



# NORTH DAKOTA OFFICE OF STATE TAX COMMISSIONER PROPERTY TAX NEWSLETTER

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## 2015 Property Tax Legislation

### Inside this issue:

|   |   |
|---|---|
| <b>2015 Property Tax Legislation</b> .....  | 1 |
| • HB 1056. Elections for Fire District Mill Levy Increase .....   | 1 |
| • HB 1057. Notice of Increased Assessments.....   | 1 |
| • HB 1059. State Paid Property Tax Relief, Assessor Certification, Fire District Levy Authority, Homestead Credit, Transmission Line..... | 1 |
| • HB 1169. Transfer Upon Death Deeds, Full Consideration.....   | 2 |
| • SB 2005. State Paid Credit .....  | 2 |
| • SB 2035. Sales & Property Tax Exemption to Construct Fertilizer Plant.....  | 2 |
| • SB 2037. Wind Turbine Value .....   | 2 |
| • SB 2055. Electric Company Reporting.....  | 3 |
| • SB 2056. Board Authority for Establishing Levy.....   | 3 |
| • SB 2113. Veterans Credit Applied to Land.....   | 3 |
| • SB 2144. Consolidation of Levies .....  | 3 |
| • SB 2206. Dept. of Human Services Assuming Certain Programs and Costs from Local Social Services .....                                   | 3 |
| • SB 2217. Financial Reporting, Ending Balances .....   | 3 |
| • SB 2318. Tax Exemption for CO2 Capture for Enhanced Oil Recovery .....  | 3 |

Following is a summary of 2015 legislative changes that affect real property assessments and taxation in North Dakota. Some of the bills contain provisions that are not related to property tax. Those provisions are not included here. Note the effective date listed with each bill. For copies of the bills themselves, go to <http://sos.nd.gov/legislative-bills-and-information>.

### HB 1056. Elections for Fire District Mill Levy Increase.

- Amends N.D.C.C. § 18-10-07. Excess levy authority must be determined by approval of the majority of qualified electors at an annual or special election. Establishes the election notice requirement and election practices. Requires that results of election be certified to the tax commissioner and to each county auditor in which the district is located within ten days after the election.
- Effective for taxable years beginning after December 31, 2014.

### HB 1057. Notice of Increased Assessments.

- Creates N.D.C.C. § 57-02-53. Assessor provides written notice for assessment increasing by \$3000 or more and 10% or more than the previous year's assessment. If written notice is not required by assessor as provided above, requires written notice to property owner if action of the local, county or state board of equalization increase results in a cumulative increase of \$3000 or more and 10% or more than the previous year's assessment. Notice is required within 15 days of the local or county board or within 30 days of the state board of equalization.
- Amends N.D.C.C. §§ 57-09-04, 57-11-03, 57-12-06. Requires township, city or county board of equalization to provide notice to owner and opportunity for owner to be heard regarding the intention of the board to increase assessment by a cumulative result of 15% or more than the previous year's assessment.
- Effective for taxable years beginning after December 31, 2015.

### HB 1059. State Paid Property Tax Relief, Assessor Certification, Fire District Levy Authority, Homestead Credit, Transmission Line

- Section 1 and 2. Amends N.D.C.C. § 11-10.1-01 and § 11-10.1-05. Establishes required certification as a Class I Assessor for county directors of tax equalization and assessors of cities with a population of 5,000 or greater and defines responsibilities of county director of tax equalization. Establishes a Class II Assessor requirement for assessors of cities with a population below 5,000 and townships. Establishes a 24 month requirement to attain certificate from appointment and review of assessments by certified assessors.
- Section 3. Amends N.D.C.C. § 18-10-07. Allows for increased levy authority to fire protection districts for repayment of indebtedness.
- Section 4. Amends N.D.C.C. § 57-01-05. Addresses responsibilities of the state supervisor of assessments.
- Section 5. Creates N.D.C.C. § 57-02-01.1. Defines assessor certificate classifications, education, term of certificate and renewal.

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- Section 6. Amends N.D.C.C. § 1 of 57-02-08.1. Increases value of homestead eligible for credit from \$100,000 to \$125,000 beginning with taxable year 2016.
- Section 7. Amends N.D.C.C. § 57-02-33. Requires areas not within an organized township to be assessed by a certified assessor under the supervision of the county director of tax equalization.
- Section 8. Amends N.D.C.C. § 57-06-17.3. Establishes rate of taxation at \$300 per mile. Provides a one-year property tax exemption for a transmission line of 230 kV or larger placed in service on or after October 1, 2002.
- Section 9. Amends N.D.C.C. § 57-20-07.2. Includes transmission lines assessed under N.D.C.C. § 57-06-17.3 and electric transmission or distribution property assessed under N.D.C.C. § 57-33.2.02 or N.D.C.C. § 57-33.2-03 in the state-paid property tax relief credit.
- Section 10. Amends N.D.C.C. § 57-33.2-02. Provides property tax exemption to transmission lines placed in service after January 1, 2009 and before December 31, 2013. Establishes a tax rate of \$300 per mile for transmission lines of 230 kV or larger placed in service after January 1, 2009 and exemption for the first year and reduction for the next three taxable years.
- Section 11. Provides a transition for assessor certification to be completed by July 31, 2017.
- Effective for taxable years beginning after December 31, 2014.
- Section 6. Effective for taxable years after December 31, 2015.

