding the zero increase number of mills.~~

- 1 ~~_____ c. A statement that there will be an opportunity for citizens to present oral or written~~
2 ~~comments regarding the property tax levy.~~
- 3 ~~_____ d. Any other information the taxing district wishes to provide to inform taxpayers.~~
- 4 ~~_____ 2. At least seven days before a public hearing on its property tax levy under this section,~~
5 ~~the governing body shall cause notice of the information required under subsection 1-~~
6 ~~to be mailed to each property owner who received notice of an assessment increase~~
7 ~~for the taxable year under section 57-02-53.~~
- 8 ~~_____ 3.2. If the governing body of the taxing district does not make a final decision on imposing~~
9 ~~a property tax levy exceeding the zero increase number of mills at the public hearing~~
10 ~~required by this section, the governing body shall announce at that public hearing the~~
11 ~~scheduled time and place of the next public meeting at which the governing body will~~
12 ~~consider final adoption of a property tax levy exceeding the tax district's zero increase~~
13 ~~number of mills.~~
- 14 ~~_____ 4.3. For purposes of this section:~~
- 15 ~~_____ a. "New growth" means the taxable valuation of any property that was not taxable in~~
16 ~~the prior year.~~
- 17 ~~_____ b. "Property tax levy" means the tax rate, expressed in mills, for all property taxes~~
18 ~~levied by the taxing district.~~
- 19 ~~_____ c. "Taxing district" means a city, county, school district, or city park district but does~~
20 ~~not include any such taxing district that levied a property tax levy of less than one~~
21 ~~hundred thousand dollars for the prior year and sets a budget for the current year~~
22 ~~calling for a property tax levy of less than one hundred thousand dollars.~~
- 23 ~~_____ d. "Zero increase number of mills" means the number of mills against the taxing~~
24 ~~district's current year taxable valuation, excluding consideration of new growth,~~
25 ~~which will provide the same amount of property tax revenue as the property tax~~
26 ~~levy in the prior year.~~
- 27 ~~_____ 5.4. For the taxable year 2013 only, for purposes of determining the zero increase number~~
28 ~~of mills for a school district, the amount of property tax revenue from the property tax~~
29 ~~levy in the 2012 taxable year must be recalculated by reducing the 2012 mill rate of~~
30 ~~the school district by the lesser of:~~
- 31 ~~_____ a. Fifty mills; or~~

1 ~~_____ b. The 2012 general fund mill rate of the school district minus sixty mills.~~

2 **SECTION 22. AMENDMENT.** Section 57-15-13 of the North Dakota Century Code is
3 amended and reenacted as follows:

4 **57-15-13. School district tax levies.**

5 School district taxes must be levied by the governing body of each school district on or
6 before the ~~fifteenth~~^{tenth} day of August of each year. The governing body of the school district
7 may amend its tax levy and budget for the current fiscal year on or before the tenth day of
8 October of each year but the certification must be filed with the county auditor within the time
9 limitations under section 57-15-31.1. Taxes for school district purposes must be based upon an
10 itemized budget statement which must show the complete expenditure program of the district
11 for the current fiscal year and the sources of the revenue from which it is to be financed. The
12 school board of each public school district, in levying taxes, is limited by the amount necessary
13 to be raised for the purpose of meeting the appropriations included in the school budget of the
14 current fiscal year, and the sum necessary to be provided as an interim fund, together with a tax
15 sufficient in amount to pay the interest on the bonded debt of the district and to provide a
16 sinking fund to pay and discharge the principal thereof at maturity.

17 **SECTION 23. REPEAL.** Sections 11-23-03 and 57-15-02.1 of the North Dakota Century
18 Code are repealed.

19 **SECTION 24. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
20 December 31, 2017.