

**2023 HOUSE FINANCE AND TAXATION**

**HB 1245**

# 2023 HOUSE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Room JW327E, State Capitol

HB 1245  
1/16/2023

A bill relating to communication of property tax levies with the public, financial reporting to the state auditor, and property tax statements.
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**Vice Chairman Hagert** opened the hearing at 10:02AM.

**Members present:** Chairman Headland, Vice Chairman Hagert, Representative Anderson, Representative Bosch, Representative Dockter, Representative Fisher, Representative Grueneich, Representative Hatlestad, Representative Motschenbacher, Representative Olson, Representative Steiner, Representative Toman, Representative Finley-DeVilleville, and Representative Ista. No members absent.

### **Discussion Topics:**

- Real Estate tax statements
- Financial reporting requirements
- Study of financial requirements and information

**Chairman Headland** introduced bill in support (#13483).

**Pete Hanebutt, North Dakota Farm Bureau**, testified verbally in support.

**Erica Johnsrud, Auditor/Treasurer for McKenzie County**, testified in opposition (#13420).

**Alicia Hildebrand, Accountant for Cass County**, testified for Brandy Madrigga, Finance Director for Cass County and member of the Auditor/Treasurer's Legislative Committee, in opposition (#13430).

**Donnell Preskey, North Dakota Association of Counties**, testified in opposition (#13421).

### **Additional written testimony:**

**Valerie McCloud, Auditor of Rolette County**, testimony in opposition (#13329).

**Vice Chairman Hagert** closed the hearing at 10:55AM.

*Mary Brucker, Committee Clerk*

# 2023 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee  
Room JW327E, State Capitol

HB 1245  
2/15/2023

A bill relating to communication of property tax levies with the public, financial reporting to the state auditor, and property tax statements.
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**Chairman Headland** opened the meeting at 10:01AM.

**Members present:** Chairman Headland, Vice Chairman Hagert, Representative Anderson, Representative Bosch, Representative Dockter, Representative Fisher, Representative Grueneich, Representative Hatlestad, Representative Motschenbacher, Representative Olson, Representative Steiner, Representative Toman, Representative Finley-DeVille, and Representative Ista. No members absent.

**Discussion Topics:**

- Proposed amendment 23.0075.04001

**Chairman Headland** distributed proposed amendment 23.0075.04001 (#20883).

**Representative Dockter** moved the amendment 23.0075.04001.

**Representative Steiner** seconded the motion.

**Roll call vote:**

Representatives	Vote
Representative Craig Headland	Y
Representative Jared Hagert	Y
Representative Dick Anderson	Y
Representative Glenn Bosch	Y
Representative Jason Dockter	Y
Representative Lisa Finley-DeVille	Y
Representative Jay Fisher	Y
Representative Jim Grueneich	Y
Representative Patrick Hatlestad	Y
Representative Zachary Ista	Y
Representative Mike Motschenbacher	Y
Representative Jeremy Olson	Y
Representative Vicky Steiner	Y
Representative Nathan Toman	Y

**Motion carried 14-0-0**

**Representative Motschenbacher** moved a Do Pass as Amended.

**Representative Fisher** seconded the motion.

**Roll call vote:**

<b>Representatives</b>	<b>Vote</b>
Representative Craig Headland	Y
Representative Jared Hagert	Y
Representative Dick Anderson	Y
Representative Glenn Bosch	Y
Representative Jason Dockter	Y
Representative Lisa Finley-DeVille	Y
Representative Jay Fisher	Y
Representative Jim Grueneich	Y
Representative Patrick Hatlestad	Y
Representative Zachary Ista	Y
Representative Mike Motschenbacher	Y
Representative Jeremy Olson	Y
Representative Vicky Steiner	Y
Representative Nathan Toman	Y

**Motion carried 14-0-0**

**Representative Motschenbacher is the bill carrier.**

**Chairman Headland** adjourned at 10:09AM.

*Mary Brucker, Committee Clerk*



HA  
2-15-23

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1245

- Page 1, line 1, replace the first comma with "and"
- Page 1, line 1, remove ", and 57-20-07.1"
- Page 1, line 2, replace the second comma with "and"
- Page 1, line 3, remove ", and property tax statements"
- Page 1, line 3, remove "a legislative"
- Page 1, line 4, replace "management" with "the tax commissioner to"
- Page 1, line 4, after "study" insert "property tax transparency"
- Page 1, line 4, replace "an effective date" with "for a legislative management report"
- Page 2, remove lines 8 through 31
- Page 3, remove lines 1 through 30
- Page 4, remove lines 1 through 31
- Page 5, replace lines 1 through 11 with:

**"SECTION 3. TAX COMMISSIONER STUDY - PROPERTY TAX  
TRANSPARENCY - LEGISLATIVE MANAGEMENT REPORT.**

1. During the 2023-24 interim, the tax commissioner, state supervisor of assessments, and the chairmen of the finance and taxation standing committees of the house of representatives and the senate shall conduct a property tax transparency study. The study must be conducted in consultation with city and county organizations, including county auditors and county directors of tax equalization. The study must include consideration of the following:
  - a. Historical changes in property valuations, mill rates levied, and impacts on citizens' tax burdens in each taxing jurisdiction, including development of an effective mechanism to make the information available to the public;
  - b. Creation of a new uniform property tax statement form to increase transparency in property taxation;
  - c. Feasibility and desirability of transitioning counties to a uniform system of collecting and reporting property tax information, including the process to transition counties to a uniform chart of accounts, implementation and administration of a uniform chart of accounts, and the associated costs; and
  - d. Feasibility and desirability of implementation of a statewide property tax information system and the associated costs.

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2. Before June 1, 2024, the tax commissioner, state supervisor of assessments, and the chairmen of the finance and taxation standing committees of the house of representatives and the senate shall report their findings and recommendations, together with any legislation required to implement the recommendations, to the legislative management."

H  
2-15-23

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1245: Finance and Taxation Committee (Rep. Headland, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1245 was placed on the Sixth order on the calendar.

Page 1, line 1, replace the first comma with "and"

Page 1, line 1, remove ", and 57-20-07.1"

Page 1, line 2, replace the second comma with "and"

Page 1, line 3, remove ", and property tax statements"

Page 1, line 3, remove "a legislative"

Page 1, line 4, replace "management" with "the tax commissioner to"

Page 1, line 4, after "study" insert "property tax transparency"

Page 1, line 4, replace "an effective date" with "for a legislative management report"

Page 2, remove lines 8 through 31

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Page 5, replace lines 1 through 11 with:

**"SECTION 3. TAX COMMISSIONER STUDY - PROPERTY TAX  
TRANSPARENCY - LEGISLATIVE MANAGEMENT REPORT.**

1. During the 2023-24 interim, the tax commissioner, state supervisor of assessments, and the chairmen of the finance and taxation standing committees of the house of representatives and the senate shall conduct a property tax transparency study. The study must be conducted in consultation with city and county organizations, including county auditors and county directors of tax equalization. The study must include consideration of the following:
  - a. Historical changes in property valuations, mill rates levied, and impacts on citizens' tax burdens in each taxing jurisdiction, including development of an effective mechanism to make the information available to the public;
  - b. Creation of a new uniform property tax statement form to increase transparency in property taxation;
  - c. Feasibility and desirability of transitioning counties to a uniform system of collecting and reporting property tax information, including the process to transition counties to a uniform chart of accounts, implementation and administration of a uniform chart of accounts, and the associated costs; and
  - d. Feasibility and desirability of implementation of a statewide property tax information system and the associated costs.
2. Before June 1, 2024, the tax commissioner, state supervisor of assessments, and the chairmen of the finance and taxation standing committees of the house of representatives and the senate shall report

their findings and recommendations, together with any legislation required to implement the recommendations, to the legislative management."

Renumber accordingly

**2023 SENATE FINANCE AND TAXATION**

**HB 1245**

# 2023 SENATE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1245  
3/14/2023

Relating to communication of property tax levies with the public and financial reporting to the state auditor; to provide for the tax commissioner to study property tax transparency; and to provide for a legislative management report.
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**11:15 AM Chairman Kannianen** opens hearing.

Senator Present: **Kannianen, Weber, Patten, Rummel, Piepkorn**. Senator Magrum absent.

