

HOUSE BILL NO. 1210

Introduced by

Representatives Belter, Amerman, Silbernagel, Wall, J. Kelsh, Williams

Senators G. Lee, Luick, Dotzenrod

1 A BILL for an Act to create and enact a new section to chapter 61-02 of the North Dakota
2 Century Code, relating to payments in lieu of taxes to a school district for which the property tax
3 base was diminished by acquisition of property for a flood control project.

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

5 **SECTION 1.** A new section to chapter 61-02 of the North Dakota Century Code is created
6 and enacted as follows:

7 **Flood control project funding - Allocation of payments in lieu of taxes for loss of tax**
8 **base caused by acquisition of property in impacted school district.**

9 The state water commission annually shall make payments pursuant to this chapter, subject
10 to legislative appropriations, to adversely affected school districts in which property subject to
11 valuation is located. The payments are in lieu of taxes that otherwise would be available to the
12 school districts if the real property upon which these payments are based was not acquired by
13 the state, the United States, a political subdivision of this state, or other tax-exempt entity.

14 1. For purposes of this section:

15 a. "Adversely affected school district" means a school district that, by reason of the
16 acquisition of property subject to valuation by an entity exempt from property
17 taxes for a flood diversion channel project, would lose a portion of its taxable
18 valuation.

19 b. "Property subject to valuation" means real property acquired by the state, the
20 United States, or a political subdivision of this state, or other tax-exempt entity for
21 use in a flood diversion channel project but does not include any property being
22 assessed for ad valorem taxation to the owner.

23 2. For the purpose of making payments in lieu of taxes under this section, all property
24 subject to valuation under this section must be assessed and valued in the same

1 manner as other real property in this state is assessed and valued for tax purposes,
2 except the taxable valuation for the property subject to valuation may not be less than
3 the taxable valuation of the property for taxable year 2011, before the property was
4 acquired by the state, the United States, a political subdivision of this state, or other
5 tax-exempt entity. The county auditors of the counties in which the property is located,
6 before June thirtieth of each year, shall give notice in writing to the state water
7 commission and tax commissioner of the value placed upon the property subject to
8 valuation as finally equalized for taxable year 2011 and the most recent subsequent
9 taxable year.

10 3. Upon equalization by the state board of equalization, if requested by the state water
11 commission, of the value placed upon the property subject to valuation, the state water
12 commission shall compute the payments due to the school districts in which property
13 subject to valuation is located by extending the mill levies which apply to other taxable
14 property in the school districts in which the property is located. The mill levies must be
15 extended against the property subject to valuation in the same manner as used for
16 other taxable property in the school districts, except the minimum amount determined
17 for taxable valuation of property subject to valuation under this section must be
18 substituted, if applicable. The payments due to each school district are the amount
19 determined as provided in this section.

20 4. After computing the payments due to each school district, the state water commission
21 shall remit to the school districts the amounts due, on or before March first of the
22 succeeding year after the assessments and valuations were made.