

**SECOND ENGROSSMENT  
with Conference Committee Amendments  
REENGROSSED HOUSE BILL NO. 1168**

Introduced by

Representatives Louser, Jonas, Monson, Richter, Sanford, Toman

Senators Burckhard, Thomas

1 A BILL for an Act to create and enact two new sections to chapter 54-27, a new section to  
2 chapter 57-02, and a new section to chapter 57-15 of the North Dakota Century Code, relating  
3 to a legacy earnings fund, a legacy property tax relief fund, a primary residence certification,  
4 and a limitation on property tax levies without voter approval; to amend and reenact section  
5 6-09.4-10.1, subsection 1 of section 21-10-06, sections 40-40-06, 54-27-19.3, and 57-02-01,  
6 subdivision c of subsection 1 of section 57-02-08.1, subdivision b of subsection 2 of section  
7 57-02-08.1, section 57-02-08.8, section 57-02-08.9 as amended by section 1 of Senate Bill No.  
8 2201, as approved by the sixty-ninth legislative assembly, sections 57-02-08.10, 57-02-27,  
9 57-02-27.1, 57-02-53, 57-09-04, 57-11-03, 57-12-06, 57-15-02.2, 57-15-14.2, and 57-20-07.1 of  
10 the North Dakota Century Code, relating to funds invested by the state investment board,  
11 property tax definitions, the homestead tax credit and renters refund, the property tax credit for  
12 disabled veterans, the primary residence credit, property classifications, assessment and  
13 budget hearing notices to property owners, school district levies, and the property tax  
14 statement; to repeal sections 21-10-12 and 21-10-13 of the North Dakota Century Code,  
15 relating to legacy fund definitions and the legacy earnings fund; to provide a statement of  
16 legislative intent; to provide for a legislative management study, to provide an appropriation; to  
17 provide an effective date; to provide an expiration date; and to declare an emergency.

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

19 **SECTION 1. AMENDMENT.** Section 6-09.4-10.1 of the North Dakota Century Code is  
20 amended and reenacted as follows:

1           **6-09.4-10.1. Legacy sinking and interest fund - Debt service requirements - Public**  
2 **finance authority.**

3           There is created in the state treasury the legacy sinking and interest fund. The fund consists  
4 of all moneys deposited in the fund under section ~~21-10-135~~ of this Act. Moneys in the fund may  
5 be spent by the public finance authority pursuant to legislative appropriations to meet the debt  
6 service requirements for evidences of indebtedness issued by the authority for transfer to the  
7 Bank of North Dakota for allocations to infrastructure projects and programs.

8           **SECTION 2. AMENDMENT.** Subsection 1 of section 21-10-06 of the North Dakota Century  
9 Code is amended and reenacted as follows:

- 10           1. Subject to the provisions of section 21-10-02, the board shall invest the following  
11 funds:
- 12           a. State bonding fund.
  - 13           b. Teachers' fund for retirement.
  - 14           c. State fire and tornado fund.
  - 15           d. Workforce safety and insurance fund.
  - 16           e. Public employees retirement system.
  - 17           f. Insurance regulatory trust fund.
  - 18           g. State risk management fund.
  - 19           h. Budget stabilization fund.
  - 20           i. Water projects stabilization fund.
  - 21           j. Health care trust fund.
  - 22           k. Cultural endowment fund.
  - 23           l. Petroleum tank release compensation fund.
  - 24           m. Legacy fund.
  - 25           n. ~~Legacy earnings fund.~~
  - 26           o. Opioid settlement fund.
  - 27           p-o. A fund under contract with the board pursuant to subsection 3.

28           **SECTION 3. AMENDMENT.** Section 40-40-06 of the North Dakota Century Code is  
29 amended and reenacted as follows:

1        **40-40-06. Notice of preliminary budget statement – Contents – How given public**  
2 **budget hearing date.**

3        4. On or before August tenth of each year, after the governing body has prepared the  
4 preliminary budget statement, the auditor of the municipality shall:

5            a. ~~Provide the county auditor with a copy of the preliminary budget statement.~~

6        ~~b.1.~~ Set a public budget hearing date no earlier than September seventh and no later than  
7 October seventh for the purpose of adopting the final budget and making the annual  
8 tax levy.

9        ~~e.2.~~ Provide notice of the public budget hearing date to the county auditor.

10       2. For municipalities anticipating levying less than one hundred thousand dollars in the  
11 current year, notice must:

12       a. ~~Contain a statement of the total proposed expenditures for each fund in the~~  
13 ~~preliminary budget, but need not contain any detailed statement of the proposed~~  
14 ~~expenditures;~~

15       b. ~~Be published at least once, not less than six days prior to the budget hearing, in a~~  
16 ~~newspaper published in the municipality, if there is one, and if no newspaper is~~  
17 ~~published in the municipality, the notice must be published not less than six days~~  
18 ~~prior to the meeting in the official city newspaper as provided by section~~  
19 ~~40-01-09; and~~

20       e. ~~Provide that any taxpayer may appear and discuss with the governing body any~~  
21 ~~item of proposed expenditures or may object to any item or amount.~~

22       **SECTION 4. AMENDMENT.** Section 54-27-19.3 of the North Dakota Century Code is  
23 amended and reenacted as follows:

24       **54-27-19.3. Legacy earnings highway distribution fund.**

25       A legacy earnings highway distribution fund is created as a special fund in the state treasury  
26 into which must be deposited any allocations of legacy fund earnings made under section  
27 24-10-135 of this Act. Any moneys in the legacy earnings highway distribution fund must be  
28 allocated and transferred by the state treasurer, as follows:

29       1. Sixty percent must be transferred to the department of transportation for deposit in the  
30 state highway fund;

31       2. Ten percent must be transferred to the legacy earnings township highway aid fund;

- 1       3. One and five-tenths percent must be transferred to the public transportation fund; and
- 2       4. Twenty-eight and five-tenths percent must be allocated to cities and counties using the
- 3             formula established in subsection 4 of section 54-27-19. Moneys received by counties
- 4             and cities must be used for roadway purposes in accordance with section 11 of
- 5             article X of the Constitution of North Dakota.

6       **SECTION 5.** A new section to chapter 54-27 of the North Dakota Century Code is created  
7 and enacted as follows:

8       **Legacy earnings fund - State treasurer - Legacy fund distribution - Allocations.**

- 9       1. There is created in the state treasury the legacy earnings fund. The fund consists of all  
10            moneys distributed by the state treasurer from the legacy fund pursuant to section 26  
11            of article X of the Constitution of North Dakota. The distribution from the legacy fund  
12            on July first of each odd-numbered year must be equal to seven percent of the  
13            five-year average value of the legacy fund balance as reported by the state investment  
14            board. The average value of the legacy fund balance must be calculated using the  
15            fund balance at the end of each fiscal year for the five-year period ending with the  
16            most recently completed even-numbered fiscal year.
- 17       2. From the amount distributed to the legacy earnings fund under subsection 1, the state  
18            treasurer shall allocate funding in July of each odd-numbered year in the following  
19            order:
  - 20            a. The first one hundred two million six hundred twenty-four thousand dollars or an  
21                amount equal to the amount appropriated from the legacy sinking and interest  
22                fund for debt service payments for a biennium, whichever is less, to the legacy  
23                sinking and interest fund under section 6-09.4-10.1.
  - 24            b. The next one hundred million dollars to the legacy earnings highway distribution  
25                fund for allocations under section 54-27-19.3.
  - 26            c. The remaining amount to the legacy property tax relief fund under section 6 of  
27                this Act.

28       **SECTION 6.** A new section to chapter 54-27 of the North Dakota Century Code is created  
29 and enacted as follows:

1        **Legacy property tax relief fund.**

2        There is created in the state treasury the legacy property tax relief fund. The fund consists  
3 of all moneys allocated to the fund under section 5 of this Act and all moneys transferred to the  
4 fund by the legislative assembly.

5        **SECTION 7. AMENDMENT.** Section 57-02-01 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7        **57-02-01. Definitions.**

8        As used in this title, unless the context or subject matter otherwise requires:

- 9        1. "Agricultural property" means platted or unplatted lands used for raising agricultural  
10 crops or grazing farm animals, except lands platted and assessed as agricultural  
11 property prior to March 30, 1981, shall continue to be assessed as agricultural  
12 property until put to a use other than raising agricultural crops or grazing farm animals.  
13 Agricultural property includes land on which a greenhouse or other building is located  
14 if the land is used for a nursery or other purpose associated with the operation of the  
15 greenhouse. The time limitations contained in this section may not be construed to  
16 prevent property that was assessed as other than agricultural property from being  
17 assessed as agricultural property if the property otherwise qualifies under this  
18 subsection.
- 19        a. Property platted on or after March 30, 1981, is not agricultural property when any  
20 four of the following conditions exist:
- 21            (1) The land is platted by the owner.  
22            (2) Public improvements, including sewer, water, or streets, are in place.  
23            (3) Topsoil is removed or topography is disturbed to the extent that the property  
24 cannot be used to raise crops or graze farm animals.  
25            (4) Property is zoned other than agricultural.  
26            (5) Property has assumed an urban atmosphere because of adjacent  
27 residential or commercial development on three or more sides.  
28            (6) The parcel is less than ten acres [4.05 hectares] and not contiguous to  
29 agricultural property.  
30            (7) The property sells for more than four times the county average true and full  
31 agricultural value.