### **Discussion Topics:**

- Due date
- Amendments

**11:16 AM Representative Headland** introduced bill.

**11:23 AM Donnell Preskey, Executive Director of the ND Association of Counties**, testified in favor. #24876

**11:29 AM Bill Wocken, ND League of Cities**, verbally testified in favor.

**11:30 AM Chairman Kannianen** adjourned hearing.

*Nathan Liesen, Committee Clerk*

# 2023 SENATE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1245  
3/28/2023

Relating to communication of property tax levies with the public and financial reporting to the state auditor; to provide for the tax commissioner to study property tax transparency; and to provide for a legislative management report.
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**9:06 AM Chairman Kannianen** opened hearing.

Senator Present: **Kannianen, Weber, Patten, Rummel, Magrum, Piepkorn.**

### **Discussion Topics:**

- Amendment options
- Dollars vs. mills
- Public communication

**9:07 AM Senator Kannianen** proposed amendment. #26848

**9:12 AM Senator Weber**, on behalf of **Representative Shannon Roers Jones**, proposed amendment. #26851

**9:16 AM Donnelle Presky, ND Association of Counties**, provided information.

**9:23 AM Alexis Baxley, ND School Boards Association**, provided additional information.

**9:29 AM Donnele Presky, ND Association of Counties**, provided information.

**9:34 AM Stephanie Dassinger Engebretson, ND League of Cities**, answered questions.

**9:36 AM Chairman Kannianen** adjourned meeting.

*Nathan Liesen, Committee Clerk*

# 2023 SENATE STANDING COMMITTEE MINUTES

## Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1245  
3/29/2023

Relating to communication of property tax levies with the public and financial reporting to the state auditor; to provide for the tax commissioner to study property tax transparency; and to provide for a legislative management report.

**9:05 AM Chairman Kannianen** opened hearing.

Senator Present: **Kannianen, Weber, Patten, Rummel, Magrum, Piepkorn.**

### Discussion Topics:

- Committee action

**9:05 AM Senator Weber** moved to adopt amendment #23.0075.05003. #26972

**9:08 AM Senator Patten** seconded.

Senators	Vote
Senator Jordan Kannianen	Y
Senator Mark F. Weber	Y
Senator Jeffery J. Magrum	Y
Senator Dale Patten	Y
Senator Merrill Piepkorn	Y
Senator Dean Rummel	Y

Motion passed 6-0-0

**9:09 AM Senator Weber** moved to further amend LC 23.0075.05001. #26851

**9:12 AM Senator Magrum** seconded.

Senators	Vote
Senator Jordan Kannianen	N
Senator Mark F. Weber	N
Senator Jeffery J. Magrum	N
Senator Dale Patten	N
Senator Merrill Piepkorn	N
Senator Dean Rummel	N

Motion failed 0-6-0

**9:18 AM Senator Weber** moved a Do Pass as amended.

**9:18 AM Senator Patten** seconded.



<b>Senators</b>	<b>Vote</b>
Senator Jordan Kannianen	Y
Senator Mark F. Weber	Y
Senator Jeffery J. Magrum	Y
Senator Dale Patten	Y
Senator Merrill Piepkorn	Y
Senator Dean Rummel	N

Motioin passed 5-1-0

**9:18 AM Senator Weber** will carry.

**9:20 AM Chairman Kannianen** adjourned meeting.

*Nathan Liesen, Committee Clerk*

AG  
3-29-23  
(1-1)

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1245

Page 2, line 3, replace "February" with "March"

Page 2, line 6, after "year" insert ", including the amount in each fund which is committed for a specific use"

Page 2, line 7, remove "the state auditor is conducting or has completed"

Page 2, line 7, replace "of the county" with "is complete"

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1245, as engrossed: Finance and Taxation Committee (Sen. Kannianen, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (5 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). Engrossed HB 1245 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

Page 2, line 3, replace "February" with "March"

Page 2, line 6, after "year" insert ", including the amount in each fund which is committed for a specific use"

Page 2, line 7, remove "the state auditor is conducting or has completed"

Page 2, line 7, replace "of the county" with "is complete"

Renumber accordingly

**TESTIMONY**

**HB 1245**

Written Testimony for the  
House and Finance and Taxation Committee  
January 16, 2023  
Valerie McCloud, Rolette County Auditor

RE: OPPOSITION FOR HB 1245

Chairman Headland, and member of the House and Finance Taxation Committee, my name is Valerie McCloud, Rolette County Auditor. I am writing in opposition to HB 1245, as it stands today.

This bill relates to the communication of property tax levies to the public, financial reporting to the state auditor, and property tax statements.

Section 1 amendments which relate to taxing district expressing levies in terms of dollars rather than mills, is not a concern. Entities such as schools, already certify levies in terms of dollars rather than mills, and this effectively would not change our calculations. If it is felt that communicating to the public in dollars rather than mills, I would not oppose this.

The Section 2 amendments, dealing with Financial Reporting requirements for taxing entities. I am not opposed to this section, as it has been challenging for many entities to get audit reports completed on a timely basis. I am however concerned with the requirement that the County Auditor is responsible for collecting all of the submission for taxing entities within the county and timeframe for all entities to report to the County Auditor. It seems it would be much better to allow cities, schools, townships to report directly to the State Auditor. The County Auditor should not be responsible for collecting all of the information and trying to contact those entities that don't submit timely, so it can be uploaded. This submission can be done by each entity, with the County Auditor submitting for the county and other entities that the county levies for such as Airport, Ambulance, Public Health, Water Resource District, etc.

I am opposed to the Section 3 amendments, which relates to changes to the Real Estate Tax Statements. These amendments would require changes to the tax statements, to create a colored pie chart, is not something that our software programmer would be able to do. Our county utilizes, Governsoft for tax software, as do 16 counties in the state. Since this is not an option to complete with our software, we would have to try and find a separate vendor, to try to meet these requirements and add the pie chart to the statements. The cost on this is unknown, if we were able to find a vendor to complete this. Our statements are currently not printed in color, and I don't think we have that ability. If we were able to do this, this would be an additional cost also.

This certainly comes with a cost that Rolette County cannot afford. Rolette County's funds are so limited that trying to even meet our existing financial obligations for required services has been challenging.

I do not see this amendment as necessary for transparency of taxes to the public. We have not had taxpayers complain about how much tax percentage is going to one entity versus the other, and at the time the statements are sent out there is no ability to change budget, or tax levies. The contact information for budget hearing is already provided on the Estimated Tax Statements sent in August, which allows taxpayers to go directly to each entity if they want more information or contest taxes for that entity.

At this time, I recommend a DO NOT PASS on HB 1245.

Written Testimony for the  
**House Finance and Taxation**

January 16, 2023

Erica Johnsrud, McKenzie County Auditor/Treasurer



**RE: OPPOSITION for HB 1245**

Good morning, Chairman Headland, and members of the House Finance and Taxation Committee. My name is Erica Johnsrud and I proudly serve as the Auditor/Treasurer for McKenzie County. As written, I stand in opposition of HB 1245.

I understand and appreciate the efforts to provide additional information to taxpayers. However, I do not believe this bill is the right mechanism to do so. This bill seeks to dramatically change the look and feel of the property tax statement for our citizens, in addition to requiring additional reports be uploaded to the State Auditor regarding ending fund balances.

I have no issues with providing information regarding ending fund balances to the State Auditor's Office or to any person who requests it. I do caution, however, that ending fund balances only tell a story for a snapshot in time. They do not tell you about committed funds, road or bridge projects that didn't get completed on time, costs for equipment that was ordered 8 months ago and yet to show up, or other such real-life examples. Ending fund balances are similar to receiving just page 189 from a 252 page book and then expected to provide a book report on the entire work. With no context as to how the story started and what has happened in the preceding 188 pages, it is impossible to extrapolate into the future or predict how the story may end in the remaining 63 pages which may include catastrophic or emergency events.

An additional section of this proposed bill includes language regarding communicating with the public in terms of dollars rather than mills, which I supported in HB 1119, which was before you just last week and passed unanimously on the House Floor. As I also stated in my written testimony for that bill, that will not change the way McKenzie County communicates with the public, as it is already being done in terms of dollars. Counties also did not oppose SB 2121 which will add last year's special assessment amounts to the estimated tax statements mailed out by the end of August each year.

