

Introduced by

1 A BILL for an Act to amend and reenact sections 40-23-21, 40-24-18, 40-27-05, and 57-20-07.1
2 of the North Dakota Century Code, relating to the transfer of special assessment fund balances
3 and real estate tax statements; and to provide for application.

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

5 **SECTION 1. AMENDMENT.** Section 40-23-21 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **40-23-21. Use of collections of subsequent assessments.**

8 All collections of special assessments levied pursuant to sections 40-23-17 through
9 40-23-21 ~~shall~~must be credited as received to the special fund maintained by the municipality
10 for the payment of any outstanding special improvement warrants, refunding improvement
11 bonds, general obligation bonds, or revenue bonds ~~which were~~ issued to finance the
12 improvement for which the assessments were levied, or, if no such obligations are outstanding,
13 to ~~such fund as the governing body may direct~~general fund of the municipality.

14 **SECTION 2. AMENDMENT.** Section 40-24-18 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **40-24-18. Special improvement moneys to be kept separate - Designation and**
17 **numbering of funds - Diversion of moneys prohibited.**

18 All special assessments and taxes levied and other revenues pledged under ~~the provisions~~
19 ~~of this title to pay the cost of an improvement shall constitute a fund for the payment of such~~the
20 cost, including all principal of and interest on warrants and other obligations issued by the
21 municipality to finance the improvement, and ~~shall~~may not be diverted to ~~no~~any other purpose.
22 The city auditor shall hold all moneys received for any such fund as a special fund to be applied
23 to payment for the improvement. Each such fund ~~shall~~must be designated by the name and
24 number of the improvement district in or for which ~~said~~the special assessments, taxes, and

1 revenues are collected. When all principal and interest on warrants and other obligations of the
2 fund have been fully paid, all moneys remaining in a fund ~~may~~must be transferred into the
3 general fund of the municipality. The city auditor shall calculate the percentage of the
4 transferred funds attributable to each lot or parcel within the improvement district. The
5 percentage of the transferred funds attributable to each lot or parcel must be equal to the
6 percentage of special assessments levied against each lot or parcel in relation to the total
7 amount of special assessments levied for the improvement district. The city auditor shall certify
8 the amount attributable to each lot or parcel to the county auditor. The county auditor shall apply
9 the amount attributable to each lot or parcel as a credit against the unpaid special assessment
10 liability attached to the lot or parcel. The county auditor shall apply any amount exceeding the
11 remaining special assessment liability attached to a lot or parcel as a credit against the general
12 tax levied against the lot or parcel by the municipality.

13 **SECTION 3. AMENDMENT.** Section 40-27-05 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **40-27-05. Special fund for payment of bonds issued for purchase of special**
16 **assessment warrants - Tax levy.**

17 The governing body of a municipality which issues bonds for the purchase of special
18 assessment warrants shall create a special fund for the payment of the principal and interest of
19 ~~such~~the bonds as they~~the bonds~~ become due and shall credit to ~~such~~the fund all special
20 assessments collected for the payment of the special assessment warrants purchased. The
21 governing body shall make a general tax levy annually on all the property in the municipality
22 which, together with the special assessments collected, ~~shall~~must be sufficient to pay the
23 principal and interest of the bonds when ~~they~~the bonds become due. The levy imposed ~~shall~~is
24 not be subject to any of the tax levy limitations imposed by section 57-15-08 or acts amendatory
25 thereof. If any money remains in the special fund after the payment of the principal of all the
26 bonds and the interest thereon, ~~such~~the balance ~~may~~must be transferred to the general fund.
27 The city auditor shall calculate the percentage of the transferred funds attributable to each lot or
28 parcel within the improvement district. The percentage of the transferred funds attributable to
29 each lot or parcel must be equal to the percentage of special assessments levied against each
30 lot or parcel in relation to the total amount of special assessments levied for the improvement
31 district. The city auditor shall certify the amount attributable to each lot or parcel to the county

1 auditor. The county auditor shall apply the amount attributable to each lot or parcel as a credit
2 against the unpaid special assessment liability attached to the lot or parcel. The county auditor
3 shall apply any amount exceeding the remaining special assessment liability attached to a lot or
4 parcel as a credit against the general tax levied against the lot or parcel by the municipality.