- 1           b. Land that was assessed as agricultural property at the time the land was put to  
2           use for extraction of oil, natural gas, or subsurface minerals as defined in section  
3           38-12-01 must continue to be assessed as agricultural property if the remainder  
4           of the surface owner's parcel of property on which the subsurface mineral activity  
5           is occurring continues to qualify for assessment as agricultural property under  
6           this subsection.
- 7           2. "Air carrier transportation property" means the operative property of each airline  
8           whose property is assessed for taxation purposes pursuant to chapters 57-06 and  
9           57-32.
- 10          3. "Assessed valuation" means fifty percent of the true and full value of property.
- 11          4. "Centrally assessed property" means all property which is assessed by the state board  
12          of equalization under chapters 57-05, 57-06, and 57-32.
- 13          5. "Commercial property" means all property, or portions of property, not included in the  
14          classes of property defined in subsections 1, 4, 4110, 12, 13, and 4214.
- 15          6. "Credits" means and includes every claim and demand for money or other valuable  
16          thing, and every annuity or sum of money receivable at stated periods, due or to  
17          become due, and all claims and demands secured by deeds or mortgages, due or to  
18          become due.
- 19          7. "Governing body" means a board of county commissioners, city council, board of city  
20          commissioners, school board, or board of education, or the similarly constituted and  
21          acting board of any other municipality.
- 22          8. "Money" or "moneys" means gold and silver coin, treasury notes, bank notes, and  
23          every deposit which any person owning the same or holding in trust and residing in  
24          this state is entitled to withdraw as money or on demand.
- 25          9. "Municipality" or "taxing district" means a county, city, township, school district, water  
26          conservation and flood control district, Garrison Diversion Conservancy District, county  
27          park district, joint county park district, irrigation district, park district, rural fire protection  
28          district, or any other subdivision of the state empowered to levy taxes.
- 29          10. "Nonprimary residential property" means residential property, or portions of residential  
30          property, not included in the class of property defined in subsection 12.
- 31          11. "Person" includes a firm, corporation, or limited liability company.

- 1 ~~11-12.~~ "Primary residential property" means residential property certified as a primary  
2 residence under section 15 of this Act.
- 3 ~~13.~~ "Railroad property" means the operating property, including franchises, of each  
4 railroad operated in this state, including any electric or other street or interurban  
5 railway.
- 6 ~~12-14.~~ "Residential property" means all property, or portions of property, used by an individual  
7 or group of individuals as a dwelling, including property upon which a mobile home is  
8 located but not including hotel and motel accommodations required to be licensed  
9 under chapter 23-09 nor structures providing living accommodations for four or more  
10 separate family units nor any tract of land upon which four or more mobile homes are  
11 located. The term includes nonprimary residential property and primary residential  
12 property.
- 13 ~~13-15.~~ "Taxable valuation" signifies the valuation remaining after deducting exemptions and  
14 making other reductions from the original assessed valuation, and is the valuation  
15 upon which the rate of levy finally is computed and against which the taxes finally are  
16 extended.
- 17 ~~14-16.~~ "Tract", "lot", "piece or parcel of real property", or "piece or parcel of land" means any  
18 contiguous quantity of land in the possession of, owned by or recorded as the property  
19 of, the same claimant, person, or company.
- 20 ~~15-17.~~ "True and full value" means the value determined by considering the earning or  
21 productive capacity, if any, the market value, if any, and all other matters that affect the  
22 actual value of the property to be assessed. This shall include, for purposes of arriving  
23 at the true and full value of property used for agricultural purposes, farm rentals, soil  
24 capability, soil productivity, and soils analysis.
- 25 ~~16-18.~~ "Unencumbered cash" means the total cash on hand in any fund, less the amount  
26 belonging to the fund in closed banks and less the amount of outstanding warrants,  
27 bills, accounts, and contracts which are chargeable against the fund.
- 28 ~~17-19.~~ There shall be a presumption that a unit of land is not a farm unless such unit contains  
29 a minimum of ten acres [4.05 hectares], and the taxing authority, in determining  
30 whether such presumption shall apply, shall consider such things as the present use,

1 the adaptability to use, and how similar type properties in the immediate area are  
2 classified for tax purposes.

3 **SECTION 8. AMENDMENT.** Subdivision c of subsection 1 of section 57-02-08.1 of the  
4 North Dakota Century Code is amended and reenacted as follows:

5 c. The exemption must be determined according to the following schedule:

- 6 (1) If the person's income is not in excess of ~~forty~~fifty thousand dollars, a  
7 reduction of one hundred percent of the taxable valuation of the person's  
8 homestead up to a maximum reduction of nine thousand dollars of taxable  
9 valuation.  
10 (2) If the person's income is in excess of ~~forty~~fifty thousand dollars and not in  
11 excess of ~~seventy~~eighty thousand dollars, a reduction of fifty percent of the  
12 taxable valuation of the person's homestead up to a maximum reduction of  
13 four thousand five hundred dollars of taxable valuation.

14 **SECTION 9. AMENDMENT.** Subdivision b of subsection 2 of section 57-02-08.1 of the  
15 North Dakota Century Code is amended and reenacted as follows:

16 b. For the purpose of this subsection, twenty percent of the annual rent, exclusive of  
17 any federal rent subsidy and of charges for any utilities, services, furniture,  
18 furnishings, or personal property appliances furnished by the landlord as part of  
19 the rental agreement, whether expressly set out in the rental agreement, must be  
20 considered as payment made for property tax. When any part of the twenty  
21 percent of the annual rent exceeds four percent of the annual income of a  
22 qualified applicant, the applicant is entitled to receive a refund from the state  
23 general fund for that amount in excess of four percent of the person's annual  
24 income, but the refund may not be in excess of ~~four hundred~~six hundred dollars.  
25 If the calculation for the refund is less than five dollars, a minimum of five dollars  
26 must be sent to the qualifying applicant.

27 **SECTION 10. AMENDMENT.** Section 57-02-08.8 of the North Dakota Century Code is  
28 amended and reenacted as follows:

29 **57-02-08.8. Property tax credit for disabled veterans - Certification - Distribution.**

30 1. A disabled veteran of the United States armed forces with an armed forces  
31 service-connected disability of fifty percent or greater or a disabled veteran who has



1 an extra-schedular rating to include individual unemployability that brings the veteran's  
2 total disability rating to one hundred percent as determined by the department of  
3 veterans' affairs, who was discharged under honorable conditions or who has been  
4 retired from the armed forces of the United States, or the surviving spouse if the  
5 disabled veteran is deceased, is eligible for a credit applied against the first ~~eight-~~  
6 ~~thousand one hundred~~nine thousand dollars of taxable valuation of the homestead  
7 owned and occupied by the disabled veteran or surviving spouse equal to the  
8 percentage of the disabled veteran's disability compensation rating for  
9 service-connected disabilities as certified by the department of veterans' affairs for the  
10 purpose of applying for a property tax credit. A surviving spouse who is receiving  
11 United States department of veterans affairs dependency and indemnity compensation  
12 receives a one hundred percent credit as described in this subsection. If the  
13 determination of disability or service-connected death occurs subsequent to the  
14 qualifying veteran's death through application of a law that renders a surviving spouse  
15 of a qualifying veteran eligible for United States department of veterans affairs  
16 disability and indemnity compensation, the determination for purposes of the credit  
17 under this subsection is presumed to precede the veteran's death. Sufficient proof of  
18 receipt of United States department of veterans affairs dependency and indemnity  
19 compensation includes correspondence directed to a surviving spouse of a qualifying  
20 veteran by the United States department of veterans affairs which indicates the  
21 surviving spouse is a survivor of the qualifying veteran and is in receipt of United  
22 States department of veterans affairs dependency and indemnity compensation.