Several years ago, before my time as Auditor/Treasurer began in 2017, a task force of state and county leaders worked together on a uniform tax statement layout for all of North Dakota in an effort to make it easier for citizens to understand and find information on their statements, regardless of the county in which they owned property. Those efforts resulted in the statements we have today. I have attached a copy of one 2022 tax statement for McKenzie County here for reference (see Attachment A).

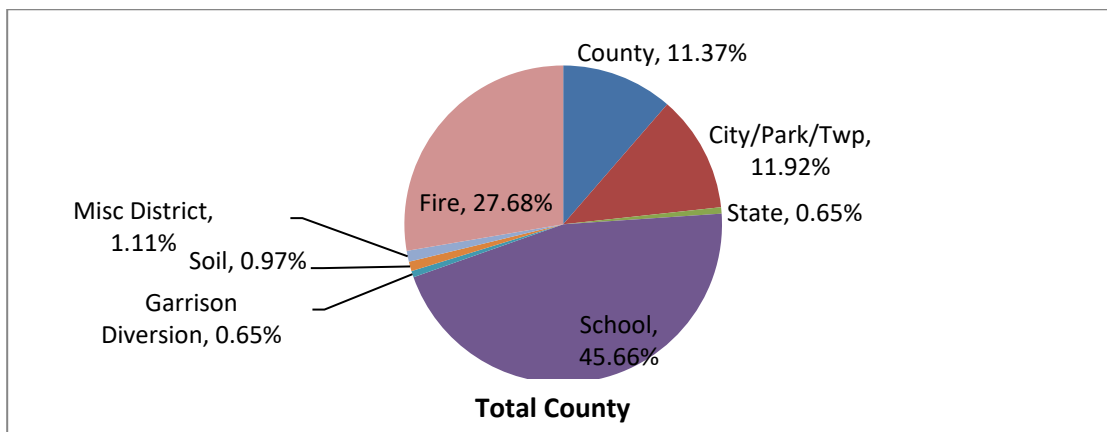
I would like to take a moment and briefly list out the changes to the tax statement, mailed every December to our taxpayers, proposed in HB 1245 which includes:

- Statement displayed in **color**
- Legislative tax relief information in contrasting type, font, or color that calls attention
- Separation of voter-approved tax levies from all other levies

- **Color pie chart**, specific to the parcel, showing the percentage of total tax by each taxing district, excluding amounts of voter-approved levies
- Taxing Districts listed in the same color as the representative pie chart color
- Inclusion on the pie chart of the combined voter-approved levies in separate, contrasting color
- Name and phone number of a contact person for each taxing district that levied taxes against the parcel

As you can see from the example current statement, space for the additional information is limited. But most importantly, talks with my software programmers indicate these changes are not possible, which is true also for many other counties around the State. Changing software programs may seem like an easy task, but I assure you it is something that cannot be taken lightly, done quickly, or done inexpensively. Several years ago we looked into finding a new software vendor – we reviewed all available programs and vendors and were unable to find anything we preferred over our current software package. Our software package combines and fits our following operational needs: tax information, budget information, accounts payable, accounts receivable, payroll, personnel, land records, fixed assets, and we are working toward implementing their new timekeeping system in the coming year. As an added bonus, when issues arrive we have an actual, live person living in the Midwest who answers the phone during our business hours and can often fix our issues within hours or days, instead of weeks. Implications to changing tax statements are not just limited to the tax portion of my work, but would impact all county systems and multiple departments that need to talk back and forth with one another without hiccups.

Since I started following and testifying during your legislative sessions a number of years ago, I have and continue to hear each of you speak of conversations with your constituents regarding complaints about property taxes. Rhetorically I ask you the following question, are they complaining about their total tax bill or about not knowing how their tax bill is distributed? I’m guessing, as I hear the same, that the complaint is about the total tax due. Unfortunately, because the County name is at the top of the statement, we get the brunt of the grievances, even though we levy just 11.4% of the total tax levied amongst taxing districts in McKenzie County, as shown in the pie chart below.



Regardless of your answer to the rhetorical question posed earlier in this testimony, I do not feel the final tax statement is the best document to address these concerns. Counties have been sending out estimated

tax statements since 2018, following a pilot study by counties prior to state-wide implementation. The estimated tax statement (see Attachment B to this testimony) has greatly improved the information provided to taxpayers BEFORE final budgets and dollars levied are complete. I like and am in favor of these estimated statements each year as they allow for the occasional error to be caught and corrected prior to final tax statements. These statements already list the date, time, and location of public hearings on budgets for each taxing district, in a parcel-specific manner. The statements also list, by percentage, the change in true and full values and state if a specific taxing district increases or decreases the amount of tax levied in dollars. In my opinion, this is the statement that will allow tax payers to have a voice in reducing budgets of their taxing district and not after the final budgets have been sent and final taxes assessed to the parcel, which drastically limits and nearly eliminates the ability to change or reduce taxes, other than through the abatement process.

I've included here with my testimony an example of additional documents given at the McKenzie County Public Budget Hearing to any taxpayer present, or anyone who later requests, which shows parcel specific examples in different classes of real estate, implications by the proposed preliminary budget and dollars levied, including dollar changes and percentage changes (see Attachment C), in addition to mills. The second page of that document lists consolidated levies by taxing district combination, as well as historical information regarding the breakdown of county-wide taxable values by class (ag, residential, commercial, centrally assessed, utilities). As shown on that document and in the table below, agricultural and residential properties account for 14.9% of the total taxable value in McKenzie County, meaning those people also pay 14.9% of the tax assessed by the County, which for the 2022 tax year is \$6.1M of a \$211M budget.

<b><u>McKenzie County Taxable Values</u></b>	<b><u>2022</u></b>		
Agricultural	15,231,740	4.40%	14.90%
Residential	36,346,361	10.50%	
Commercial	121,879,872	35.22%	85.10%
Railroads	68,375	0.02%	
Pipelines	171,599,428	49.58%	
Heat, Lights, Power, Gas	976,056	0.28%	
<b>Total</b>	<b>346,101,832</b>	<b>100.00%</b>	

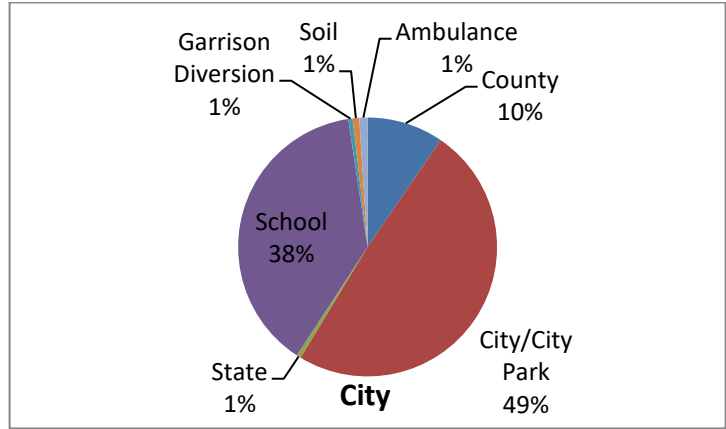
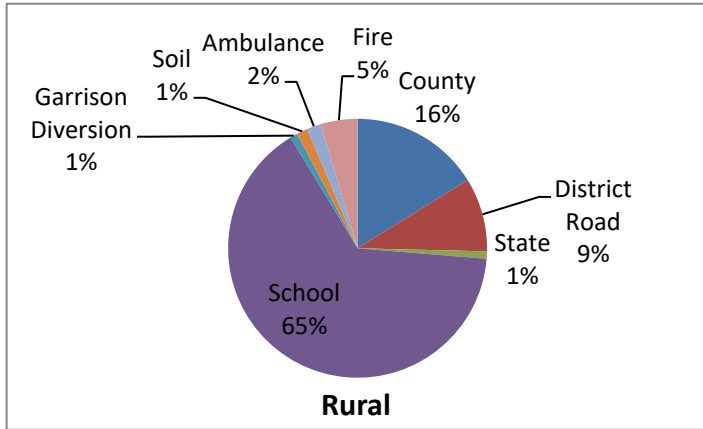
I do appreciate and understand the desire to work on additional transparency and clarity to the taxpayers. This is a goal of mine, as well as that of McKenzie County, and one reason why several years ago we implemented an online budget portal from OpenGov, where citizens can search budget to actual revenues, expenditures, and even search our monthly check register for specific payments made to vendors.