5 **SECTION 4. AMENDMENT.** Section 57-20-07.1 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **57-20-07.1. County treasurer to mail real estate tax statement - Contents of statement.**
8 **(Effective for the first two taxable years beginning after December 31, 2016)**

9 1. On or before December twenty-sixth of each year, the county treasurer shall mail a
10 real estate tax statement to the owner of each parcel of real property at the owner's
11 last-known address. The form of the real estate tax statement to be used in every
12 county must be prescribed and approved for use by the tax commissioner. The
13 statement must be provided in a manner that allows the taxpayer to retain a printed
14 record of the obligation for payment of taxes and special assessments as provided in
15 the statement. If a parcel of real property is owned by more than one individual, the
16 county treasurer shall send only one statement to one of the owners of that property.
17 Additional copies of the tax statement will be sent to the other owners upon their
18 request and the furnishing of their names and addresses to the county treasurer. The
19 tax statement must:

- 20 a. Include a dollar valuation of the true and full value as defined by law of the
21 property and the total mill levy applicable.
- 22 b. Include, or be accompanied by a separate sheet, with three columns showing, for
23 the taxable year to which the tax statement applies and the two immediately
24 preceding taxable years, the property tax levy in dollars against the parcel by the
25 county and school district and any city or township that levied taxes against the
26 parcel.
- 27 c. Provide information identifying the property tax savings provided by the state of
28 North Dakota. The tax statement must include a line item that is entitled
29 "legislative tax relief" and identifies the dollar amount of property tax savings
30 realized by the taxpayer under chapter 15.1-27, section 57-20-07.2 for taxable
31 years before 2017, and chapter 50-34 for taxable years after 2016.

- 1 (1) For purposes of this subdivision, legislative tax relief under chapter 15.1-27
2 is determined by multiplying the taxable value for the taxable year for each
3 parcel shown on the tax statement by the number of mills of mill levy
4 reduction grant under chapter 57-64 for the 2012 taxable year plus the
5 number of mills determined by subtracting from the 2012 taxable year mill
6 rate of the school district in which the parcel is located the lesser of:
7 (a) Fifty mills; or
8 (b) The 2012 taxable year mill rate of the school district minus sixty mills.
- 9 (2) Legislative tax relief under chapter 50-34 is determined by multiplying the
10 taxable value for the taxable year for each parcel shown on the tax
11 statement by the number of mills determined by dividing the amount
12 calculated in subsection 1 of section 50-34-03 by the taxable value of
13 taxable property in the county for the taxable year.
- 14 2. Failure of an owner to receive a statement will not relieve that owner of liability, nor
15 extend the discount privilege past the February fifteenth deadline.

16 **County treasurer to mail real estate tax statement - Contents of statement. (Effective**
17 **for taxable years beginning after December 31, 2018)**

- 18 1. On or before December twenty-sixth of each year, the county treasurer shall mail a
19 real estate tax statement to the owner of each parcel of real property at the owner's
20 last-known address. The form of the real estate tax statement to be used in every
21 county must be prescribed and approved for use by the tax commissioner. The
22 statement must be provided in a manner that allows the taxpayer to retain a printed
23 record of the obligation for payment of taxes and special assessments as provided in
24 the statement. If a parcel of real property is owned by more than one individual, the
25 county treasurer shall send only one statement to one of the owners of that property.
26 Additional copies of the tax statement will be sent to the other owners upon their
27 request and the furnishing of their names and addresses to the county treasurer. The
28 tax statement must:
29 a. Include a dollar valuation of the true and full value as defined by law of the
30 property and the total mill levy applicable.

- 1 b. Include, or be accompanied by a separate sheet, with three columns showing, for
2 the taxable year to which the tax statement applies and the two immediately
3 preceding taxable years, the property tax levy in dollars against the parcel by the
4 county and school district and any city or township that levied taxes against the
5 parcel.
- 6 c. Provide information identifying the property tax savings provided by the state of
7 North Dakota. The tax statement must include a line item that is entitled
8 "legislative tax relief" and identifies the dollar amount of property tax savings
9 realized by the taxpayer under chapter 50-34 for taxable years 2017 and 2018
10 and under chapter 15.1-27. For purposes of this subdivision, legislative tax relief
11 under chapter 15.1-27 is determined by multiplying the taxable value for the
12 taxable year for each parcel shown on the tax statement by the number of mills of
13 mill levy reduction grant under chapter 57-64 for the 2012 taxable year plus the
14 number of mills determined by subtracting from the 2012 taxable year mill rate of
15 the school district in which the parcel is located the lesser of:
- 16 (1) Fifty mills; or
- 17 (2) The 2012 taxable year mill rate of the school district minus sixty mills.
- 18 d. Include the dollar amount of the credit determined under sections 40-24-18 and
19 40-27-05 which is applied against the tax levied against the parcel by the city.
- 20 2. Failure of an owner to receive a statement will not relieve that owner of liability, nor
21 extend the discount privilege past the February fifteenth deadline.

22 **SECTION 5. APPLICATION.** This Act is effective for special assessment fund balances
23 transferred to the general fund of a municipality after December 31, 2018.