- 23 2. If two disabled veterans are married to each other and living together, their combined  
24 credits may not exceed one hundred percent of ~~eight thousand one hundred~~nine  
25 thousand dollars of taxable valuation of the homestead. If a disabled veteran co-owns  
26 the homestead property with someone other than the disabled veteran's spouse,  
27 parent, or child, the credit is limited to that disabled veteran's interest in the  
28 homestead, ~~to a maximum amount~~ calculated by multiplying ~~eight thousand-~~  
29 ~~one hundred dollars of~~the taxable valuation ~~by~~of the disabled veteran's ~~percentage of~~  
30 interest in the homestead property ~~and multiplying the result~~ by the applicant's certified  
31 disability percentage, not to exceed the maximum credit amount in subsection 1.

- 1           3. A disabled veteran or ~~unremarried~~ surviving spouse claiming a credit under this  
2           section for the first time shall file with the county auditor an affidavit showing the facts  
3           required under this section, a description of the property, and a certificate from the  
4           United States department of veterans' affairs, or its successor, certifying to the amount  
5           of the disability. The affidavit and certificate must be open for public inspection. A  
6           person shall thereafter furnish to the assessor or other assessment officials, when  
7           requested to do so, any information which supports the claim for credit for any  
8           subsequent year.
- 9           4. For purposes of this section, and except as otherwise provided in this section,-  
10          "homestead":
- 11          a. "Child" means a child by birth, adoption, or marriage.
- 12          b. "Homestead" has the meaning provided in section 47-18-01 except that it also  
13             applies to a person who otherwise qualifies under the provisions of this section  
14             whether the person is the head of the family.
- 15          c. "Parent" means a birth parent, adoptive parent, or stepparent.
- 16          5. This section does not reduce the liability of a person for special assessments levied  
17          upon property.
- 18          6. A credit under this section terminates at the end of the taxable year of the death of the  
19          applicant.
- 20          7. The board of county commissioners may cancel the portion of unpaid taxes that  
21          represents the credit calculated in accordance with this section for any year in which  
22          the qualifying owner has held title to the homestead property. Cancellation of taxes for  
23          any year before enactment of this section must be based on the law that was in effect  
24          for that tax year.
- 25          8. Before the first of March of each year, the county auditor of each county shall certify to  
26          the tax commissioner on forms prescribed by the tax commissioner the name and  
27          address of each person for whom the property tax credit for homesteads of disabled  
28          veterans was allowed for the preceding year, the amount of credit allowed, the total of  
29          the tax mill rates of all taxing districts, exclusive of any state mill rates, that was  
30          applied to other real estate in the taxing districts for the preceding year, and such other  
31          information as may be prescribed by the tax commissioner.

- 1           9. On or before the first of June of each year, the tax commissioner shall audit the  
2           certifications, make the required corrections, and certify to the state treasurer for  
3           payment to each county the sum of the amounts computed by multiplying the credit  
4           allowed for each homestead of a disabled veteran in the county by the total of the tax  
5           mill rates, exclusive of any state mill rates that were applied to other real estate in the  
6           taxing districts for the preceding year.
- 7           10. The county treasurer upon receipt of the payment from the state treasurer shall  
8           apportion and distribute the payment without delay to the county and to the local  
9           taxing districts of the county on the basis on which the general real estate tax for the  
10          preceding year is apportioned and distributed.
- 11          11. On or before the first day of June of each year, the tax commissioner shall certify to  
12          the state treasurer the amount computed by multiplying the property tax credit allowed  
13          under this section for homesteads of disabled veterans in the state for the preceding  
14          year by one mill for deposit in the state medical center fund.
- 15          12. Supplemental certifications by the county auditor and by the tax commissioner and  
16          supplemental payments by the state treasurer may be made after the dates prescribed  
17          in this section to make such corrections as may be necessary because of errors or  
18          because of approval of an application for abatement filed by a person because the  
19          credit provided for the homestead of a disabled veteran was not allowed in whole or in  
20          part.

21           **SECTION 11. AMENDMENT.** Section 57-02-08.9 of the North Dakota Century Code, as  
22          amended by section 1 of Senate Bill No. 2201, as approved by the sixty-ninth legislative  
23          assembly, is amended and reenacted as follows:

24           **57-02-08.9. Primary residence credit - Qualification - Application. (Effective for the**  
25          **first two taxable years~~year~~ beginning after December 31, ~~2023~~2024)**

- 26           1. A taxpayer is entitled to a credit of ~~five hundred dollars~~ against the property tax due on  
27          the taxpayer's primary residence as provided in this section. The credit ~~may~~:  
28          a. Is limited to one thousand dollars.  
29          b. May not reduce the liability for special assessments levied upon any property.  
30          c. May not exceed the amount of property tax due against the primary residence.  
31          ~~The credit must~~

- 1           d. Must be applied to reduce the property tax owed on the taxpayer's primary  
2           residence after other exemptions or credits under this chapter have been applied.
- 3       2. For purposes of this section:
- 4       a. "Owned" means an individual holds a present ownership interest, including  
5           ownership in fee simple, holds a present life estate or other terminable present  
6           ownership interest, holds a beneficial interest in a qualifying trust, or is a  
7           purchaser under a contract for deed. The term does not include a mere right of  
8           occupancy or a tenancy under a lease.
- 9       b. (1) "Primary residence" means a dwelling in this state, including the land,  
10           appurtenances, and improvements used in the residential occupancy of the  
11           dwelling, that, subject to paragraph 2 and subsection 3, is:
- 12           (a) Owned by one or more individuals, either directly or through a  
13           beneficial interest in a qualifying trust;
- 14           (b) Designed or adapted for human residence;
- 15           (c) Used as a residence; and
- 16           (d) Occupied as a primary place of residence by an owner, by an  
17           individual who has a life estate in the property, or, for property owned  
18           through a beneficial interest in a qualifying trust, by a trustor or  
19           beneficiary of the trust who qualifies for the credit.
- 20       (2) For purposes of the definition of "primary residence" under this subdivision:
- 21           (a) An individual may not have more than one primary residence.
- 22           (b) A primary residence includes a primary residence taxed under chapter  
23           57-55.
- 24       c. "Qualifying trust" means a trust:
- 25       (1) In which the agreement, will, or court order creating the trust, an instrument  
26           transferring property to the trust, or any other agreement that is binding on  
27           the trustee provides that the trustor of the trust or a beneficiary of the trust  
28           has the right to use and occupy as the trustor's or beneficiary's primary  
29           residence rent free and without charge except for taxes and other costs and  
30           expenses specified in the instrument or court order:
- 31           (a) For life;

- 1 (b) For the lesser of life or a term of years; or
- 2 (c) Until the date the trust is revoked or terminated by an instrument or
- 3 court order that describes the property with sufficient certainty to
- 4 identify it and is recorded in the real property records of the county in
- 5 which the property is located; and
- 6 (2) That acquires the property in an instrument of title or under a court order
- 7 that:
- 8 (a) Describes the property with sufficient certainty to identify it and the
- 9 interest acquired; and
- 10 (b) Is recorded in the real property records of the county in which the
- 11 property is located.
- 12 d. "Trustor" means an individual who transfers an interest in real or personal
- 13 property to a qualifying trust, whether during the individual's lifetime or at death,
- 14 or the individual's spouse.
- 15 3. An individual who does not reside in the primary residence is eligible for the credit
- 16 under this section if the individual's absence is due to confinement in a nursing home,
- 17 hospital, or other care facility, for as long as that confinement lasts and the portion of
- 18 the primary residence previously occupied by the individual is not rented to another
- 19 person.
- 20 4. Only one credit under this section may be applied against the property taxes levied
- 21 against any primary residence. A trust may not claim a credit for more than one
- 22 primary residence under this section. If a credit under this section is applied against
- 23 the property tax due on a primary residence subject to a real estate transaction, any
- 24 proration of the amount of property tax owed by a buyer or seller must be based on
- 25 the amount of property tax owed after application of the credit under this section.
- 26 5. An individual whose primary residence is a farm structure exempt from taxation under
- 27 subsection 15 of section 57-02-08 is not eligible for a credit under this section.
- 28 6. The credit may not reduce the liability for special assessments levied upon any
- 29 property.
- 30 7. To apply for a credit under this section, an applicant shall sign and file with the tax
- 31 commissioner, ~~by April first of each year,~~ an application containing a verified statement

1 of facts establishing the applicant's eligibility as of the date of the ~~claim~~application on a  
2 form and in the manner prescribed by the tax commissioner. The application must be  
3 filed:

4 a. By April 1, 2025, to request a credit for taxable year 2025 for a primary residence  
5 taxed as real estate under this title or as a mobile home under chapter 57-55.

6 b. By September 1, 2025, to request a credit for taxable year 2026 for a primary  
7 residence taxed as a mobile home under chapter 57-55.

