

Introduced by

Legislative Management

(Taxation Committee)

1 A BILL for an Act to amend and reenact subsections 2 and 3 of section 57-15-01.1 and sections  
2 57-15-02, 57-55-01.1, 57-55-03, 57-55-04, 57-55-04.1, and 57-55-11 of the North Dakota  
3 Century Code, relating to synchronizing taxable years for mobile homes and real property; to  
4 provide a penalty; and to provide an effective date.

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

6 **SECTION 1. AMENDMENT.** Subsections 2 and 3 of section 57-15-01.1 of the North Dakota  
7 Century Code are amended and reenacted as follows:

8 2. For purposes of this section:

- 9 a. "Base year" means the taxing district's taxable year with the highest amount  
10 levied in dollars in property taxes and mobile home taxes of the three taxable  
11 years immediately preceding the budget year. For a park district general fund, the  
12 "amount levied in dollars in property taxes and mobile home taxes" is the sum of  
13 amounts levied in dollars in property taxes and mobile home taxes for the general  
14 fund under section 57-15-12 including any additional levy approved by the  
15 electors, the insurance reserve fund under section 32-12.1-08, the employee  
16 health care program under section 40-49-12, the public recreation system under  
17 section 40-55-09 including any additional levy approved by the electors, forestry  
18 purposes under section 57-15-12.1 except any additional levy approved by the  
19 electors, pest control under section 4-33-11, and handicapped person programs  
20 and activities under section 57-15-60;
- 21 b. "Budget year" means the taxing district's year for which the levy is being  
22 determined under this section;
- 23 c. "Calculated mill rate" means the mill rate that results from dividing the base year  
24 taxes levied by the sum of the taxable value of the taxable property and taxable

- 1            mobile homes in the base year plus the taxable value of the property exempt by  
2            local discretion or charitable status, calculated in the same manner as the taxable  
3            property; and
- 4            d. "Property exempt by local discretion or charitable status" means property  
5            exempted from taxation as new or expanding businesses under chapter 40-57.1;  
6            improvements to property under chapter 57-02.2; or buildings belonging to  
7            institutions of public charity, new single-family residential or townhouse or  
8            condominium property, property used for early childhood services, or pollution  
9            abatement improvements under section 57-02-08.
- 10          3. A taxing district may elect to levy the amount levied in dollars in the base year. Any  
11          levy under this section must be specifically approved by a resolution approved by the  
12          governing body of the taxing district. Before determining the levy limitation under this  
13          section, the dollar amount levied in the base year must be:
- 14          a. Reduced by an amount equal to the sum determined by application of the base  
15          year's calculated mill rate for that taxing district to the final base year taxable  
16          valuation of any taxable property, taxable mobile homes, and property exempt by  
17          local discretion or charitable status which is not included in the taxing district for  
18          the budget year but was included in the taxing district for the base year.
- 19          b. Increased by an amount equal to the sum determined by the application of the  
20          base year's calculated mill rate for that taxing district to the final budget year  
21          taxable valuation of any taxable property ~~or~~, taxable mobile homes, and property  
22          exempt by local discretion or charitable status which was not included in the  
23          taxing district for the base year but which is included in the taxing district for the  
24          budget year.
- 25          c. Reduced to reflect expired temporary mill levy increases authorized by the  
26          electors of the taxing district. For purposes of this subdivision, an expired  
27          temporary mill levy increase does not include a school district general fund mill  
28          rate exceeding one hundred ten mills which has expired or has not received  
29          approval of electors for an extension under subsection 2 of section 57-64-03.
- 30          d. Increased, for a school district determining its levy limitation under this section,  
31          by the amount the school district's mill levy reduction grant under section

1                   57-64-02 for the base year exceeds the amount of the school district's mill levy  
2                   reduction grant under section 57-64-02 for the budget year.

3                   e.   Reduced for a school district determining its levy limitation under this section, by  
4                   the amount the school district's mill levy reduction grant under section 57-64-02  
5                   for the budget year exceeds the amount of the school district's mill levy reduction  
6                   grant under section 57-64-02 for the base year.

7                   **SECTION 2. AMENDMENT.** Section 57-15-02 of the North Dakota Century Code is  
8                   amended and reenacted as follows:

9                   **57-15-02. Determination of rate.**

10                  The tax rate of all taxes, except taxes the rate of which is fixed by law, must be calculated  
11                  and fixed by the county auditor within the limitations prescribed by statute. If any  
12                  municipality ~~taxing district~~ levies a greater amount than the prescribed maximum legal rate of  
13                  levy will produce, the county auditor shall extend only such amount of tax as the prescribed  
14                  maximum legal rate of levy will produce. The rate must be based and computed on the taxable  
15                  valuation of taxable property and taxable mobile homes in the ~~municipality or taxing~~ district  
16                  levying the tax. The rate of all taxes must be calculated by the county auditor in mills, and  
17                  tenths, and hundredths of mills.