The changes to the final tax statement as proposed in this bill will take significant work by all counties to implement. We are open to compromises, some of which could happen more quickly than others:

- A column added to the final tax statement listing percentages by taxing district (see example in Attachment D).



- The addition of a County-wide or possibly taxing district specific black and white pie chart included on the back of the statement or a separate included page. When reviewing specific parcel pie charts for this testimony, similar trends are seen – largest portions of tax bill are cities and schools, which can also be easily determined with simple math from the dollar amounts listed on the current statement.



- A study and possible pilot during the interim to allow counties time to properly research options. This would also allow an opportunity to see if this reduces confusion and grievances and has the desired outcome.
- A review of the estimated tax statements during the interim to study changes to enhance that statement, which would provide information prior to budgets being finalized.

To close, I want to reiterate that any changes to the estimated or final tax statements will increase expenditures to counties related to the creation, printing, and mailing of these notices. We wish to work cooperatively with each of you to find a solution and are committed to doing so, but ask for time and collaboration to determine the best options, methods, and timeline for proper implementation.

Thank you all for your attention and time today. I urge a DO NOT PASS recommendation on HB 1245, as written, and stand for any questions.

**2022 MCKENZIE COUNTY REAL ESTATE TAX STATEMENT**

Statement No: 35938

**Parcel Number:** 82-19-01200  
**Jurisdiction:** WATFORD CITY

**Physical Location:**  
 720 2ND AVE SE

**Legal Description:**  
 LOT- 8 BLK-002  
 CHERRY CREEK ADDITION TO WATFORD CITY  
 LOTS 8-9

**2022 TAX BREAKDOWN**

Net consolidated tax	3,930.09
Plus: Special Assessments	
Total tax due	3,930.09
Less: 5% discount	(196.50)
if paid by Feb. 15th	
<b>Amount due by Feb. 15th</b>	<b>3,733.59</b>
Or pay in two installments(with no discount)	
Payment 1: Pay by Mar. 1st	1,965.05
Payment 2: Pay by Oct. 15th	1,965.04

**Legislative tax relief (3-year comparison):**

	<b>2020</b>	<b>2021</b>	<b>2022</b>
Legislative tax relief	1,481.28	1,476.31	1,583.05

Special Assessments .00  
 Specials Interest .00

**Tax distribution(3-year comparison):**

	<b>2020</b>	<b>2021</b>	<b>2022</b>
True And Full Value	441,850	441,850	474,620
Taxable Value	19,883	19,883	21,358
Less: Homestead credit			
Disabled Veterans' credit			
Net Taxable Value	19,883	19,883	21,358
Mill Levy	175.850	182.120	184.010

Penalty on 1st Installment & Specials

March 2..... 3%

May 1..... 6%

July 1..... 9%

October 15..... 12%

Penalty on 2nd Installment

October 16..... 6%

**Taxes By District(in dollars):**

State	19.88	19.88	21.36
County	358.69	355.11	375.26
City/Twp WATFORD CITY	1,680.31	1,725.65	1,930.55
School MCKENZIE COUNTY #1	1,339.92	1,433.76	1,508.73
GARRISON	19.88	19.88	21.36
MCKEN SOIL 3	39.77	29.82	32.04
MCKEN AMBULA 3	37.98	36.98	40.79

**FOR ASSISTANCE:**  
 Office: McKenzie County Treasurer  
  
 Phone: 701-444-3616 ext. 3  
 Email: [treas@co.mckenzie.nd.us](mailto:treas@co.mckenzie.nd.us)  
 Website: [county.mckenziecounty.net](http://county.mckenziecounty.net)  
 -Auditor/Treasurer Department-

Consolidated Tax	3,496.43	3,621.08	3,930.09
<b>Net consolidated tax</b>	<b>3,496.43</b>	<b>3,621.08</b>	<b>3,930.09</b>
<b>Net effective tax rate</b>	<b>.79%</b>	<b>.82%</b>	<b>.83%</b>

Detach here and mail with your payment

**2022 McKenzie County Real Estate Tax Statement**

**Parcel Number:** 82-19-01200      **MP #** 1302  
**Statement Number:** 35938      **Taxpayer #** 1302

Total tax due	3,930.09
Less 5% discount	(196.50)
<b>Amount due by Feb. 15th</b>	<b>3,733.59</b>
Or pay in two installments (with no discount):	
Payment 1: Pay by Mar. 1st	1,965.05
Payment 2: Pay by Oct. 15th	1,965.04

**MAKE CHECK PAYABLE TO:**  
 MCKENZIE COUNTY TREASURER  
 201 5TH ST NW, SUITE 504  
 WATFORD CITY, ND 58854

Your canceled check is your receipt for your payment.  
 No receipt will be issued.

**THIS IS NOT A BILL**

MCKENZIE COUNTY  
 201 5TH ST NW  
 STE 543  
 WATFORD CITY ND 58854

**2022 NOTICE OF ESTIMATED PROPERTY TAX  
 AND BUDGET HEARING DATES**

You are hereby notified of the potential change in your taxes based on each district's preliminary budgets. Your actual taxes may vary based upon the final budgets of the districts and valuation adjustments by the State Board of Equalization. This notice does not include any special assessments.

01302

**Parcel Number:** 82-19-01200

**Physical Location:**

00720 2ND AVE SE

**Legal Description:**

LOT- 8 BLK-002

CHERRY CREEK ADDITION TO WATFORD CITY

LOTS 8-9

	<b>2021</b>	<b>2022</b>	<b>Change</b>	
Legislative tax relief	1,476.31	1,582.84	106	
<b>Property Valuation:</b>				
	<u><b>2021</b></u>	<u><b>2022</b></u>	<u><b>Change</b></u>	<u><b>Change %</b></u>
True And Full Value	441,850	474,620	32,770	7.41%
Taxable Value	19,883	21,358	1,475	
Less: Homestead credit				
Disabled Veterans' credit				
Net Taxable Value	<u>19,883</u>	<u>21,358</u>	<u>1,475</u>	<u>7.41%</u>
<b>Taxes By District(in dollars):</b>				
State	19.88	21.36	1.48	Increase
County	374.99	396.62	21.63	Increase
City/Twp WATFORD CITY	1,725.65	1,942.08	216.43	Increase
Sch# 001 MCKENZIE COUNTY #1	1,433.76	1,582.41	148.65	Increase
SOIL DISTRIC 03	29.82	32.04	2.22	Increase
MISC. DISTRI 03	36.98	40.79	3.81	Increase
<b>Net consolidated tax</b>	<u>3,621.08</u>	<u>4,015.30</u>	<u>394.22</u>	<u>10.88%</u>
<b>Net effective tax rate</b>	<u>.82%</u>	<u>.85%</u>		

**Hearing Schedule:(Hearing on Preliminary Budget)**

**MCKENZIE COUNTY**

6:00PM CT SEPTEMBER 13, 2022  
 MCKENZIE COUNTY COURTHOUSE  
 201 5TH ST NW, WATFORD CITY

**MCKENZIE COUNTY #1**

5:30PM CT SEPTEMBER 12, 2022  
 SCHOOL DISTRICT BOARD ROOM  
 100 3RD ST NE, WATFORD CITY

**WATFORD CITY**

6:00PM CT OCTOBER 3, 2022  
 WATFORD CITY CITY HALL  
 213 2ND ST NE, WATFORD CITY

**MCKEN SOIL**

1:00PM CT SEPTEMBER 15, 2022  
 MCSCD BUILDING  
 624 HWY 1806, WATFORD CITY

**MCKEN AMBULANCE DIST**

1:00PM CT SEPTEMBER 21, 2022  
 MISC 03 - AMBULANCE SHED  
 220 2ND ST NE, WATFORD CITY

**WATFORD CITY PARK DISTRICT**

6:00PM CT SEPTEMBER 12, 2022  
 ROUGH RIDER CENTER CLASSROOM  
 2209 WOLVES DEN PKWY, WC

Citizens will have opportunity to present oral or written comments regarding the district's budget at or before the hearing. A copy of the district's budget will be available at the district's normal place of business at least 7 days prior to the hearing.