8 8. The tax commissioner, in consultation with the county auditors, shall prescribe, design,  
9 and make available all forms necessary to effectuate this section. The tax  
10 commissioner shall make these forms available upon request.

11 **SECTION 12. AMENDMENT.** Section 57-02-08.9 of the North Dakota Century Code is  
12 amended and reenacted as follows:

13 **57-02-08.9. Primary residence credit - Qualification -~~Application.~~ (Effective for the**  
14 **~~first taxable year~~years beginning after December 31, 2024~~2025)~~**

15 1. A taxpayer is entitled to a credit against the property tax due on the taxpayer's parcel  
16 of primary residence~~residential property~~ as provided in this section. The credit:

17 a. Is limited to one thousand dollars.

18 b. May not reduce the liability for special assessments levied upon any property.

19 c. May not exceed the amount of property tax due against the parcel of primary  
20 residence~~residential property~~.

21 d. Must be applied to reduce the property tax owed on the ~~taxpayer's~~parcel of  
22 primary residence~~residential property~~ after other exemptions or credits under this  
23 chapter have been applied.

24 2. ~~For purposes of this section:~~

25 a. ~~"Owned" means an individual holds a present ownership interest, including~~  
26 ~~ownership in fee simple, holds a present life estate or other terminable present~~  
27 ~~ownership interest, holds a beneficial interest in a qualifying trust, or is a~~  
28 ~~purchaser under a contract for deed. The term does not include a mere right of~~  
29 ~~occupancy or a tenancy under a lease.~~

- 1           b. (1) ~~"Primary residence" means a dwelling in this state, including the land,~~  
2                     ~~appurtenances, and improvements used in the residential occupancy of the~~  
3                     ~~dwelling, that, subject to paragraph 2 and subsection 3, is:~~
- 4                     ~~(a) Owned by one or more individuals, either directly or through a~~  
5                     ~~beneficial interest in a qualifying trust;~~  
6                     ~~(b) Designed or adapted for human residence;~~  
7                     ~~(c) Used as a residence; and~~  
8                     ~~(d) Occupied as a primary place of residence by an owner, by an~~  
9                     ~~individual who has a life estate in the property, or, for property owned~~  
10                    ~~through a beneficial interest in a qualifying trust, by a trustor or~~  
11                    ~~beneficiary of the trust who qualifies for the credit~~
- 12            (2) ~~For purposes of the definition of "primary residence" under this subdivision:~~
- 13                    ~~(a) An individual may not have more than one primary residence.~~  
14                    ~~(b) A primary residence includes a primary residence taxed under chapter~~  
15                    ~~57-55.~~
- 16           e. ~~"Qualifying trust" means a trust:~~
- 17                    (1) ~~In which the agreement, will, or court order creating the trust, an instrument~~  
18                    ~~transferring property to the trust, or any other agreement that is binding on~~  
19                    ~~the trustee provides that the trustor of the trust or a beneficiary of the trust~~  
20                    ~~has the right to use and occupy as the trustor's or beneficiary's primary~~  
21                    ~~residence rent free and without charge except for taxes and other costs and~~  
22                    ~~expenses specified in the instrument or court order:~~
- 23                    ~~(a) For life;~~  
24                    ~~(b) For the lesser of life or a term of years; or~~  
25                    ~~(c) Until the date the trust is revoked or terminated by an instrument or~~  
26                    ~~court order that describes the property with sufficient certainty to~~  
27                    ~~identify it and is recorded in the real property records of the county in~~  
28                    ~~which the property is located; and~~
- 29                    (2) ~~That acquires the property in an instrument of title or under a court order~~  
30                    ~~that:~~

- 1                   (a) Describes the property with sufficient certainty to identify it and the  
2                   interest acquired; and
- 3                   (b) Is recorded in the real property records of the county in which the  
4                   property is located.
- 5           d. ~~"Trustor" means an individual who transfers an interest in real or personal~~  
6           ~~property to a qualifying trust, whether during the individual's lifetime or at death,~~  
7           ~~or the individual's spouse.~~
- 8           3. ~~An individual who does not reside in the primary residence is eligible for the credit~~  
9           ~~under this section if the individual's absence is due to confinement in a nursing home,~~  
10           ~~hospital, or other care facility, for as long as that confinement lasts and the portion of~~  
11           ~~the primary residence previously occupied by the individual is not rented to another~~  
12           ~~person.~~
- 13           4. Only one credit under this section may be applied against the property taxes levied  
14           against any parcel of primary residence residential property. A trust may not claim a  
15           credit for more than one parcel of primary residence residential property under this  
16           section. If a credit under this section is applied against the property tax due on a  
17           parcel of primary residence residential property subject to a real estate transaction, any  
18           proration of the amount of property tax owed by a buyer or seller must be based on  
19           the amount of property tax owed after application of the credit under this section.
- 20           5. ~~An individual whose primary residence is a farm structure exempt from taxation under~~  
21           ~~subsection 15 of section 57-02-08 is not eligible for a credit under this section.~~
- 22           6. ~~The credit may not reduce the liability for special assessments levied upon any~~  
23           ~~property.~~
- 24           7. ~~To apply for a credit under this section, an applicant shall sign and file with the tax~~  
25           ~~commissioner an application containing a verified statement of facts establishing the~~  
26           ~~applicant's eligibility as of the date of the application on a form and in the manner~~  
27           ~~prescribed by the tax commissioner. The application must be filed:~~
- 28           a. ~~By April 1, 2025, to request a credit for taxable year 2025 for a primary residence~~  
29           ~~taxed as real estate under this title or as a mobile home under chapter 57-55.~~
- 30           b. ~~By September 1, 2025, to request a credit for taxable year 2026 for a primary~~  
31           ~~residence taxed as a mobile home under chapter 57-55.~~



1     ~~8-3.~~   The tax commissioner, in consultation with the county auditors, shall prescribe, design,  
2                   and make available all forms necessary to effectuate this section. ~~The tax-~~  
3                   ~~commissioner shall make these forms available upon request.~~

4             **SECTION 13. AMENDMENT.** Section 57-02-08.10 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6             **57-02-08.10. Primary residence credit - Certification - Distribution. (Effective through**  
7 **~~June 30, 2026~~May 31, 2026)**

8             1.   By ~~June first of each year~~June 1, 2025, the tax commissioner shall:

9               a.   Review a sampling of information certified by the county auditor regarding the  
10               sum of the credits applied against real estate and mobile home taxes levied for  
11               taxable year 2024 to verify the accuracy of the application of the credit and certify  
12               to the state treasurer for payment to each county the aggregate dollar amount of  
13               credits applied against real estate and mobile home taxes levied for taxable year  
14               2024;

15               b.   Review the applications received under section 57-02-08.9 for credits to be  
16               applied against real estate and mobile home taxes levied for taxable year 2025  
17               and determine which applicants qualify for the credit allowed under section  
18               57-02-08.9 for taxable year 2025; and

19               ~~b.c.~~   Provide to each county auditor:

20                   (1)   A copy of each approved application under subdivision ~~a~~b which identifies a  
21                   primary residence located in the county; and

22                   (2)   The sum of the credits allowed under section 57-02-08.9 in the county for  
23                   ~~the current taxable year~~ 2025.

24             2.   By November 1, 2025, the tax commissioner shall:

25               a.   Review the applications received under section 57-02-08.9 for primary  
26               residences taxed as mobile homes under chapter 57-55 for credits to be applied  
27               against taxes levied for taxable year 2026 and determine which applicants qualify  
28               for the credit allowed under section 57-02-08.9 for taxable year 2026; and

29               b.   Provide to each county auditor:

30                   (1)   A copy of each approved application under subdivision a which identifies a  
31                   primary residence taxed under chapter 57-55 located in the county; and

1           (2) The sum of the credits allowed under section 57-02-08.9 for primary  
2           residences taxed under chapter 57-55 in the county for taxable year 2026.

3        3. a. For taxable year 2025:

4           (1) The county auditor shall apply the credit under section 57-02-08.9 to each  
5           primary residence taxed as real estate under this title and identified by the  
6           tax commissioner as a qualifying primary residence on the corresponding  
7           property tax statement.

8           (2) The county auditor shall consider an application received under section  
9           57-02-08.9 for a primary residence taxed as a mobile home under chapter  
10          57-55 and identified by the tax commissioner as a qualifying primary  
11          residence under subdivisions b and c of subsection 1 as an application for  
12          an abatement and refund of taxes in the amount of the credit allowed. The  
13          county auditor shall present the application for abatement and refund of  
14          taxes to the board of county commissioners at its next regular meeting. The  
15          county commissioners shall approve the applications filed under this  
16          paragraph as soon as practicable and refunds must be issued without delay  
17          according to the procedures in section 57-23-09. The application, notice,  
18          and hearing requirements and procedures under chapter 57-23 and  
19          sections 57-55-04.1 and 57-55-12 do not apply to an application for  
20          abatement and refund filed under this paragraph.