18                  **SECTION 3. AMENDMENT.** Section 57-55-01.1 of the North Dakota Century Code is  
19                  amended and reenacted as follows:

20                  **57-55-01.1. Taxation and tax permits for mobile homes - Penalty.**

21                  The owner of each mobile home is subject to taxes as determined under this chapter and  
22                  shall file an application for a mobile home tax permit with the director of tax equalization in the  
23                  county in which the mobile home is located within ten days after the mobile home is acquired,  
24                  ~~moved,~~ or first brought into this state. Application must be made on forms approved by the tax  
25                  commissioner and furnished by the county director of tax equalization and must contain the  
26                  necessary information to carry out the provisions of this chapter. ~~A mobile home tax permit may~~  
27                  ~~not be issued unless the owner pays the tax and any penalties in full to the county treasurer.~~  
28                  Upon payment of the tax proper application to the county director of tax equalization, a mobile  
29                  home tax permit must be issued to the owner of the mobile home. The tax permit is valid  
30                  throughout the state for the mobile home during the period for which it was issued. If a mobile  
31                  home is moved within this state from one county to another county, the mobile home tax permit

1 must be presented to and endorsed by the director of tax equalization of the county to which the  
2 mobile home is moved within ten days after the mobile home is moved into the county. The  
3 director of tax equalization shall record the date on which the mobile home was first brought into  
4 this state, if the mobile home was not within this state for the entire taxable year. Failure to  
5 obtain a mobile home tax permit or endorsement within the time requirements of this section is  
6 subject to a penalty of fifty dollars for each month or fraction of a month of noncompliance.

7 **SECTION 4. AMENDMENT.** Section 57-55-03 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9 **57-55-03. When taxes become due and delinquent - Penalty.**

- 10 1. a. The tax imposed in this chapter is due and payable on the first day of January  
11 tenth of each following the year or ten days after the mobile home is purchased or  
12 first moved into this state for which the taxes were levied. If the tax due for the  
13 entire year is paid in full by February fifteenth, the county treasurer shall allow a  
14 five percent discount.
- 15 b. ~~If the tax imposed by this chapter is paid in full within thirty days after the mobile-~~  
16 ~~home is purchased or moved into this state, the county treasurer shall allow a~~  
17 ~~five percent discount. However, if the tax is not paid within forty days it is subject~~  
18 ~~to a penalty and interest. The penalty is one percent of the tax. The interest is~~  
19 ~~one-half percent of the tax for each full and fractional month of delay.~~
- 20 2. ~~Except as provided in subdivision b of subsection 1, the~~The tax imposed by this  
21 chapter may be paid in two equal installments if the amount of the tax due is ~~forty~~two  
22 hundred dollars or more. The first installment is ~~due on January tenth and becomes~~  
23 ~~delinquent on~~after March first and is then subject to a penalty of ~~two~~three percent, and  
24 on ~~April~~May first an additional penalty of ~~two~~three percent, and on ~~May~~July first an  
25 additional penalty of ~~two~~three percent, and on ~~June first~~October fifteenth an additional  
26 penalty of ~~two~~three percent. The second installment is ~~due June first and is delinquent~~  
27 ~~on July first~~after October fifteenth and is then subject to a penalty of ~~two~~six percent,  
28 and on ~~August first~~ an additional penalty of two percent, and on ~~September first~~ an  
29 additional penalty of two percent, and on ~~October first~~ an additional penalty of two  
30 percent. If any tax remains due after January first of the next year, interest is due at

1           the monthly rate of ~~one-half~~one percent of the tax due for each month or fraction of a  
2           month until the tax and penalties have been paid in full.

3           **SECTION 5. AMENDMENT.** Section 57-55-04 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5           **57-55-04. Taxes - How determined - Disbursement.**