2022 MCKENZIE COUNTY REAL ESTATE TAX STATEMENT

Statement No: 35938

Parcel Number: 82-19-01200  
 Jurisdiction: WATFORD CITY

Physical Location  
 720 2ND AVE SE

Legal Description  
 LOT- 8 BLK-002  
 CHERRY CREEK ADDITION TO WATFORD CITY  
 LOTS 8-9

**2022 TAX BREAKDOWN**

Net consolidated tax	3,930.09
Plus: Special Assessments	
Total tax due	3,930.09
Less: 5% discount	(196.50)
if paid by Feb. 15th	
<b>Amount due by Feb. 15th</b>	<b>3,733.59</b>
Or pay in two installments(with no discount)	
Payment 1: Pay by Mar. 1st	1,965.05
Payment 2: Pay by Oct. 15th	1,965.04

Legislative tax relief (3-year comparison):

	2020	2021	2022
Legislative tax relief	1,481.28	1,476.31	1,583.05

Special Assessments .00  
 Specials Interest .00

Tax distribution(3-year comparison):

	2020	2021	2022
True And Full Value	441,850	441,850	474,620
Taxable Value	19,883	19,883	21,358
Less: Homestead credit			
Disabled Veterans' credit			
Net Taxable Value	19,883	19,883	21,358
Mill Levy	175.850	182.120	184.010

Penalty on 1st Installment & Specials	
March 2.....	3%
July 1.....	9%
October 15.....	12%
Penalty on 2nd Installment	
May 1.....	6%
October 16.....	6%

Taxes By District(in dollars):

State	19.88	19.88	21.36
County	358.69	355.11	375.26
City/Twp WATFORD CITY	1,680.31	1,725.65	1,930.55
School MCKENZIE COUNTY #1	1,339.92	1,433.76	1,508.73
GARRISON	19.88	19.88	21.36
MCKEN SOIL 3	39.77	29.82	32.04
MCKEN AMBULA 3	37.98	36.98	40.79

% of Tax
0.54%
9.55%
49.12%
38.39%
0.54%
0.82%
1.04%

Consolidated Tax	3,496.43	3,621.08	3,930.09
<b>Net consolidated tax</b>	<b>3,496.43</b>	<b>3,621.08</b>	<b>3,930.09</b>
<b>Net effective tax rate</b>	<b>.79%</b>	<b>.82%</b>	<b>.83%</b>

**FOR ASSISTANCE:**

Office: McKenzie County Treasurer  
 Phone: 701-444-3616 ext. 3  
 Email: [treas@co.mckenzie.nd.us](mailto:treas@co.mckenzie.nd.us)  
 Website: [county.mckenziecounty.net](http://county.mckenziecounty.net)  
 -Auditor/Treasurer Department-

Detach here and mail with your payment

2022 McKenzie County Real Estate Tax Statement

Parcel Number: 82-19-01200 MP # 1302  
 Statement Number: 35938 Taxpayer # 1302

Total tax due	3,930.09
Less 5% discount	(196.50)
<b>Amount due by Feb. 15th</b>	<b>3,733.59</b>
Or pay in two installments (with no discount):	
Payment 1: Pay by Mar. 1st	1,965.05
Payment 2: Pay by Oct. 15th	1,965.04

**MAKE CHECK PAYABLE TO:**

MCKENZIE COUNTY TREASURER  
 201 5TH ST NW, SUITE 504  
 WATFORD CITY, ND 58854

Your canceled check is your receipt for your payment.  
 No receipt will be issued.

Testimony Prepared for the  
**House Finance & Tax Committee**  
 January 15, 2023. By Donnell Preskey  
 North Dakota Association of Counties



**RE: House Bill 1245 – Property Tax Statements**

Good morning, Mr. Chairman and committee members, I'm Donnell Preskey with the North Dakota Association of Counties. In that role, I serve as Executive Director for the ND County Auditors Association. The Auditors association opposes House Bill 1245, as it is written, but please know we are willing to work on some compromises and improvements to reach the intended goal without placing additional burdens on counties.

Counties are not opposed to adding information if it truly increases taxpayers understanding of property taxes. However, county auditors believe this is not the right solution. For many counties, what is proposed in House Bill 1245, is technically not attainable or in their budgets.

Auditors main concerns are the following:

- Color pie chart showing total tax levied by each taxing district.
  - This is the greatest concern of auditors. The software vendor 16 of our counties utilize to produce the tax statement, has indicated a color pie chart is not possible. Another vendor that contracts with 15 counties says it could be done but may cost up to \$10,000 for each of the counties they work with.
  - In addition, after viewing data from several counties that ran the percentage of taxes of each taxing entity for each parcel compared to the percentages reflective of the entire taxing district; there isn't much of a difference. Which would indicate it may be less complicated to run the data for the entire taxing district.
- Listing names and phone numbers of contact persons could be problematic.

Counties support several items in this bill including:

- Communicating in Dollars
- Financial Reporting to the State Auditor, with a few minor changes:
  - Page 2, line 3 February first date may need to be altered.
  - Page 2, line 7 remove state auditor, as not all counties hire the state auditor to conduct the audits.
  - Recommend the following change: ~~whether the state auditor is conducting or has county has completed an audit. of the county.~~
- Legislative Management study of Uniform Chart of Accounts

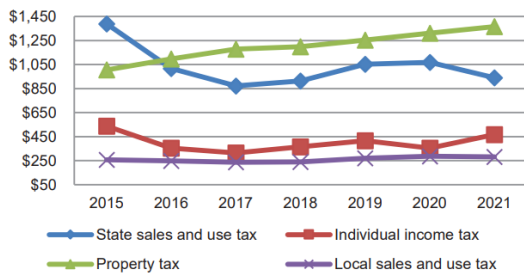
Further changes auditors would support:

- Column added to estimated tax notice and/or tax statement with percentage of total taxes levied by each taxing entity next to that taxing entities dollar amount levied.
- Include this information in column format on estimated tax notice and/or tax statement.
- Study improvements to estimated tax notice and tax statement to further greater property taxpayer understanding of property taxes.
- If legislature strongly supports changes this session to estimated tax notice and/or statement; pilot changes in 1-2 counties.

Just to reiterate, counties are just one of the taxing entities represented on North Dakota's property tax statements. Unfortunately for counties, they are the entity responsible for collecting the tax information from other political subs and issuing it on a combined estimated tax notice and tax statement. While the taxpayer pays their taxes to the County the county then distributes each amount to the appropriate taxing district. But all too often, because the county has it's name on the notice and statement and the county collects from the taxpayer, it's the county that comes in the crosshairs on these property tax issues.

This recent information from the 2022 ND Finance Facts publication by the ND Legislative Council is valuable as it comes to this discussion and discussion you will be having throughout this session.

**MAJOR SOURCES OF STATE/LOCAL REVENUE**  
(Amounts Shown in Millions)

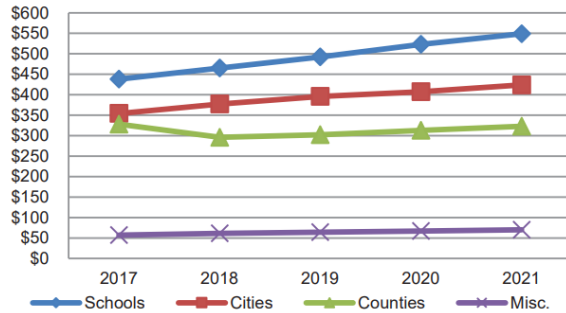


Fiscal Year	State Sales and Use Tax	Individual Income Tax	Property Tax <sup>1</sup>	Local Sales and Use Tax <sup>2</sup>
2015	\$1,389.0	\$537.6	\$1,005.1	\$258.1
2016	\$1,017.4	\$355.5	\$1,096.1	\$248.9
2017	\$872.4	\$314.2	\$1,177.9	\$236.7
2018	\$912.5	\$366.3	\$1,198.7	\$239.6
2019	\$1,053.1	\$415.4	\$1,254.2	\$270.9
2020	\$1,067.9	\$354.3	\$1,310.5	\$286.8
2021	\$939.9	\$467.6	\$1,365.4	\$280.9

<sup>1</sup>Property taxes include the 12 percent state-paid credit for 2015 (\$105.4 million) and 2016 (\$116.3 million).  
<sup>2</sup>Local sales tax amounts do not include city occupancy or city restaurant and lodging taxes.