21        b. For taxable year 2026, the county auditor shall apply the credit under section  
22        57-02-08.9 to each primary residence taxed as a mobile home under chapter  
23        57-55 and identified by the tax commissioner as a qualifying primary residence  
24        on the corresponding mobile home tax statement.

25        ~~3.4.~~ By January first of each year January 15, 2026, the county auditor shall certify to the  
26        tax commissioner the sum of the credits approved by the tax commissioner under  
27        ~~subsection 1~~ subdivisions b and c of subsection 1 and under subsection 2 which were  
28        ~~applied toward~~ applied against property taxes owed on primary residences in the county for the  
29        ~~preceding years~~ as provided in subsection 3.

30        ~~4.5.~~ By June first of each year after 2024 May 31, 2026, the tax commissioner shall review  
31        a sampling of information provided by the county auditor to verify the accuracy of the

1 application of the credit and certify to the state treasurer for payment to each county  
2 the aggregate dollar amount of credits ~~allowed under section 57-02-08.9 in each~~  
3 ~~county for the preceding year~~applied against property taxes owed on primary  
4 residences in the county as provided in subsection 3.

5 ~~5-6.~~ Within fourteen days of receiving the payment from the state treasurer, but no later  
6 than June thirtieth of each year ~~after 2024~~, the county treasurer shall apportion and  
7 distribute the payment to the county and to the taxing districts of the county on the  
8 same basis as property taxes ~~for the preceding year~~and mobile home taxes were  
9 apportioned and distributed for the taxable year in which the taxes were levied.

10 ~~6-7.~~ Supplemental certifications by the county auditor and the tax commissioner and  
11 supplemental payments by the state treasurer may be made after the dates prescribed  
12 in this section to make corrections necessary because of errors.

13 ~~7-8.~~ The county auditors shall provide information requested by the tax commissioner to  
14 effectuate this section.

15 ~~8-9.~~ The tax commissioner shall prescribe, design, and make available all forms necessary  
16 to effectuate this section.

17 **SECTION 14. AMENDMENT.** Section 57-02-08.10 of the North Dakota Century Code is  
18 amended and reenacted as follows:

19 **57-02-08.10. Primary residence credit - Certification - Distribution. (Effective**  
20 **~~through~~ after May 31, 2026)**

21 1. ~~By June 1, 2025~~, the tax commissioner shall:

22 a. ~~Review a sampling of information certified by the county auditor regarding the~~  
23 ~~sum of the credits applied against real estate and mobile home taxes levied for~~  
24 ~~taxable year 2024 to verify the accuracy of the application of the credit and certify~~  
25 ~~to the state treasurer for payment to each county the aggregate dollar amount of~~  
26 ~~credits applied against real estate and mobile home taxes levied for taxable year~~  
27 ~~2024;~~

28 b. ~~Review the applications received under section 57-02-08.9 for credits to be~~  
29 ~~applied against real estate and mobile home taxes levied for taxable year~~  
30 ~~2025 and determine which applicants qualify for the credit allowed under section~~  
31 ~~57-02-08.9 for taxable year 2025; and~~

- 1 e. Provide to each county auditor:
- 2 (1) A copy of each approved application under subdivision b which identifies a
- 3 primary residence located in the county; and
- 4 (2) The sum of the credits allowed under section 57-02-08.9 in the county for
- 5 taxable year 2025.
- 6 2. By November 1, 2025, the tax commissioner shall:
- 7 a. Review the applications received under section 57-02-08.9 for primary
- 8 residences taxed as mobile homes under chapter 57-55 for credits to be applied
- 9 against taxes levied for taxable year 2026 and determine which applicants qualify
- 10 for the credit allowed under section 57-02-08.9 for taxable year 2026; and
- 11 b. Provide to each county auditor:
- 12 (1) A copy of each approved application under subdivision a which identifies a
- 13 primary residence taxed under chapter 57-55 located in the county; and
- 14 (2) The sum of the credits allowed under section 57-02-08.9 for primary
- 15 residences taxed under chapter 57-55 in the county for taxable year 2026.
- 16 3. a. For taxable year 2025:
- 17 (1) The county auditor shall apply the credit under section 57-02-08.9 to each
- 18 primary residence taxed as real estate under this title and identified by the
- 19 tax commissioner as a qualifying primary residence on the corresponding
- 20 property tax statement.
- 21 (2) The county auditor shall consider an application received under section
- 22 57-02-08.9 for a primary residence taxed as a mobile home under chapter
- 23 57-55 and identified by the tax commissioner as a qualifying primary
- 24 residence under subdivisions b and c of subsection 1 as an application for
- 25 an abatement and refund of taxes in the amount of the credit allowed. The
- 26 county auditor shall present the application for abatement and refund of
- 27 taxes to the board of county commissioners at its next regular meeting. The
- 28 county commissioners shall approve the applications filed under this
- 29 paragraph as soon as practicable and refunds must be issued without delay
- 30 according to the procedures in section 57-23-09. The application, notice,
- 31 and hearing requirements and procedures under chapter 57-23 and

- 1                                sections ~~57-55-04.1 and 57-55-12~~ do not apply to an application for  
2                                abatement and refund filed under this paragraph.
- 3                                ~~b. For taxable year 2026, the~~The county auditor shall apply the credit under section  
4                                57-02-08.9 to each primary residence taxed as a mobile home under chapter  
5                                57-55 and identified by the tax commissioner as a qualifying primary  
6                                residence~~parcel of primary residential property~~ on the corresponding property tax  
7                                statement or mobile home tax statement.
- 8                                ~~4.2. By January 15, 2026~~fifteenth of each year, the county auditor shall certify to the tax  
9                                commissioner the sum of the credits ~~approved by the tax commissioner under~~  
10                                ~~subdivisions b and c of subsection 1 and under subsection 2 which~~that were applied  
11                                against property taxes owed on primary residences in the county as ~~provided in~~  
12                                ~~subsection 3~~for:
- 13                                a. The preceding taxable year for primary residential property taxed as real estate  
14                                under this title.
- 15                                b. The current taxable year for primary residential property taxed as a mobile home  
16                                under chapter 57-55.
- 17                                ~~5.3. By May 31, 2026~~thirty-first of each year, the tax commissioner shall ~~review a sampling~~  
18                                ~~of information provided by the county auditor to verify the accuracy of the application~~  
19                                ~~of the credit and~~ certify to the state treasurer for payment to each county the  
20                                aggregate dollar amount of credits ~~applied against property taxes owed on primary~~  
21                                ~~residences in the county as provided~~certified by the counties in subsection ~~3~~2.
- 22                                ~~6.4. Within fourteen days of receiving the payment from the state treasurer, but no later~~  
23                                ~~than June thirtieth of each year~~, the county treasurer shall apportion and distribute the  
24                                payment to the county and to the taxing districts of the county on the same basis as  
25                                property taxes and mobile home taxes were apportioned and distributed for the  
26                                taxable year in which the taxes were levied.
- 27                                ~~7.5. Supplemental certifications by the county auditor and the tax commissioner and~~  
28                                supplemental payments by the state treasurer may be made after the dates prescribed  
29                                in this section to make corrections necessary because of errors.
- 30                                ~~8.6. The county auditors shall provide information requested by the tax commissioner to~~  
31                                effectuate this section.

1     9-7.   The tax commissioner shall prescribe, design, and make available all forms necessary  
2           to effectuate this section.

