

HOUSE BILL NO. 1045

Introduced by

Legislative Management

(Taxation Committee)

1 A BILL for an Act to create and enact section 57-20-07.2 of the North Dakota Century Code,
2 relating to a state-paid property tax relief credit; to amend and reenact sections 57-20-07.1,
3 57-20-09, 57-20-21.1, and 57-32-03 of the North Dakota Century Code, relating to contents of
4 property tax statements, priority for delinquent taxes, and the discount for early payment of
5 property taxes; to provide an appropriation; and to provide an effective date.

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

7 **SECTION 1. AMENDMENT.** Section 57-20-07.1 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **57-20-07.1. County treasurer to mail real estate tax statement.**

10 On or before December twenty-sixth of each year, the county treasurer shall mail a real
11 estate tax statement to the owner of each parcel of real property at the owner's last-known
12 address. The statement must be provided in a manner that allows the taxpayer to retain a
13 printed record of the obligation for payment of taxes and special assessments as provided in
14 the statement. If a parcel of real property is owned by more than one individual, the county
15 treasurer shall send only one statement to one of the owners of that property. Additional copies
16 of the tax statement will be sent to the other owners upon their request and the furnishing of
17 their names and addresses to the county treasurer. The tax statement must include a dollar
18 valuation of the true and full value as defined by law of the property and the total mill levy
19 applicable. The tax statement must include, or be accompanied by a separate sheet, with three
20 columns showing, for the taxable year to which the tax statement applies and the two
21 immediately preceding taxable years, the property tax levy in dollars against the parcel by the
22 county and school district and any city or township that levied taxes against the parcel. The tax
23 statement must include a line item with the statement "State-paid property tax relief credit" and
24 the dollar amount of the credit that applies against the taxes due for the preceding year under

1 section 57-20-07.2. Failure of an owner to receive a statement will not relieve that owner of
2 liability, nor extend the discount privilege past the February fifteenth deadline.

3 **SECTION 2.** Section 57-20-07.2 of the North Dakota Century Code is created and enacted
4 as follows:

5 **57-20-07.2. State-paid property tax relief credit.**

6 1. The owner of a parcel of taxable residential, agricultural, or commercial property, or
7 property containing one or more of those classifications of taxable property, is entitled
8 to a credit against property taxes levied against that property.

9 a. The credit applies to the total amount of property taxes in dollars levied against
10 the taxable value of the property. The credit is equal to:

11 (1) Ten percent of property taxes in dollars levied against residential property
12 owned and occupied by an individual as that individual's homestead;

13 (2) Ten percent of property taxes in dollars levied against commercial or
14 agricultural property. The credit under this section applies to agricultural
15 property only if the individual primarily responsible for management
16 decisions regarding that property has an ownership interest of at least
17 twenty percent in that property and owns and occupies residential property
18 or a mobile home in this state;

19 (3) Ten percent of mobile home taxes in dollars levied against residential mobile
20 homes under chapter 57-55 if the mobile home is owned and occupied by
21 an individual as that individual's homestead; or

22 (4) Ten percent of mobile home taxes in dollars levied against commercial
23 mobile homes under chapter 57-55.

24 b. If a parcel of property contains residential property and agricultural or commercial
25 property, or residential and both agricultural and commercial property, the county
26 treasurer shall allow the credit in the appropriate percentage under subdivision a
27 against property taxes in dollars levied against each classification of property on
28 the parcel.

29 2. The owner, operator, or lessee of railroad property assessed by the state board of
30 equalization under chapter 57-05 is entitled to a credit against property taxes levied

- 1 within each county against that property in the amount of ten percent of property taxes
2 levied in dollars against that property.
- 3 3. The owner, operator, or lessee of operative property of an air carrier transportation
4 company assessed and taxed under chapter 57-32 is entitled to a credit in the amount
5 of ten percent of taxes in dollars levied against that property. The tax commissioner
6 shall determine the total amount of credits under this subsection and certify the
7 amount to the state treasurer for transfer from the general fund to the air
8 transportation fund. The credit for each air transportation company must be allocated
9 to each city or municipal airport authority where that company makes regularly
10 scheduled landings, in the same manner as the tax collected from that company is
11 allocated.
- 12 4. The tax commissioner shall determine the total amount of credits under subsections 1
13 and 2 for each county from the abstract of the tax list filed by the county auditor under
14 section 57-20-04, as audited and corrected by the tax commissioner. The tax
15 commissioner shall certify to the state treasurer for payment, by June first following
16 receipt of the abstract of the tax list, the amount determined for each county under this
17 subsection. No penalty or interest applies to any state payment under this section,
18 regardless of when the payment is made.
- 19 5. Upon receipt of the payment from the state treasurer under subsection 4, the county
20 treasurer shall apportion and distribute it to the county and the taxing districts in the
21 county on the basis on which the general real estate tax for the preceding year is
22 apportioned and distributed.
- 23 6. After payments to counties under subsection 4 have been made, the tax commissioner
24 shall certify to the state treasurer as necessary any supplemental amounts payable to
25 counties or the air transportation fund or any amounts that must be returned by
26 counties or returned from the air transportation fund for deposit in the state general
27 fund to correct any errors in payments or reflect any abatement or compromise of
28 taxes, court-ordered tax reduction or increase, or levy of taxes against omitted
29 property. The county auditor shall provide any supplemental information requested by
30 the tax commissioner after submission of the abstract of the tax list. The county