Economic Statistics

**PROPERTY TAXES BY TAXING DISTRICTS**  
(Amounts Shown in Millions)



Year Payable	2017	2018	2019	2020	2021
Schools	\$438	\$465	\$492	\$523	\$549
Cities	354	377	396	407	424
Counties	328	296	302	313	323
Misc.	57	61	64	67	70
Total	\$1,177	\$1,199	\$1,254	\$1,310	\$1,366 <sup>1</sup>

<sup>1</sup>The increase for 2021 is primarily due to continuing growth in taxable valuations and to support the increasing budgets of political subdivisions.

Based on property taxes levied in 2021, payable in 2022, one mill generated approximately \$5.3 million statewide.

Source: North Dakota Tax Department

Again, we are willing to work with the sponsor of the bill or a subcommittee on possible amendments to help achieve the greatest understanding of property taxes in North Dakota.





## Finance Office

Telephone: 701-241-5600

Fax: 701-241-5728

SMB-FIN@casscountynnd.gov

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### TESTIMONY ON HOUSE BILL NO. 1245

House Finance & Taxation Committee

January 16, 2023

Chairman Headland and members of the House Finance & Taxation Committee:

My name is Brandy Madriga, Finance Director for Cass County and a member of the Auditor/Treasurer's Legislative Committee. Thank you for the opportunity to provide testimony and express opposition to the proposed amendments in section 2 and 3 of HB 1245.

#### **Section 2. Amendment to NDCC 57-15-30.2**

This amendment requires that, by February 1<sup>st</sup> of each year, the county auditors provide a financial report showing the unaudited end balances of the county general fund and county road and bridge fund for the preceding calendar year.

Providing accurate fund balances by February 1<sup>st</sup> is not recommended due to the nature of the fiscal year end timeline and GASB (Governmental Accounting Standard Board) standards. Providing unaudited fund balances by March 30<sup>th</sup> would provide for a more likely fund balance; however, a June 30<sup>th</sup> remittance date would provide the opportunity to receive audited fund balances from some counties.

- Using the Modified Accrual Basis of Accounting, GASB 34 prescribes that "revenues are recognized when they are both measurable and available". The government considers revenues to be "available" if they are collected within 60 days of the end of the fiscal period; therefore, Cass County closes its books on February 28<sup>th</sup> or 60 days after the fiscal year end of December 31<sup>st</sup>.
- During the year end process fund balances can fluctuate significantly and are not considered finalized until the audit is complete.
- Cass County submits the preliminary ACFR (Annual Comprehensive Financial Report) and supplementary documentation to the state auditor in April.
- Audit completion is scheduled for June 30<sup>th</sup>, which qualifies the county for the GFOA's (Government Financial Officers Association) Certificate of Achievement for Excellence in Financial Reporting Award.
- Not all county's audits are completed by the State Auditor.

### **Section 3. Amendment to NDCC 57-20-07.1**

Amendments included in this section include the following significant changes to the county tax statement:

- Tax statements are to be printed in color;
- Tax statements must include a colored pie chart; and
- Each taxing district must be printed in a separate color.

The top property tax complaint that the Cass County Finance Office receives is regarding the **dollar increase in taxes due to increases in assessed value**. Tax statements are sent out in December of each year; therefore, by the time a property owner receives their property tax statement, their opportunity to dispute either the assessed value (April) or the mill rate (September) has passed.

Many counties print tax statements in black and white. Moving to a colored tax statement would require counties to invest in new printers and an increased price per color print job or to outsource their tax statement printing to a qualified printer.

The addition of a pie chart is two-fold. First, tax statements are currently printed on a standard letter paper stock. Including a pie chart, in addition to the current items required to be on a tax statement, would require that the tax statement be expanded to either a two-sided format or a legal sized document. Second, counties run specialized tax software and do not currently have the capacity to include pie charts on tax statements. Therefore, to obtain the ability to print pie charts, counties must either invest in new tax software or invest in the programming required to customize a pie chart feature within their current software. Both options would require a fiscal investment and time to implement.

Using Cass County as an example, the annual increase to print tax statements in color with a pie chart is estimated to be **\$40,000**. This estimate includes the cost of outsourcing 75,000 colored, 2-sided, letter sized tax statements.

Cass County's current tax software does not have the capability of including a pie chart. Therefore, the county would need to invest in new tax software. From the RFP process to the software acquisition, customization, implementation, and legacy data import, it is estimated that the cost of new tax software would total approximately \$650,000 and would require approximately 18 months to implement. Further considerations should include the likelihood that new tax software would result in an increase to annual licensing costs and technical support.

The average tax statements include 8 to 10 taxing districts. Requiring that each district be in a different color could result in a tax statement that includes 10 different colors. It is important that these individual lines are easily visible to the reader and that visibility is not impeded by font color. It may be a challenge to find 10 different font colors that are equally visible yet individually distinguishable.

# Maricopa County Treasurer's Office

## John M. Allen, Treasurer



**Maricopa County Treasurer's Office**

**John M. Allen, Treasurer**

[Home](#) > [Resources](#) > [Understanding Your Tax Bill](#)

## Understanding Your Tax Bill

**John M. Allen**  
**MARICOPA COUNTY**  
**TREASURER**  
 PO Box 52133  
 Phoenix AZ 85072-2133

**MARICOPA COUNTY CONSOLIDATED  
 2022 PROPERTY TAX STATEMENT**  
 It is important to update your mailing address with the Maricopa  
 County Treasurer's Office. Property taxes are due even if a bill is not  
 received. A.R.S. § 42-18051 A2 & C

[treasurer.maricopa.gov](http://treasurer.maricopa.gov)  
 (602) 506-8511

1 JOHN DOE  
 1234 E KNOWN ST  
 PHOENIX AZ 85003

*Sample*

**Go Paperless**  
**eNoticesOnline.com**  
 AUTHORIZATION CODE  
 2 MAR - A1BC2DEF  
 See insert for instructions

YOUR 2022 PROPERTY TAX SUMMARY FOR PARCEL # 123-45-678						
	2021	Ratio	Assessed	2022	Ratio	Assessed
Limited Value (Primary)	89,541	.100	8,954	94,018	.100	9,402
Full Cash Value (Secondary)	150,300			131,200		
<b>Total Delinquent Taxes Now Due</b>	<b>\$1,374.19</b>			<b>Total 2022 Assessed Taxes</b>		<b>\$1,493.26</b>

PROPERTY TAXES BY JURISDICTION		PAYMENTS	
		First half tax is due 10/1/22. Interest penalty after 5pm on 11/1/22. Second half tax is due 3/1/23. Interest penalty after 5pm on 5/3/23.  If the entire amount is paid in full by 1/3/23, no interest is charged. Interest on late payments is 16% per year (A.R.S. § 42-18053).  <b>Pay at Chase Bank:</b> With the attached 2022 coupon, taxes can be paid in person using check or cash at any full-service Arizona Chase Bank.  <b>Pay with E-Check:</b> Contact your bank or visit our web site. No service fees when paid using the Treasurer's Office website.  <b>Pay with Card:</b> Visit our web site. Third-party service fees apply.  <b>Pay by Check:</b> Mailed payments must be postmarked on or before the due date. A \$25 fee will be assessed for returned checks. Use enclosed envelope and payment coupon and write your parcel number on your check. U.S. funds only.	
A) Your elected state officials have levied .....	162.68	<b>For payment options, visit the Resources section on the Treasurer's home page at <a href="http://treasurer.maricopa.gov">treasurer.maricopa.gov</a></b>	
B) Your elected county board of supervisors has levied .....	137.75		
C) Your combined elected school boards have levied .....	539.23		
D) Voters of your district approved to impose .....	514.82		
E) Your elected city council has levied .....	122.12		
F) Independent special district boards combined to impose .....	16.66		
<b>Your total 2022 property taxes for this parcel are .....</b>	<b>\$1,493.26</b>		



