

Fifty-fifth  
Legislative Assembly  
of North Dakota

**HOUSE BILL NO. 1207**

Introduced by

Representatives Carlson, Klein

Senator B. Stenehjem

1 A BILL for an Act to amend and reenact sections 15-08-19, 40-25-09, 57-24-22, 57-24-24,  
2 subsection 1 of section 57-27-02, sections 57-28-01, 57-28-05, 57-28-07, and 57-45-11 of the  
3 North Dakota Century Code, relating to the length of time a tax sale certificate must be held  
4 before presentation to the county auditor for service of notice of expiration of the period of  
5 redemption; and to provide an effective date.

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

7 **SECTION 1. AMENDMENT.** Section 15-08-19 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9 **15-08-19. Taxation and sale for taxes of land sold by state on deferred payment**  
10 **contract.** Lands contracted to be sold by the state are subject to taxation from the date of the  
11 contract, and the taxes assessed thereon must be collected and enforced in the same manner  
12 as taxes against other lands. If the contract is not canceled or if the contract has been  
13 canceled and the period of redemption has not yet run, the lands upon which taxes are  
14 delinquent may be sold for taxes as other lands are sold. After the expiration of ~~three years~~  
15 one year from the date of the tax sale certificate, and after notice of expiration of the period of  
16 redemption has been given as required in title 57, and after expiration of the time to redeem  
17 given under such notice, the purchaser at the tax sale shall acquire such rights and interests as  
18 belonged to the holder and owner of the contract issued under the provisions of this chapter  
19 and only such rights. The holder of the tax sale certificate may present the same, together with  
20 a certificate from the county auditor that notice of expiration of the time for redemption has been  
21 given and that no redemption has been made, to the commissioner of university and school  
22 lands, and thereupon may have ~~his~~ the tax sale certificate holder's name substituted in the  
23 contract for that of the original holder and owner of the contract as the assignee of such original  
24 holder and owner, ~~upon condition that he~~ and shall make payment of any principal or interest

1 then in default under the contract of sale. If the lands are sold to the county for taxes, the  
2 county may assign its tax sale certificate at any time, and the assignee shall have the rights  
3 given by this section to the holder of a tax sale certificate issued to an individual. No tax deed  
4 may be issued upon any tax sale certificate while the legal title to the lands remains in the state  
5 of North Dakota.

6 **SECTION 2. AMENDMENT.** Section 40-25-09 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **40-25-09. Purchase of tax sale certificate by municipality from county -**  
9 **Assignment and redemption.** The city auditor, subject to the direction of the governing body  
10 of the municipality, may purchase from the county tax sale certificates which have not been  
11 assigned by the county, covering any property bid in by the county treasurer at tax sales  
12 against which there are special assessment tax liens in favor of the municipality. The  
13 assignment shall be made on the same terms as are provided for assignments by the county to  
14 individuals except that the amounts of the special assessment liens assessed by the  
15 municipality shall not be collected by the county treasurer from the municipality. If no  
16 redemption is made from the tax sale, the real estate covered by the certificate which has been  
17 assigned to a municipality shall become the absolute property of such municipality at the  
18 expiration of ~~three years~~ one year from the date of the tax sale, and such property may be  
19 disposed of by the municipality at public or private sale as may be provided by the governing  
20 body.

21 **SECTION 3. AMENDMENT.** Section 57-24-22 of the North Dakota Century Code is  
22 amended and reenacted as follows:

23 **57-24-22. Payment of subsequent taxes by owner of a certificate.** The owner of a  
24 tax sale certificate may pay the taxes upon the property described in such certificate for any  
25 subsequent year at any time after they become delinquent. Upon payment of any such taxes,  
26 with accrued penalties and costs thereon, into the county treasury, the county auditor shall  
27 issue to the person entitled thereto a certificate which must be known as a "subsequent tax sale  
28 certificate", which has the effect of conveying all the rights, interests, privileges, and title which  
29 would be conveyed by an original certificate of tax sale issued pursuant to the regular auditor's  
30 tax sale, and the owner thereof is entitled to a tax deed ~~three years~~ one year from the date of  
31 tax sale at which the real estate described in such certificate would have been sold for taxes in

case said taxes had not been paid as subsequent, upon giving the statutory notice of expiration of the period of redemption. All other provisions of law applicable to original tax sale certificates apply to subsequent tax sale certificates. A holder of a subsequent tax sale certificate also may pay taxes becoming delinquent subsequent to ~~his~~ the holder's certificate, as may be done by the holder of an original tax sale certificate, and is entitled to a subsequent tax sale certificate, the same in form as any other subsequent tax sale certificate, except that the certificate must indicate that the payer of such taxes is the owner of a subsequent tax sale certificate.