6           The director of tax equalization shall determine the tax for each mobile home by ~~placing an~~  
7 ~~evaluation on~~assessing the true and full valuation of the mobile home ~~based upon its assessed~~  
8 ~~value and by adjusting the valuation of the mobile home by the percentage provided in section~~  
9 ~~57-02-27 to determine~~and determining its taxable valuation under standards and guides  
10 determined by the state tax commissioner and ~~applying~~multiplying that evaluation ~~to taxable~~  
11 valuation by the preceding year's total mill levies applying to property within the taxing  
12 ~~district~~districts in which the mobile home ~~is~~was located on December first of the taxable year.  
13 ~~The~~On or before December twenty-sixth of each year, the county treasurer shall provide a tax  
14 statement for each mobile home subject to taxation under this chapter, including three columns  
15 showing, for the taxable year to which the tax statement applies and the two immediately  
16 preceding taxable years, the property tax levy in dollars against the mobile home by the county  
17 and school district and any city or township that levied taxes against the mobile home. If a  
18 mobile home is acquired or moved into this state during the ~~calendar~~taxable year ~~and a tax~~  
19 ~~permit has not been previously issued for such mobile home in this state for such year, the tax~~  
20 is determined by computing the remaining number of months of the ~~current~~taxable year to the  
21 nearest full month and multiplying that number by one-twelfth of the amount which would be  
22 due for the full year. The taxes collected under this chapter must be disbursed ~~in the same year~~  
23 ~~they are collected and in the same manner as real estate taxes for the preceding year are~~  
24 disbursed.

25           **SECTION 6. AMENDMENT.** Section 57-55-04.1 of the North Dakota Century Code is  
26 amended and reenacted as follows:

27           **57-55-04.1. Procedure for abatement, refund, or compromise of tax or equalization.**

28           Any person having any estate, right, title, or interest in or lien upon any mobile home which  
29 has been assessed for taxation purposes pursuant to this chapter may apply for abatement,  
30 refund, or compromise, as the case may be, pursuant to chapter 57-23. ~~The application must be~~  
31 ~~made in writing on the form prescribed by the tax commissioner and must be filed in triplicate~~

1 with the county auditor of the county where the mobile home was assessed. The county auditor  
2 shall promptly serve the county director of tax equalization with one copy of the application. The  
3 abatement or compromise must be granted by the county commissioners if the facts upon  
4 which the application is based establish that the assessment contains error, or that the value  
5 placed upon the mobile home by the county director of tax equalization was excessive, or that  
6 the mobile home is exempt from taxation pursuant to section 57-55-10. The decision of the  
7 county commissioners may be appealed or may apply to the county and state boards of  
8 equalization for the correction of alleged errors in the assessment of the mobile home in the  
9 manner provided by law for unorganized territory and property subject to a new assessment.

10 **SECTION 7. AMENDMENT.** Section 57-55-11 of the North Dakota Century Code is  
11 amended and reenacted as follows:

12 **57-55-11. Collection - Enforcement - Penalty.**

- 13 1. Except as otherwise provided in this chapter, taxes imposed by this chapter are  
14 subject to all provisions of law relating to assessment, collection, enforcement,  
15 penalties, tax foreclosure and redemption, and any other provision of law relating to  
16 taxation of real property.
- 17 2. The director of tax equalization shall make an inspection of each mobile home park,  
18 lot, or other place in which mobile homes are located, for the purpose of determining  
19 whether the provisions of this chapter are being complied with. If the director  
20 determines that any person is not complying with the provisions of this chapter, the  
21 director shall give such person a warning that if such person fails to comply within ten  
22 days after the issuance of such warning, the director of tax equalization may begin civil  
23 action against such person. In the alternative, if the director of tax equalization  
24 determines that ~~there are mobile homes in the director's county belonging to transients~~  
25 ~~or nonresidents who have failed to comply~~ any person is not complying with the  
26 provisions of this chapter, and in the director's opinion the taxes will be uncollectible if  
27 immediate action is not taken, the director shall notify the county sheriff. The county  
28 sheriff shall immediately, and in no event later than five days after receiving such  
29 notification, commence proceedings ~~as provided by law~~ to collect the any taxes,  
30 penalties, and interest, ~~if any,~~ which are due, including distraint or other proceedings  
31 under provisions of law for collection of delinquent personal property taxes.

1     ~~2-3.~~ Before a mobile home is moved from its existing location, a moving permit must be  
2           obtained by the owner from the county director of tax equalization indicating that all  
3           taxes, penalties, and interest levied against the mobile home have been paid and  
4           indicating the destination to which the mobile home is being moved. An application for  
5           a moving permit indicating that the destination to which the mobile home is being  
6           moved is outside this state must be accompanied by the statement of the county  
7           director of tax equalization that taxes for the current year have been paid, as prorated  
8           to the date of removal. While the mobile home is being transported, the moving permit  
9           must be displayed on the rear of the mobile home. Any person who violates this  
10          provision is guilty of an infraction, for which a fine of no less than one hundred dollars  
11          and no more than five hundred dollars may be imposed.

12          **SECTION 8. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
13          December 31, 2012, for taxable year 2013 property taxes. However, mobile home taxes due in  
14          2013 are payable, as transitional tax payments, according to the provisions of law effective on  
15          December 31, 2012.