- F. Special District:** These districts are authorized by statute and approved by local voter's government to provide specific service to the taxed individual. The assessments for these special districts are not always calculated on the values of the property. They can be based on the value in acreage, value in dollars, or value in frontage square feet.
- G. Legal Description:** Description of real property sufficient to locate it on the ground by reference to surveys or approved recorded maps.
- H. Previous Year Comparison:** This column lists the amount of tax for the previous year.
- I. Current Year Tax Distribution:** This column is the breakdown of the current taxes. It shows the tax rate for every \$100 is assessed value and the total tax for each jurisdiction. The taxes can be figured by dividing the limited net assessed value by 100. Then multiply that amount by the tax rate.
- J. Percentage Change:** This represents the difference between the current year assessment and the prior year assessment as defined in the form of a percentage.
- K. School District:** *Your local school district assesses tax for Maintenance and Operations and Capital Outlay.*  
**School Bonds:** A voter approved tax required to pay for the debt service for City, County, and School Bond Projects.  
**School Overrides:** A tax that has been approved by voters in prior years to exceed the operating budget. Voter overrides may last up to three years unless an additional override is subsequently approved by public vote.  
**School Desegregation:** A tax that has been legislated to provide funding for school desegregation at the district level.
- L. Community College Dist:** This tax is levied for the maintenance and operations of the Maricopa County Community College District.  
**Community College Dist Bonds:** A voter approved tax required to pay for the debt service for Community College and School Bond Projects.  
**State Equalization Tax:** County equalization assistance for education.
- M. State Aid:** State Aid to Education is given on residential property for school district tax rates.  
**Elderly Assistance:** A credit for the school district's primary tax from qualifying for the "Senior Valuation Freeze."
- N. City Tax:** If your city has enacted a property tax for operations, it is shown here.
- O. General County Fund:** Taxes to support the primary County operating account that provides funds for the delivery of services to Maricopa County citizens.
- P. Flood Control of Maricopa Cty:** Maricopa County Flood Control District - The Board of Supervisors authorizes a county wide tax for the construction of flood control projects within Maricopa County.  
**Central AZ Water Consv Dist:** Central Arizona Water Conservation District - A county wide tax for both the operations of the districts and a water storage fund.  
**Fire District Assistance Tax:** Local Volunteer Fire District - A county wide tax levied by the Board of Supervisors to supplement the Local Volunteer Fire Districts Tax Levies for community fire districts.  
**County Library:** Maricopa County Library District - This district collects taxes for the main County Library, community branches and contributes to a county wide library loan program with other city libraries.  
**County Health Care District:** This is a county wide taxing jurisdiction that was created by the voters to provide supplemental funding for Maricopa Integrated Health Services.
- Q. Grand Total:** Total Current Tax Due. This shows the total current assessed tax amount for the property tax year.

[back to top](#)

23.0075.04001  
Title.

Prepared by the Legislative Council staff for  
Representative Headland  
February 14, 2023

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1245

- Page 1, line 1, replace the first comma with "and"
- Page 1, line 1, remove ", and 57-20-07.1"
- Page 1, line 2, replace the second comma with "and"
- Page 1, line 3, remove ", and property tax statements"
- Page 1, line 3, remove "a legislative"
- Page 1, line 4, replace "management" with "the tax commissioner to"
- Page 1, line 4, after "study" insert "property tax transparency"
- Page 1, line 4, replace "an effective date" with "for a legislative management report"
- Page 2, remove lines 8 through 31
- Page 3, remove lines 1 through 30
- Page 4, remove lines 1 through 31
- Page 5, replace lines 1 through 11 with:

**"SECTION 3. TAX COMMISSIONER STUDY - PROPERTY TAX  
TRANSPARENCY - LEGISLATIVE MANAGEMENT REPORT.**

1. During the 2023-24 interim, the tax commissioner, state supervisor of assessments, and the chairmen of the finance and taxation standing committees of the house of representatives and the senate shall conduct a property tax transparency study. The study must be conducted in consultation with city and county organizations, including county auditors and county directors of tax equalization. The study must include consideration of the following:
  - a. Historical changes in property valuations, mill rates levied, and impacts on citizens' tax burdens in each taxing jurisdiction, including development of an effective mechanism to make the information available to the public;
  - b. Creation of a new uniform property tax statement form to increase transparency in property taxation;
  - c. Feasibility and desirability of transitioning counties to a uniform system of collecting and reporting property tax information, including the process to transition counties to a uniform chart of accounts, implementation and administration of a uniform chart of accounts, and the associated costs; and
  - d. Feasibility and desirability of implementation of a statewide property tax information system and the associated costs.

2. Before June 1, 2024, the tax commissioner, state supervisor of assessments, and the chairmen of the finance and taxation standing committees of the house of representatives and the senate shall report their findings and recommendations, together with any legislation required to implement the recommendations, to the legislative management."

Renumber accordingly



Testimony Prepared for the  
**Senate Finance & Tax Committee**  
 March 14, 2023  
 By Donnell Preskey  
 North Dakota Association of Counties



### **RE: House Bill 1245 – Property Tax Statements**

Chairman Kannianen and committee members, I'm Donnell Preskey with the North Dakota Association of Counties. In my role at NDACo, I serve as the executive director of the North Dakota County Auditors Association. We stand in support of HB 1245.

We appreciate the work Representative Headland has put into this bill. He was willing to listen to the concerns of county auditors when this bill was heard on the House side, and as a result, made several recommended changes. We are committed to working in partnership with the legislature during the interim on the study proposed in this bill to achieve a product that will result in greater understanding of our property tax system.

The county auditors do have an additional recommendation we would urge this committee to look at.

On page 2, section 2, subsection 2 – we would recommend the following changes:

On line 3: change date from February first to March first.

On line 7: after whether the insert audit is complete. Remove the remaining language.

By ~~February first~~ March first of each year, the county auditor of each county shall provide to the state auditor in an electronic format a financial report showing the ending balances of the county general fund and county road and bridge fund for the preceding calendar year. The county auditor shall provide the report to the state auditor regardless of whether the ~~state auditor is conducting or has completed an audit of the county~~ audit is complete.

Auditors are requesting this change because many counties are still working to close their books for the year by February first, the March first deadline is more realistic. The second change is proposed because not all counties hire the state auditor to conduct their audits, numerous counties hire other audit companies. The committee may also want to consider adding language to clarify the ending fund balances should indicate committed and non-committed funds.

23.0075.05002  
Title.

Prepared by the Legislative Council staff for  
Senator Kannianen  
March 27, 2023

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1245

Page 1, line 1, after "57-15-30.2" insert "and subsection 1 of section 57-20-07.1"

Page 1, line 2, replace "and" with a comma

Page 1, line 3, after "auditor" insert ", and required content of property tax statements"

Page 2, after line 7, insert:

**"SECTION 3. AMENDMENT.** Subsection 1 of section 57-20-07.1 of the North Dakota Century Code is amended and reenacted as follows:

1. On or before December twenty-sixth of each year, the county treasurer shall mail a real estate tax statement to the owner of each parcel of real property at the owner's last-known address. The form of the real estate tax statement to be used in every county must be prescribed and approved for use by the tax commissioner. The statement must be provided in a manner that allows the taxpayer to retain a printed record of the obligation for payment of taxes and special assessments as provided in the statement. If a parcel of real property is owned by more than one individual, the county treasurer shall send only one statement to one of the owners of that property. Additional copies of the tax statement will be sent to the other owners upon their request and the furnishing of their names and addresses to the county treasurer. The tax statement must:
  - a. Include a dollar valuation of the true and full value as defined by law of the property and the total mill levy applicable.
  - b. Include, or be accompanied by a separate sheet, with three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, the property tax levy in dollars against the parcel by ~~the county and school district and any city or township~~ each taxing district that levied taxes against the parcel, followed by the total of the tax levied against the parcel.
  - c. Provide information identifying the property tax savings provided by the state of North Dakota.
    - (1) The tax statement must include a section entitled "state paid tax relief - three year comparison". The section must include three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, information applicable to each taxable year displayed in the following order:
      - (a) A line item entitled "tax without relief" calculated by adding the amounts determined in subparagraphs b and c.
      - (b) A line item that is entitled "legislative tax relief" and which identifies the dollar amount of property tax savings realized by the taxpayer under chapter 50-34 for taxable



years before 2019, chapter 50-35 for taxable years after 2018, and chapter 15.1-27.

~~(4)~~[1] For purposes of this subdivision, legislative tax relief under chapter 15.1-27 is determined by multiplying the taxable value for the taxable year for each parcel shown on the tax statement by the number of mills of mill levy reduction grant under chapter 57-64 for the 2012 taxable year plus the number of mills determined by subtracting from the 2012 taxable year mill rate of the school district in which the parcel is located the lesser of:

~~(a)~~[a] Fifty mills; or

~~(b)~~[b] The 2012 taxable year mill rate of the school district minus sixty mills.