**SECTION 4. AMENDMENT.** Section 57-24-24 of the North Dakota Century Code is amended and reenacted as follows:

**57-24-24. Form of subsequent tax sale certificate.** The county auditor shall execute to the payer of subsequent taxes a subsequent tax sale certificate which must be substantially in the following form:

SUBSEQUENT TAX SALE CERTIFICATE

\_\_\_\_ County, North Dakota

I, \_\_\_\_\_, county auditor of \_\_\_\_\_ County in the state of North Dakota, hereby do certify that at the annual tax sale of real estate held on the \_\_\_\_\_ day of December, 19\_\_\_\_, the following described real estate to wit: \_\_\_\_\_ was sold for the taxes of the year \_\_\_\_\_ to \_\_\_\_\_ of \_\_\_\_\_ for the aggregate sum of \_\_\_\_\_ dollars (\$\_\_\_\_\_), and there was issued to such purchaser tax sale certificate No. \_\_\_\_\_ and that thereafter, the owner of said tax sale certificate paid subsequent taxes upon said real estate for the year \_\_\_\_\_ which payment was made on \_\_\_\_\_ and it is hereby certified that there is due him on account of subsequent taxes for said year, the sum of \_\_\_\_\_ dollars (\$\_\_\_\_\_), together with interest at nine percent (9%) per annum from \_\_\_\_\_, and that unless redemption shall be made from this subsequent tax sale certificate within ~~three (3) years~~ one (1) year from December \_\_\_\_\_, 19\_\_\_\_, he will be entitled after due notice given, to a tax deed conveying to him the said real estate.

Given under my hand and the seal of the county auditor of \_\_\_\_\_  
County, North Dakota, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
County Auditor of \_\_\_\_\_ County

1           **SECTION 5. AMENDMENT.** Subsection 1 of section 57-27-02 of the 1995 Supplement  
2 to the North Dakota Century Code is amended and reenacted as follows:

- 3           1. After ~~three years~~ one year and before ten years from the date of the tax sale to  
4 which a tax sale certificate relates, the holder of the tax sales certificate may  
5 present it to the county auditor for service of notice of expiration of the period of  
6 redemption. The notice must be directed to the person in whose name the  
7 property described in the certificate is assessed, to all lienholders of record, and to  
8 all mortgagees or assignees of mortgages holding unsatisfied recorded mortgages.  
9 The notice must include:
- 10           a. The description of the property.
  - 11           b. The amount for which the property was sold at tax sale.
  - 12           c. The amount of delinquent property taxes, with penalties and interest, for each  
13           year.
  - 14           d. The amount of delinquent special assessments, with penalties and interest,  
15           for each year.
  - 16           e. The total amount required to redeem the property from tax deed proceedings,  
17           not including costs yet to accrue.
  - 18           f. The time when the redemption period will expire.

19           **SECTION 6. AMENDMENT.** Section 57-28-01 of the North Dakota Century Code is  
20 amended and reenacted as follows:

21           **57-28-01. Notice of expiration of period of redemption to be given.** On or before  
22 June first in each year, the county auditor shall give notice of the expiration of the period of  
23 redemption for all property for which ~~three~~ one or more years have passed since tax sale  
24 certificates were issued or deemed to have been issued to the county, which have not been  
25 redeemed or assigned.

26           **SECTION 7. AMENDMENT.** Section 57-28-05 of the 1995 Supplement to the North  
27 Dakota Century Code is amended and reenacted as follows:

28           **57-28-05. Form of notice for service by certified mail.** The notice of the expiration of  
29 the period of redemption which the county auditor is required to serve by certified mail must be  
30 substantially in the following form:

31                           NOTICE OF EXPIRATION OF PERIOD OF REDEMPTION

To \_\_\_\_\_, the owner of the record title of the real estate hereinafter described,  
and to all mortgagees, lienholders, and other persons interested in said real estate:

I, \_\_\_\_\_, county auditor of \_\_\_\_\_ County, North Dakota, hereby  
give notice that the real estate hereinafter described, at the annual tax sale held in the  
county on the \_\_\_\_\_ of December, 19\_\_, was offered for sale for delinquent  
taxes against it for the year \_\_\_\_\_ and was sold to the county, that subsequent tax  
sale certificates have been issued to the county for the years hereinafter set forth, that  
more than ~~three years have~~ one year has expired since the date of each of said tax sale  
certificates, that no redemption has been made therefrom, and that the same still are  
the property of such county, and unless redemption is made from each of said tax sale  
certificates on or before October first, after the date of this notice, tax deeds will be  
issued to the county, granting to and vesting in it, the absolute title in fee to said real  
property, subject, however, to the lien for installments of special assessments certified  
or to be certified to the county auditor or which may become due subsequent to the time  
of service of this notice, and foreclosing all rights of redemption, and all other rights of  
the owner, mortgagees, lienholders, and other persons interested therein, as may  
appear from the records of the register of deeds and the clerk of the district court of said  
county. There is given herewith the description of such parcels of real estate, and set  
opposite each description is the amount which will be required upon the date of the  
expiration of the period of redemption to redeem such real estate from such original and  
each subsequent tax sale certificate issued to the county, exclusive of the cost of  
service of this notice.

Said property is described as follows, with the amount required to redeem set out  
opposite each description, to wit: \_\_\_\_\_

\_\_\_\_\_  
Given pursuant to authority of law this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

County auditor of \_\_\_\_\_ County, North Dakota.

**SECTION 8. AMENDMENT.** Section 57-28-07 of the North Dakota Century Code is  
amended and reenacted as follows:

**57-28-07. Form of notice for publication.** The notice of the expiration of the period of  
redemption to be served by publication must be substantially in the following form:

I, \_\_\_\_\_, county auditor, of \_\_\_\_\_ County, North Dakota, hereby do give notice that the real estate hereinafter described was sold to the county at the annual tax sale on December \_\_\_\_\_, 19\_\_, for delinquent taxes, that subsequent tax sale certificates have been issued to the county, that more than ~~three years have~~ one year has expired since the date of each of said tax sale certificates, that no redemption has been made therefrom, that the same still are the property of this county, and that unless redemption shall be made from such tax sale, on or before October first after the date of this notice, the same will become the absolute property in fee of this county, subject, however, to the lien for installments of special assessments certified or to be certified to the county auditor or which may become due subsequent to the time of service of this notice, and the former owner thereof, mortgagees, lienholders, and other persons interested therein will be forever foreclosed and barred from asserting any further rights to such real estate whatsoever. The following is a list of the real estate sold at such tax sale on which the period of redemption will expire on October first. Opposite each description of such real estate appears any street address of the property, the name of the owner of the record title thereof, and the amount which must be paid to redeem from such tax sale before the period of redemption expires. Said sum includes the amount for which said land was sold, together with subsequent delinquent taxes for \_\_\_\_\_ and prior years, and interest, penalties, and cost of service. (List descriptions, names of owners, and amount necessary to redeem.)

Given pursuant to authority of law this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

The failure to include the street address in the notice does not affect the validity of the notice.

**SECTION 9. AMENDMENT.** Section 57-45-11 of the North Dakota Century Code is amended and reenacted as follows:

**57-45-11. Limitation of action against tax deed.** Any person having or claiming title to or a lien or encumbrance upon any land, whether in ~~his~~ that person's possession or the possession of another, or vacant or unoccupied, may commence and maintain an action against any person, county, or state claiming any title to or interest in such lands, or a lien upon the same, adversely to ~~him~~ that person by or through any tax sale, tax certificate, or tax deed, to test the validity of the tax sale, tax certificate, or tax deed, or to quiet the title to said land as against the claims of such adverse claimant, or to remove the cloud from the title arising from

1 such tax sale, tax certificate, or tax deed. No action nor defense based upon the invalidity of  
2 any such tax sale, tax certificate, or tax deed may be commenced or interposed after ~~three~~  
3 ~~years~~ one year from the issuance of a tax deed unless such tax sale, tax certificate, or tax deed  
4 is void by reason of jurisdictional defects. The purchaser at any tax sale or the holder of any  
5 tax certificate or tax deed may maintain an action to establish the validity thereof or to quiet title  
6 to said lands, and ~~if he is~~ the holder of a tax deed ~~he~~ may demand the possession of such  
7 lands.

8 **SECTION 10. EFFECTIVE DATE.** This Act is effective for tax sale certificates acquired  
9 at tax sales held after December 31, 1997.