1 treasurer shall apply to the tax commissioner for any supplemental payments to which
2 the county treasurer believes the county is entitled.

3 7. Notwithstanding any other provision of law, the property tax credit under this section
4 does not apply to any property other than mobile homes subject to payments or taxes
5 in lieu of personal or real property taxes.

6 **SECTION 3. AMENDMENT.** Section 57-20-09 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **57-20-09. Discount for early payment of tax.**

9 Except as provided in section 57-20-21.1, the county treasurer shall allow a five percent
10 discount to all taxpayers who shall pay all of the real estate taxes levied on any tract or parcel of
11 real property in any one year in full on or before February fifteenth prior to the date of
12 delinquency. Such discount applies, after deduction of any credit allowed under section
13 57-20-07.2, to the net remaining amount of all general real estate taxes levied for state, county,
14 city, township, school district, fire district, park district, and any other taxing districts but does not
15 apply to personal property taxes or special assessment installments. Whenever the board of
16 county commissioners, by resolution, determines that an emergency exists in the county by
17 virtue of weather or other catastrophe, it may extend the discount period for an additional thirty
18 days.

19 **SECTION 4. AMENDMENT.** Section 57-20-21.1 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **57-20-21.1. Priority for delinquent taxes.**

22 When payment is made for any real or personal property taxes or special assessments,
23 payments must be applied first to the oldest unpaid delinquent taxes or special assessments
24 due, if any, shown to exist upon the property for which the tax payments are made, including
25 any penalty and interest, except payments of state-paid property tax relief credit made by the
26 state must be applied to taxes for the year for which the state-paid property tax relief credit is
27 granted. The discounts applicable to payment of taxes set out in section 57-20-09 do not apply
28 to payment of taxes made on property upon which tax payments are delinquent.

29 **SECTION 5. AMENDMENT.** Section 57-32-03 of the North Dakota Century Code is
30 amended and reenacted as follows:

1 **57-32-03. Tax statements prepared by state tax commissioner - When due and**
2 **delinquent.**

3 On or before the thirty-first day of March in each year, the tax commissioner shall provide
4 each company assessed under the provisions of this chapter a statement of its taxes due for
5 the preceding year, with the valuations and taxes assessed in each case. The tax statement
6 must include a line item with the statement "State-paid property tax relief credit" and the dollar
7 amount of the credit that applies against the taxes due for the preceding year under section
8 57-20-07.2. Such taxes are due upon the fifteenth day of April next following the date of the
9 statement of taxes due. The taxes become delinquent on the first day of May next following the
10 due date and, if not paid on or before said date, are subject to a penalty of two percent and, on
11 June first following delinquency, an additional penalty of two percent and, on July first following
12 delinquency, an additional penalty of two percent and, an additional penalty of two percent on
13 October fifteenth following delinquency. From and after January first of the year following the
14 year in which the taxes became due and payable, simple interest at the rate of twelve percent
15 per annum upon the principal of the unpaid taxes must be charged until such taxes and
16 penalties are paid, with such interest charges to be prorated to the nearest full month for a
17 fractional year of delinquency. All the provisions of the law respecting delinquency of personal
18 property assessments generally so far as may be consistent with the provisions of this chapter
19 are applicable equally to the assessments and taxes provided for in this chapter.

20 **SECTION 6. APPROPRIATION.** There is appropriated out of any moneys in the general
21 fund in the state treasury, not otherwise appropriated, the sum of \$200,000,000, or so much of
22 the sum as may be necessary, to the state treasurer for the purpose of state-paid property tax
23 relief credits under section 57-20-07.2, for the biennium beginning July 1, 2013, and ending
24 June 30, 2015.

25 **SECTION 7. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
26 December 31, 2012.