~~(2)~~[2] Legislative tax relief under chapter 50-35 is determined by multiplying the taxable value for the taxable year for each parcel shown on the tax statement by the number of mills of relief determined by dividing the amount calculated in subsection 1 of section 50-35-03 for a human service zone by the taxable value of taxable property in the zone for the taxable year.

~~(c)~~ A line item entitled "tax after relief" which is equal to the total of the tax levied against the parcel calculated in subdivision b.

~~(2)~~ The information must be displayed on the tax statement in a clear and conspicuous manner below the information required in subdivisions a and b. For purposes of this paragraph, "clear and conspicuous" means in a larger type than the surrounding text, in contrasting type, font, or color to the surrounding text of the same size, or set off from the surrounding text of the same size, in a manner that clearly calls attention to the language and makes the language readily apparent, readable, and understandable."

Renumber accordingly

23.0075.05001

FIRST ENGROSSMENT

Sixty-eighth  
Legislative Assembly  
of North Dakota

ENGROSSED HOUSE BILL NO. 1245

Introduced by

Representatives Headland, Kasper, Nathe, D. Ruby

Senators Kannianen, Weber

1 A BILL for an Act to amend and reenact sections 57-02-53, 57-15-01, and 57-15-30.2 of the  
2 North Dakota Century Code, relating to assessment and estimated tax increase notices to  
3 property owners, communication of property tax levies with the public and financial reporting to  
4 the state auditor; to provide for the tax commissioner to study property tax transparency; and to  
5 provide for a legislative management report.

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

7 **SECTION 1. AMENDMENT.** Section 57-02-53 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9 **57-02-53. Assessment and estimated tax increase notice to property owner.**

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



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

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

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

22 2. The form of notice prescribed by the tax commissioner must ~~require a~~contain:

23 a. ~~A statement to inform the taxpayer that an assessment increase does not~~  
24 ~~mean~~may result in an increase of property taxes on the parcel will increase. The  
25 ~~notice may not contain an~~

26 b. An estimate of a tax increase resulting from the assessment increase based on  
27 the best information available. The estimate of tax increase may be calculated by  
28 using the mill rate used to calculate property taxes levied against the parcel in the  
29 immediately preceding taxable year; and

30 c. A statement explaining the method used to calculate the estimate of tax increase  
31 under subdivision b.



1       **SECTION 2. AMENDMENT.** Section 57-15-01 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **57-15-01. Levy in specific amounts - Exceptions.**

4       With the exception of special assessment taxes and such general taxes as may be  
5 definitely fixed by law, all state, county, city, township, school district, and park district taxes  
6 must be levied or voted in specific amounts of money. For purposes of communicating with the  
7 public and comparing the amount levied in the current taxable year to the amount levied in the  
8 preceding taxable year, taxing districts shall express levies in terms of dollars rather than mills.

9       **SECTION 3. AMENDMENT.** Section 57-15-30.2 of the North Dakota Century Code is  
10 amended and reenacted as follows:

11       **57-15-30.2. Financial reporting requirements for taxing entities - County auditor -**  
12 **State auditor.**

13       1. The governing body of any county, city, township, school district, park district,  
14 recreation service district, rural fire protection district, rural ambulance service district,  
15 soil conservation district, conservancy district, water authority, or any other taxing  
16 entity authorized to levy property taxes or have property taxes levied on its behalf, in  
17 the year for which the levy will apply, shall file with the county auditor of each county in  
18 which the taxing entity is located, at a time and in a format prescribed by the county  
19 auditor, a financial report for the preceding calendar year showing the ending balances  
20 of each fund or account held by the taxing entity during that year.

21       2. By February first of each year, the county auditor of each county shall provide to the  
22 state auditor in an electronic format a financial report showing the ending balances of  
23 the county general fund and county road and bridge fund for the preceding calendar  
24 year. The county auditor shall provide the report to the state auditor regardless of  
25 whether the state auditor is conducting or has completed an audit of the county.

26       **SECTION 4. TAX COMMISSIONER STUDY - PROPERTY TAX TRANSPARENCY -**  
27 **LEGISLATIVE MANAGEMENT REPORT.**

28       1. During the 2023-24 interim, the tax commissioner, state supervisor of assessments,  
29 and the chairmen of the finance and taxation standing committees of the house of  
30 representatives and the senate shall conduct a property tax transparency study. The  
31 study must be conducted in consultation with city and county organizations, including

- 1 county auditors and county directors of tax equalization. The study must include  
2 consideration of the following:
- 3 a. Historical changes in property valuations, mill rates levied, and impacts on  
4 citizens' tax burdens in each taxing jurisdiction, including development of an  
5 effective mechanism to make the information available to the public;
  - 6 b. Creation of a new uniform property tax statement form to increase transparency  
7 in property taxation;
  - 8 c. Feasibility and desirability of transitioning counties to a uniform system of  
9 collecting and reporting property tax information, including the process to  
10 transition counties to a uniform chart of accounts, implementation and  
11 administration of a uniform chart of accounts, and the associated costs; and
  - 12 d. Feasibility and desirability of implementation of a statewide property tax  
13 information system and the associated costs.
- 14 2. Before June 1, 2024, the tax commissioner, state supervisor of assessments, and the  
15 chairmen of the finance and taxation standing committees of the house of  
16 representatives and the senate shall report their findings and recommendations,  
17 together with any legislation required to implement the recommendations, to the  
18 legislative management.

23.0075.05003

**FIRST ENGROSSMENT**

Sixty-eighth  
Legislative Assembly  
of North Dakota

**ENGROSSED HOUSE BILL NO. 1245**

Introduced by

Representatives Headland, Kasper, Nathe, D. Ruby

Senators Kannianen, Weber

1 A BILL for an Act to amend and reenact sections 57-15-01 and 57-15-30.2 of the North Dakota  
2 Century Code, relating to communication of property tax levies with the public and financial  
3 reporting to the state auditor; to provide for the tax commissioner to study property tax  
4 transparency; and to provide for a legislative management report.

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

6 **SECTION 1. AMENDMENT.** Section 57-15-01 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **57-15-01. Levy in specific amounts - Exceptions.**

9 With the exception of special assessment taxes and such general taxes as may be  
10 definitely fixed by law, all state, county, city, township, school district, and park district taxes  
11 must be levied or voted in specific amounts of money. For purposes of communicating with the  
12 public and comparing the amount levied in the current taxable year to the amount levied in the  
13 preceding taxable year, taxing districts shall express levies in terms of dollars rather than mills.

14 **SECTION 2. AMENDMENT.** Section 57-15-30.2 of the North Dakota Century Code is  
15 amended and reenacted as follows:

16 **57-15-30.2. Financial reporting requirements for taxing entities - County auditor -**  
17 **State auditor.**

18 1. The governing body of any county, city, township, school district, park district,  
19 recreation service district, rural fire protection district, rural ambulance service district,  
20 soil conservation district, conservancy district, water authority, or any other taxing  
21 entity authorized to levy property taxes or have property taxes levied on its behalf, in  
22 the year for which the levy will apply, shall file with the county auditor of each county in  
23 which the taxing entity is located, at a time and in a format prescribed by the county

1 auditor, a financial report for the preceding calendar year showing the ending balances  
2 of each fund or account held by the taxing entity during that year.

3 2. By ~~February~~ March first of each year, the county auditor of each county shall provide to  
4 the state auditor in an electronic format a financial report showing the ending balances  
5 of the county general fund and county road and bridge fund for the preceding calendar  
6 year, including the amount in each fund which is committed for a specific use. The  
7 county auditor shall provide the report to the state auditor regardless of whether ~~the-~~  
8 ~~state auditor is conducting or has completed~~ an audit ~~of the county~~ is complete.

9 **SECTION 3. TAX COMMISSIONER STUDY - PROPERTY TAX TRANSPARENCY -**  
10 **LEGISLATIVE MANAGEMENT REPORT.**

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24 transition counties to a uniform chart of accounts, implementation and  
25 administration of a uniform chart of accounts, and the associated costs; and
  - 26 d. Feasibility and desirability of implementation of a statewide property tax  
27 information system and the associated costs.
- 28 2. Before June 1, 2024, the tax commissioner, state supervisor of assessments, and the  
29 chairmen of the finance and taxation standing committees of the house of  
30 representatives and the senate shall report their findings and recommendations,

Sixty-eighth  
Legislative Assembly

- 1 together with any legislation required to implement the recommendations, to the
- 2 legislative management.