

Sixty-third  
Legislative Assembly  
of North Dakota

## REENGROSSED 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~~reduced valuation of property ~~for~~attributable to a flood  
4 control project; and to provide an effective date.

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

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

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

10 The flood control project authority annually shall make payments pursuant to this  
11 chapter~~section~~ to adversely affected school districts in which property subject to valuation is  
12 located.

13 1. The payments are in lieu of ~~taxes that otherwise would be available~~tax revenues lost  
14 to the school districts ~~if~~because the real property upon which these payments are  
15 based ~~remains taxable but was not:~~

16 ~~a. Acquired by the state, the United States, a political subdivision of this state, or~~  
17 ~~other tax-exempt entity for a flood diversion channel project; or~~

18 ~~b. Assigned~~assigned a reducedreduction of ten percent or more in true and full  
19 valuation from its 2011 true and full valuation, which was done primarily because  
20 of the effects or anticipated effects of a flood diversion channel or flood control  
21 project.

22 2. For purposes of this section:

23 a. "Adversely affected school district" means a school district with average daily  
24 attendance of fewer than one thousand students which, by reason of the effect of

1                    events described in subsection 1, has had a ~~significant~~ reduction in taxable  
2                    valuation of property within the school district.

3                    b. "Flood control project authority" means the political subdivision or entity with land  
4                    acquisition authority for execution of a diversion or flood control project.

5                    c. "Property subject to valuation" means:

6                    ~~(1) The taxable valuation of property acquired by the state, the United States,~~  
7                    ~~or a political subdivision of this state, or other tax-exempt entity for use in a~~  
8                    ~~flood diversion channel project but does not include the taxable valuation of~~  
9                    ~~any of that property being assessed for ad valorem taxation to the owner or~~  
10                   ~~occupant; or~~

11                   ~~(2) The~~ the amount determined by subtracting the current taxable valuation of  
12                   property described in ~~subdivision b of~~ subsection 1 from that property's  
13                   taxable valuation for 2011.

14                   3. In determining the mill rate for the adversely affected school district, for the taxable  
15                   year, the taxable valuation for the district as otherwise determined by law must be  
16                   increased by the taxable valuation determined for property subject to valuation as  
17                   determined under subsection 2.

18                   ~~4. For the purpose of making payments in lieu of taxes under this section, all property~~  
19                   ~~subject to valuation under this section must be assessed and valued in the same~~  
20                   ~~manner as other real property in this state is assessed and valued for tax purposes.~~

21                   The county auditors of the counties in which the property is located, before June  
22                   thirtieth of each year, shall give notice in writing to the flood control project authority  
23                   and tax commissioner of the value placed upon the property subject to valuation as  
24                   finally equalized for taxable year 2011 and the most recent subsequent taxable year.

25                   ~~5. Upon~~ The value placed upon the property subject to valuation is subject to equalization  
26                   by the state board of equalization, if requested by the flood control project authority, ~~of~~  
27                   ~~the value placed upon the property subject to valuation, the~~ by August first. The flood  
28                   control project authority shall compute the payments in lieu of taxes due to the school  
29                   districts in which property subject to valuation is located must be computed by  
30                   extending, against the taxable valuation determined for property subject to valuation,  
31                   the mill levies which apply to other taxable property in the school districts in which the

1            ~~property is located. The mill levies must be extended against the property subject to~~  
2            ~~valuation~~ in the same manner as used for other taxable property in the school districts.  
3            The payments due to each school district are the amount determined as provided in  
4            this section.

5            6. ~~After computing the payments due to each school district, the~~The flood control project  
6            authority shall remit to the school districts the amounts due, ~~on or before March first of~~  
7            under this section, in the succeeding year after the assessments and valuations were  
8            made. Payments in lieu of taxes under this section are subject to the provisions of law  
9            that apply to payment of property taxes, including due date and penalty provisions and  
10           the five percent discount for early payment under section 57-20-09.

11           **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
12           December 31, 2012.