

**THIRD ENGROSSMENT  
with Senate Amendments  
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 reduced valuation of property attributable to a flood control project; and  
4 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 section to  
11 adversely affected school districts in which property subject to valuation is located.

12 1. The payments are in lieu of tax revenues lost to the school districts because the real  
13 property upon which these payments are based remains taxable but was assigned a  
14 reduction of ten percent or more in true and full valuation from its 2011 true and full  
15 valuation, which was done primarily because of the effects or anticipated effects of a  
16 flood diversion channel or flood control project.

17 2. For purposes of this section:

18 a. "Adversely affected school district" means a school district with average daily  
19 attendance of fewer than one thousand students which, by reason of the effect of  
20 events described in subsection 1, has had a reduction in taxable valuation of  
21 property within the school district.

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

1           c. "Property subject to valuation" means the amount determined by subtracting the  
2           current taxable valuation of property described in subsection 1 from that  
3           property's taxable valuation for 2011.

4           3. In determining the mill rate for the adversely affected school district, for the taxable  
5           year, the taxable valuation for the district as otherwise determined by law must be  
6           increased by the taxable valuation determined for property subject to valuation as  
7           determined under subsection 2.

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

12          5. The value placed upon the property subject to valuation is subject to equalization by  
13          the state board of equalization, if requested by the flood control project authority by  
14          August first. The flood control project authority payments in lieu of taxes due to the  
15          school districts in which property subject to valuation is located must be computed by  
16          extending, against the taxable valuation determined for property subject to valuation,  
17          the mill levies which apply to other taxable property in the school districts in which the  
18          property is located in the same manner as used for other taxable property in the  
19          school districts. The payments due to each school district are the amount determined  
20          as provided in this section.

21          6. The flood control project authority shall remit to the school districts the amounts due  
22          under this section, in the succeeding year after the assessments and valuations were  
23          made. Payments in lieu of taxes under this section are subject to the provisions of law  
24          that apply to payment of property taxes, including due date and penalty provisions and  
25          the five percent discount for early payment under section 57-20-09.

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