**HB 1169 – Transfer Upon Death Deeds, Full Consideration.**

- Adds subdivision m to N.D.C.C. § 11-18-02.2. Allows a transfer upon death deed or revocation instrument to be recorded without providing the statement of full consideration.
- Creates N.D.C.C. § 11-18-03(7). Allows a transfer upon death deed or revocation instrument to be recorded without regard to status of property tax.
- Effective August 1, 2015.

**SB 2005. State Paid Credit.**

- Amends N.D.C.C. § 57-20-07.2. Extends state paid property tax credit for taxable years 2015 and 2016 at twelve percent (12%).
- Effective August 1, 2015.

**SB 2035. Sales & Property Tax Exemption to Construct Fertilizer Plant.**

- Amends N.D.C.C. § 40-57.1-03.
- Amends N.D.C.C. § 40-57.1-03. Before a governing body may grant an exemption or the option to make payments in lieu of ad valorem taxes, the governing body shall consult with the department of commerce.
- Establishes the requirement for the department of commerce to hold a hearing for proposed projects estimated to exceed one billion dollars.
- Effective for taxable years beginning after December 31, 2014.

**SB 2037. Wind Turbine Value.**

- Section 1. Amends N.D.C.C. § 57-06-14.1. Eliminates the language of extending the taxable value calculation of one and one half percent through the duration of an executed power purchase agreement. All wind generation units with a nameplate capacity of 100 kilowatts or more completing construction after December 31, 2014 and those that are 20 years or more from the first assessment date will be subject to payments in lieu of property tax under N.D.C.C. § 57-33.2-04 as well as all administrative provisions of chapter 57-33.2.
- Effective for taxable years beginning after December 31, 2014.

**SB 2055. Electric Company Reporting.**

- Amends N.D.C.C. § 57-33.2-06. Defines reporting requirements to counties from electric transmission, distribution and generation companies.
- Effective for Reports due after December 31, 2015.

**SB 2056. Board Authority for Establishing Levy.**

- Amends N.D.C.C. § 2-06-10. Establishes that Airport Authority revenue bonds issued after July 31, 2015 require the municipality to commit to payment of any deficiency and provides a tax levy for deficiency payment. Commitment of municipality and issuance of bonds must be approved by a majority of the governing board – OR – approved by a majority vote of qualified electors at a primary, general or special election.
- Establishes that elected governing boards have authority to determine the levy; non-elected boards submit a request for a levy.
- Establishes reporting requirements prior to consideration of budget or levy requests.
- Effective taxable years beginning after December 31, 2015.

**SB 2113. Disabled Veterans Credit.**

- Amends N.D.C.C. § 57-02-08.8. Includes land in the determination of the maximum credit available to disabled veterans or qualifying unremarried surviving spouse.
- Credit terminates at the end of the taxable year of the death of the applicant.
- Effective for taxable years beginning after December 31, 2014.

**SB 2144. Consolidation of Levies.**

- Sections 1 – 104. Consolidation and revision of mill levies.
- Effective for taxable years beginning after December 31, 2014.
- Repeals N.D.C.C. ch. 23-18. County Hospital Associations.
- Effective July 1, 2017.

**SB 2206. Dept. of Human Services Assuming Certain Programs and Costs from Local Social Services.**

- Amends N.D.C.C. § 11-23-01 and § 57-15-06.7(34). Provides for budget reduction for county human services based on payments assumed by the department of human services.
- Effective August 1, 2015.

**SB 2217. Financial Reporting, Ending Balances.**

- Establishes reporting requirements, including ending fund balances, for entities requesting property tax levy to be filed with the appropriate city or county auditor.
- Creates N.D.C.C. § 57-15-30.2. Requires all taxing entities authorized to levy property taxes or have property taxes levied on their behalf to file annual reports, including ending fund balances, with the county auditor.
- Effective for taxable years beginning after December 31, 2015.

**SB 2318. Tax Exemption for CO2 Capture for Enhanced Oil Recovery.**

- Amends N.D.C.C. § 57-60-06. Classifies any carbon dioxide capture system located at a coal conversion facility and any equipment directly used for enhanced recovery of oil or natural gas as personal property and exempt from ad valorem taxation.
- Land is not eligible for exemption.
- Effective for taxable years beginning after December 31, 2014.

**Electronic Newsletter**

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