3           **SECTION 15.** A new section to chapter 57-02 of the North Dakota Century Code is created  
4 and enacted as follows:

5           **Primary residence certification - Eligibility for primary residential property**  
6 **classification - Application.**

- 7           1. To be eligible for a primary residential property classification under this chapter, a  
8           primary residence must be certified by the county director of tax equalization as  
9           provided in this section.
- 10          2. A dwelling does not lose its character as a primary residence if the owner of the  
11          dwelling does not reside in the primary residence because the individual is confined in  
12          a nursing home, hospital, or other care facility, for as long as that confinement lasts  
13          and the portion of the primary residence previously occupied by the individual is not  
14          rented to another person.
- 15          3. To be certified as a primary residence and eligible for the primary residential property  
16          classification under this chapter, an owner shall sign and file with the tax commissioner  
17          an application containing a verified statement of facts establishing the owner's  
18          property meets the eligibility requirements to be considered a primary residence under  
19          this section as of the date of the application on a form and in the manner prescribed by  
20          the tax commissioner.
- 21          a. An application for primary residence certification must be filed by April first of  
22          each year to request a primary residence certification for:
- 23               (1) The taxable year during which the application is filed for a primary residence  
24               taxed as real estate under this title.
- 25               (2) The taxable year succeeding the taxable year during which the application  
26               is filed for a primary residence taxed as a mobile home under chapter  
27               57-55.
- 28          b. As soon as practicable after receiving the applications, no later than May thirty-  
29          first of each year, the tax commissioner shall:
- 30               (1) Review the applications received under this subsection and determine  
31               which applicants qualify for the primary residence certification; and

- 1                   (2) Provide to each county director of tax equalization a copy of each approved  
2                   or rejected application received under this subsection which identifies  
3                   property located in the county.
- 4           c. Within fifteen days of receipt of the applications from the tax commissioner under  
5           paragraph 2 of subdivision b, the county director of tax equalization shall notify  
6           the applicant of the approval or denial of the application and reflect the  
7           appropriate classification of the property on the assessment list.
- 8           d. The tax commissioner may request additional documentation from the applicant  
9           when making the determination of eligibility.
- 10          e. Determinations of eligibility under this subsection may be appealed through the  
11          informal equalization process and formal abatement process.
- 12          4. A primary residence certification under this section is valid for the entire taxable year  
13          for which the application for certification was approved, without regard to any change  
14          of ownership of the property which occurs after the application for certification was  
15          approved.
- 16          5. The tax commissioner shall prescribe, design, and make available all forms necessary  
17          to effectuate this section. Application forms must include the full name and address of  
18          the applicant and any other information prescribed by the tax commissioner. The  
19          county director of tax equalization shall make these forms available to applicants upon  
20          request.
- 21          6. For purposes of this section:
- 22               a. "Owned" means the individual holds a present ownership interest, including  
23               ownership in fee simple, holds a present life estate or other terminable present  
24               ownership interest, holds a beneficial interest in a qualifying trust, or is a  
25               purchaser under a contract for deed. The term does not include a mere right of  
26               occupancy or a tenancy under a lease.
- 27               b. (1) "Primary residence" means a dwelling in this state, including the land,  
28               appurtenances, and improvements used in the residential occupancy of the  
29               dwelling, which is not exempt from property taxes as a farm residence and,  
30               subject to subsection 2 and paragraph 2, as of the assessment date of the  
31               taxable year, is:

- 1 (a) Owned by one or more individuals, either directly or through a  
2 beneficial interest in a qualifying trust;
- 3 (b) Designed or adapted for human residence;
- 4 (c) Used as a residence; and
- 5 (d) Occupied as a primary place of residence by an owner, an individual  
6 who has a life estate in the property, or, for property owned through a  
7 beneficial interest in a qualifying trust, by a trustor or beneficiary of the  
8 trust who qualifies for the certification.
- 9 (2) For purposes of the term:
- 10 (a) An individual may not have more than one primary residence.
- 11 (b) A primary residence includes a primary residence taxed under  
12 chapter 57-55.
- 13 c. "Qualifying trust" means a trust:
- 14 (1) In which the agreement, will, or court order creating the trust, an instrument  
15 transferring property to the trust, or any other agreement that is binding on  
16 the trustee provides that the trustor of the trust or a beneficiary of the trust  
17 has the right to use and occupy as the trustor's or beneficiary's primary  
18 residence rent free and without charge except for taxes and other costs and  
19 expenses specified in the instrument or court order:
- 20 (a) For life;
- 21 (b) For the lesser of life or a term of years; or
- 22 (c) Until the date the trust is revoked or terminated by an instrument or  
23 court order that describes the property with sufficient certainty to  
24 identify it and is recorded in the real property records of the county in  
25 which the property is located; and
- 26 (2) That acquires the property in an instrument of title or under a court order  
27 that:
- 28 (a) Describes the property with sufficient certainty to identify it and the  
29 interest acquired; and
- 30 (b) Is recorded in the real property records of the county in which the  
31 property is located.



- 1           d. "Trustor" means an individual who transfers an interest in real or personal  
2           property to a qualifying trust, whether during the individual's lifetime or at death,  
3           or the individual's spouse.

4           **SECTION 16. AMENDMENT.** Section 57-02-27 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6           **57-02-27. Property to be valued at a percentage of assessed value - Classification of**  
7 **property - Limitation on valuation of annexed agricultural lands.**

- 8           1. All property subject to taxation based on the value thereof must be valued as follows:
- 9           4. a. All primary residential property and nonprimary residential property to be valued  
10           at nine percent of assessed value. If any property is used for both residential and  
11           nonresidential purposes, the valuation must be prorated accordingly.
- 12           2. b. All agricultural property to be valued at ten percent of assessed value as  
13           determined pursuant to section 57-02-27.2.
- 14           3. c. All commercial property to be valued at ten percent of assessed value.
- 15           4. d. All centrally assessed property to be valued at ten percent of assessed value  
16           except as provided in section 57-06-14.1.
- 17           2. The resulting amounts must be known as resulting from the calculation under  
18           subsection 1 are the taxable valuation.
- 19           3. In determining the assessed value of real and personal property, except agricultural  
20           property, the assessor may not adopt a lower or different standard of value because  
21           the same is to serve as a basis of taxation, nor may the assessor adopt as a criterion  
22           of value the price at which said property would sell at auction, or at forced sale, or in  
23           the aggregate with all the property in the town or district, but the assessor shall value  
24           each article or description by itself, and at such sum or price as the assessor believes  
25           the same to be fairly worth in money. In assessing any tract or lot of real property,  
26           there must be determined the value of the land, exclusive of improvements, and the  
27           value of all taxable improvements and structures thereon, and the aggregate value of  
28           the property, including all taxable structures and other improvements, excluding the  
29           value of crops growing upon cultivated lands. In valuing any real property upon which  
30           there is a coal or other mine, or stone or other quarry, the same must be valued at  
31           such a price as such property, including the mine or quarry, would sell for at a fair

1 voluntary sale for cash. Agricultural lands within the corporate limits of a city which are  
2 not platted constitute agricultural property and must be so classified and valued for  
3 ad valorem property tax purposes until such lands are put to another use. Agricultural  
4 lands, whether within the corporate limits of a city or not, which were platted and  
5 assessed as agricultural property prior to March 30, 1981, must be assessed as  
6 agricultural property for ad valorem property tax purposes until put to another use.  
7 Such valuation must be uniform with the valuation of adjoining unannexed agricultural  
8 land.

9 **SECTION 17. AMENDMENT.** Section 57-02-27.1 of the North Dakota Century Code is  
10 amended and reenacted as follows:

11 **57-02-27.1. Property to be valued at true and full value.**

- 12 1. All assessors and boards of equalization shall place the values of all items of taxable  
13 property at the true and full value of the property except as otherwise specifically  
14 provided by law, and the amount of taxes that may be levied on such property must be  
15 limited as provided in this chapter. For the purposes of sections 57-02-27, 57-02-27.1,  
16 57-02-27.2, and 57-55-04, the term "true and full value" has the same meaning as  
17 provided in ~~subsection 15 of~~ section 57-02-01, except that "true and full value" of  
18 agricultural lands must be as determined pursuant to section 57-02-27.2.
- 19 2. The governing body of the city or township may establish valuations that recognize the  
20 supply of vacant lots available for sale.

21 **SECTION 18. AMENDMENT.** Section 57-02-53 of the North Dakota Century Code is  
22 amended and reenacted as follows:

23 **57-02-53. Assessment increase notice to property owner.**

- 24 ~~1.a. When any assessor has increased the true and full valuation of any lot or tract of land~~  
25 ~~and improvements to an amount that is an increase of three thousand dollars or more~~  
26 ~~and ten percent or more from the amount of the previous year's assessment, the~~An  
27 ~~assessor shall deliver written notice of the amount of increase and the amount of the~~  
28 ~~previous year's assessment to the property owner at the expense of the assessment~~  
29 ~~district for which the assessor is employed~~true and full value of each parcel of taxable  
30 property for the current and previous year, including improvements, which have been  
31 assessed by the assessor.

