

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.**

11 1. During the 2023-24 interim, the tax commissioner, state supervisor of assessments,
12 and the chairmen of the finance and taxation standing committees of the house of
13 representatives and the senate shall conduct a property tax transparency study. The
14 study must be conducted in consultation with city and county organizations, including
15 county auditors and county directors of tax equalization. The study must include
16 consideration of the following:

- 17 a. Historical changes in property valuations, mill rates levied, and impacts on
18 citizens' tax burdens in each taxing jurisdiction, including development of an
19 effective mechanism to make the information available to the public;
- 20 b. Creation of a new uniform property tax statement form to increase transparency
21 in property taxation;
- 22 c. Feasibility and desirability of transitioning counties to a uniform system of
23 collecting and reporting property tax information, including the process to
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,

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