- 1        2. Delivery of written notice to a property owner under this ~~subdivision~~section must be  
2        completed at least fifteen days before the meeting of the local board of equalization.
- 3        ~~b.~~ If written notice by the assessor was not required under subdivision a and action  
4        by the township, city, or county board of equalization or order of the state board  
5        of equalization has increased the true and full valuation of any lot or tract of land  
6        and improvements to an amount that results in a cumulative increase of three  
7        thousand dollars or more and ten percent or more from the amount of the  
8        previous year's assessment, written notice of the amount of increase and the  
9        amount of the previous year's assessment must be delivered to the property  
10       owner. The written notice under this subdivision must be mailed or delivered at  
11       the expense of the township, city, or county that made the assessment increase  
12       or at the expense of the township, city, or county that was ordered to make the  
13       increase by the state board of equalization. Delivery of written notice to a  
14       property owner under this subdivision must be completed within fifteen days after  
15       the meeting of the township, city, or county board of equalization that made or  
16       ordered the assessment increase and within thirty days after the meeting of the  
17       state board of equalization, if the state board of equalization ordered the  
18       assessment increase.
- 19       ~~e.~~3. The tax commissioner shall prescribe suitable forms for written notices under this  
20       ~~subdivision~~section. The written notice under ~~subdivision a~~this section must show  
21       ~~the~~contain:
- 22       a. The true and full value of the parcel of taxable property, including improvements,  
23       that the assessor determined for the current year and for the previous year ~~and~~  
24       ~~must also show the~~.
- 25       b. The date prescribed by law, time, and location for the meeting of the local board  
26       of equalization of the assessment district in which the parcel of taxable property  
27       is located and the meeting date, time, and location of the county board of  
28       equalization.
- 29       ~~d.~~4. Delivery of written notice under this section must be by personal delivery to the  
30       property owner, mail addressed to the property owner at the property owner's  
31       last-known address, or electronic mail to the property owner directed with verification

1 of receipt to an electronic mail address at which the property owner has consented to  
2 receive notice.

3 ~~2. The form of notice prescribed by the tax commissioner must require a statement to~~  
4 ~~inform the taxpayer that an assessment increase may mean property taxes on the~~  
5 ~~parcel will increase. The notice may contain an estimate of a tax increase resulting~~  
6 ~~from the assessment increase.~~

7 **SECTION 19. AMENDMENT.** Section 57-09-04 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9 **57-09-04. Duties of board –~~Limitation on increase~~ – Notice.**

10 The township board of equalization shall ascertain whether all taxable property in its  
11 township has been properly placed upon the assessment list and duly valued by the assessor.  
12 In case any real property has been omitted by inadvertence or otherwise, the board shall place  
13 the same upon the list with the true value thereof. The board shall proceed to correct the  
14 assessment so that each tract or lot of real property is entered on the assessment list at the true  
15 value thereof. ~~The board may not increase the valuation returned by the assessor to an amount~~  
16 ~~that results in a cumulative increase of more than fifteen percent from the amount of the~~  
17 ~~previous year's assessment without giving the owner or the owner's agent reasonable notice~~  
18 ~~and opportunity to be heard regarding the intention of the board to increase it.~~ All complaints  
19 and grievances of residents of the township must be heard and decided by the board and it may  
20 make corrections as appear to be just. Complaints by nonresidents with reference to the  
21 assessment of any real property and complaints by others with reference to any assessment  
22 made after the meeting of the township board of equalization must be heard and determined by  
23 the county board of equalization. ~~The board must comply with any requirement for notice of an~~  
24 ~~assessment increase under section 57-02-53.~~

25 **SECTION 20. AMENDMENT.** Section 57-11-03 of the North Dakota Century Code is  
26 amended and reenacted as follows:

27 **57-11-03. Duties of board –~~Limitation on increase~~ – Notice.**

28 At its meeting, the board of equalization shall proceed to equalize and correct the  
29 assessment roll. It may change the valuation and assessment of any real property upon the roll  
30 by increasing or diminishing the true and full valuation thereof as is reasonable and just to  
31 render taxation uniform, ~~except that the board may not increase the valuation of any property~~

1 returned by the assessor to an amount that results in a cumulative increase of more than fifteen-  
2 percent from the amount of the previous year's assessment without first giving the owner or the  
3 owner's agent reasonable notice and opportunity to be heard regarding the intention of the  
4 board to increase it. All complaints and grievances of residents of the city must be heard and  
5 decided by the board and it may make corrections as appear to be just. Complaints by  
6 nonresidents with reference to the assessment of any real property and complaints by others  
7 with reference to any assessment made after the meeting of the city board of equalization must  
8 be heard and determined by the county board of equalization. ~~The board shall comply with any~~  
9 ~~requirement for notice of an assessment increase under section 57-02-53.~~

10 **SECTION 21. AMENDMENT.** Section 57-12-06 of the North Dakota Century Code is  
11 amended and reenacted as follows:

12 **57-12-06. County board of equalization - Equalizing between assessment districts**  
13 **and between properties -~~Limitation on increase~~ -~~Notice.~~**

- 14 1. The rules prescribed in section 57-12-05 apply when the board of county  
15 commissioners is equalizing assessments between the several assessment and taxing  
16 districts in the county provided that in such case, except as otherwise provided in  
17 subsection 2, the board may raise or lower the valuation of classes of property only so  
18 as to equalize the assessments as between districts. ~~If the board orders an increase~~  
19 ~~under this subsection, the board must comply with any requirement for notice of an~~  
20 ~~assessment increase under section 57-02-53.~~
- 21 2. Notwithstanding any other provision of this section:
  - 22 a. The county board of equalization after notice to the local board of equalization  
23 may reduce the assessment on any separate piece or parcel of real estate even  
24 though such property was assessed in a city or township having a local board of  
25 equalization. The county board of equalization may not reduce any such  
26 assessment unless the owner of the property or the person to whom it was  
27 assessed first appeals to the county board of equalization, either by appearing  
28 personally or by a representative before the board or by mail or other  
29 communication to the board, in which the owner's reasons for asking for the  
30 reduction are made known to the board. The proceedings of the board shall show

1           the manner in which the appeal was made known to the board and the reasons  
2           for granting any reduction in any such assessment.

3           b. The county board of equalization after notice to the local board of equalization  
4           may increase the assessment on any separate piece or parcel of real property  
5           even though such property was assessed in a city or township having a local  
6           board of equalization. ~~The county board of equalization may not increase the~~  
7           ~~valuation returned by the assessor or the local board of equalization to an~~  
8           ~~amount that results in a cumulative increase of more than fifteen percent from the~~  
9           ~~amount of the previous year's assessment without giving the owner or the~~  
10          ~~owner's agent notice by mail to the owner of the property that such person may~~  
11          ~~appear before the board on the date designated in the notice, which date must be~~  
12          ~~at least five days after the mailing of the notice. The county auditor as clerk of the~~  
13          ~~board shall send such notice to the person or persons concerned. If the board~~  
14          ~~orders an increase under this subdivision, the board must comply with any~~  
15          ~~requirement for notice of an assessment increase under section 57-02-53.~~

16          c. If the county board of equalization during the course of its equalization sessions  
17          determines that any property of any person has been listed and assessed in the  
18          wrong classification, it shall direct the county auditor to correct the listing so as to  
19          include such assessment in the correct classification.

20          3. The owner of any separate piece or parcel of real estate that has been assessed may  
21          appeal the assessment thereon to the state board of equalization as provided in  
22          section 57-13-04; provided, however, that such owner has first appealed the  
23          assessment to the local equalization board of the taxing district in which the property  
24          was assessed and to the county board of equalization of the county in which the  
25          property was assessed. Notwithstanding this requirement, an owner of property which  
26          has been subjected to a new assessment authorized under section 57-14-08 may  
27          appeal the new assessment to the state board of equalization in the manner provided  
28          for in section 57-14-08.

29          **SECTION 22. AMENDMENT.** Section 57-15-02.2 of the North Dakota Century Code is  
30          amended and reenacted as follows:

1        **57-15-02.2. ~~Estimated property tax and budget~~ Budget hearing notice.**

- 2        1. On or before August tenth of each year, the governing body of a taxing district shall  
3        provide to the county auditor in each county in which the taxing district has taxable  
4        property a ~~preliminary budget statement~~ and the date, time, and location of the taxing  
5        district's public hearing on its property tax levy, which may be no earlier than  
6        September seventh. A taxing district that fails to provide the information required under  
7        this subsection on or before August tenth may not impose a property tax levy in a  
8        greater amount of dollars than was imposed by the taxing district in the prior year.
- 9        2. By August thirty-first of each year, the county treasurer shall provide a written notice to  
10       the owner of each parcel of taxable property ~~with a total estimated property tax of at~~  
11       ~~least one hundred dollars~~. The text of the notice must contain:
- 12       a. The date, time, and location of the public budget hearing for each of the taxing  
13       districts in which the property owner's parcel is located, ~~which anticipate levying~~  
14       ~~in excess of one hundred thousand dollars in the current year~~, and the location at  
15       which the taxing district's budget is available for review; and
- 16       b. ~~The true and full value of the property based on the best information available;~~
- 17       e. ~~A column showing the actual property tax levy in dollars against the parcel by the~~  
18       ~~taxing district that levied taxes against the parcel in the immediately preceding~~  
19       ~~taxable year and a column showing the estimated property tax levy in dollars~~  
20       ~~against the parcel by the taxing district levying tax in the taxable year for which~~  
21       ~~the notice applies based on the preliminary budget statements of all taxing~~  
22       ~~jurisdictions;~~
- 23       d. ~~A column indicating the difference between the taxing district's total levy from the~~  
24       ~~previous year and the taxing district's estimated levy with the word "INCREASE"~~  
25       ~~printed in boldface type if the proposed tax levy is larger in dollars than the levy in~~  
26       ~~dollars in the previous year;~~
- 27       e. ~~Information identifying the estimated property tax savings that will be provided~~  
28       ~~pursuant to section 57-20-07.1 based on the best information available;~~
- 29       f. A statement that there will be an opportunity for citizens to present oral or written  
30       comments regarding each taxing district's property tax levy; and

- 1           g. ~~The actual amount of the special assessment installment payable against the~~  
2           ~~parcel in the immediately preceding taxable year.~~
- 3           3. Delivery of written notice under this section must be by personal delivery to the  
4           property owner, mail addressed to the property owner at the property owner's  
5           last-known address, or electronic mail to the property owner directed with verification  
6           of receipt to an electronic mail address at which the property owner has consented to  
7           receive notice. If a parcel of taxable property is owned by more than one owner, notice  
8           must be sent to only one owner of the property. Failure of an owner to receive a notice  
9           under this section will not relieve the owner of property tax liability or modify the  
10          qualifying date under section 57-20-09 for which an owner may receive a discount for  
11          early payment of tax.
- 12          4. The tax commissioner shall prescribe suitable forms for written notices under this  
13          section.
- 14          5. The direct cost of providing taxpayer notices under this section may be allocated in a  
15          manner proportionate to the number of notices mailed on behalf of each taxing district  
16          ~~that intends to levy in excess of one hundred thousand dollars in property taxes in the~~  
17          ~~current year.~~

18          **SECTION 23.** A new section to chapter 57-15 of the North Dakota Century Code is created  
19 and enacted as follows:

20          **Limitation on levies by taxing districts without voter approval.**

- 21          1.   a. Notwithstanding that a taxing district may have unused or excess levy authority  
22             under any other provision of law, this section supersedes and limits that authority.  
23             This section may not be interpreted as authority to increase any property tax levy  
24             authority otherwise provided by law and must be applied to limit any property tax  
25             levy authority to which a taxing district may otherwise be entitled. Property taxes  
26             levied in dollars by a taxing district may not exceed the greater of the base year  
27             levy increased by the allowable percentage limit or the adjusted year levy  
28             increased by the allowable percentage limit.
- 29          b. Excluding any negative excess percentage increase, a taxing district may carry  
30             forward an excess percentage increase to be used in any of the five succeeding  
31             taxable years. An excess percentage increase may be used only once to



- 1           increase the limitation under subdivision a and may not be carried forward  
2           beyond five taxable years. The oldest unused excess percentage increase must  
3           be applied first.
- 4        2. The limitation under subsection 1 does not apply to:
- 5           a. New or increased property tax levy authority that becomes available to the taxing  
6           district in the current taxable year resulting from:
- 7                (1) A change in state law.  
8                (2) Approval by the electors of the taxing district.
- 9           b. Property tax levy authority increased above zero mills in the current taxable year  
10           by the governing board of the taxing district, provided the levy authority was not  
11           previously used.
- 12           c. Any irrevocable tax to pay bonded indebtedness levied under section 16 of  
13           article X of the Constitution of North Dakota.
- 14           d. The one-mill levy for the state medical center authorized by section 10 of article X  
15           of the Constitution of North Dakota.
- 16           e. The levy, not to exceed one mill, for the Garrison Diversion Conservancy District,  
17           authorized by section 57-15-26.8.
- 18           f. Taxes or special assessments levied to pay the principal and interest on any  
19           obligations of any political subdivision, including taxes levied for deficiencies in  
20           special assessment and improvement district funds and revenue bond and  
21           reserve funds.
- 22           g. Taxes levied to pay bonds, evidences of indebtedness, or obligations of any  
23           political subdivision, including taxes levied to pay evidences of indebtedness  
24           under chapter 57-47.
- 25           h. Taxes levied pursuant to law for the proportion of the cost to any taxing district for  
26           a special improvement project by general taxation.
- 27           i. Taxes levied under sections 40-24-10, 40-43-01, 57-15-28, 57-15-41, and  
28           57-15-48 and chapter 61-16.1.
- 29           j. Taxes levied for a school district's local contribution to the costs of education  
30           under subsection 1 of section 57-15-14.2.

- 1       3.   a.   Except as provided in subdivision b, a majority of the qualified electors in a taxing  
2           district voting on the question at a statewide general election may approve a  
3           ballot measure to authorize the taxing district to impose a property tax levy  
4           exceeding the limitation under subsection 1 for four taxable years at a time,  
5           beginning with the taxable year after the general election during which the ballot  
6           measure was approved. The ballot measure must state the proposed percentage  
7           increase and the proposed dollar amount increase exceeding the limitation under  
8           subsection 1. The procedure under this subsection applies only to authorization  
9           of a property tax levy exceeding the limitation under subsection 1.
- 10       b.   A majority of the qualified electors in a township voting on the question at an  
11           annual township meeting may approve a property tax levy exceeding the  
12           limitation under subsection 1 for four taxable years at a time, beginning with the  
13           taxable year during which the annual township meeting vote under this  
14           subdivision is held. The notice and voting procedures applicable to the approval  
15           of a township tax levy under section 57-15-19 and approval of increased  
16           township general fund levy authority under section 57-15-20 apply to the vote  
17           under this subsection. The electors of the township voting on the question must  
18           be notified of the proposed percentage increase and the proposed dollar amount  
19           increase exceeding the limitation under subsection 1 before the vote.
- 20       4.   For taxable year 2025, a city may levy an amount equal to the amount levied in dollars  
21           in the preceding taxable year under sections 40-05-19 and 57-15-42 as part of the levy  
22           under section 57-15-08 without including the dollars levied for this purpose as part of  
23           the limitation under subsection 1.
- 24       5.   A city or county may not supersede or modify the application of this section under  
25           home rule authority.
- 26       6.   For purposes of this section:
- 27       a.   "Adjusted year levy" means the amount of property tax levied in dollars by the  
28           taxing district in the preceding taxable year adjusted as follows:
- 29           (1) When property and improvements to property which were not taxable in the  
30                preceding taxable year are taxable in the current year, the amount levied in  
31                dollars in the preceding taxable year by the taxing district must be increased

- 1                   to reflect the taxes that would have been imposed against the additional  
2                   taxable valuation attributable to that property at the mill rate applied to all  
3                   property in the preceding taxable year, excluding the mill rate associated  
4                   with:
- 5                   (a) Any irrepealable tax levied to pay bonded indebtedness levied under  
6                   section 16 of article X of the Constitution of North Dakota.
- 7                   (b) A tax levied for the one-mill levy for the state medical center  
8                   authorized by section 10 of article X of the Constitution of North  
9                   Dakota.
- 10                  (2) When a property tax exemption existed in the preceding taxable year which  
11                  has been reduced or no longer exists for the current taxable year, the  
12                  amount levied in dollars in the preceding taxable year by the taxing district  
13                  must be increased to reflect the taxes that would have been imposed  
14                  against the portion of the taxable valuation of the property which is no  
15                  longer exempt at the mill rate applied to all property in the preceding taxable  
16                  year, excluding the mill rate associated with:
- 17                  (a) Any irrepealable tax levied to pay bonded indebtedness levied under  
18                  section 16 of article X of the Constitution of North Dakota.
- 19                  (b) A tax levied for the one-mill levy for the state medical center  
20                  authorized by section 10 of article X of the Constitution of North  
21                  Dakota.
- 22                  (3) When property that was taxable in the preceding taxable year is not taxable  
23                  for the current taxable year, the amount levied in dollars in the preceding  
24                  taxable year by the taxing district must be reduced by the amount of taxes  
25                  that were imposed against the taxable valuation of that property in the  
26                  preceding taxable year.
- 27                  (4) When a temporary mill levy increase, excluding an increase under this  
28                  section, authorized by the electors of the taxing district or mill levy  
29                  imposition authority under state law existed in the preceding taxable year  
30                  but is no longer applicable or has been reduced, the amount levied in  
31                  dollars in the preceding taxable year by the taxing district must be adjusted

1 to reflect the expired temporary mill levy increase and the eliminated or  
2 reduced mill levy under state law before the percentage increase allowable  
3 under this subsection is applied.

4 b. "Allowable percentage limit" means three percent.

5 c. "Base year levy" means the highest amount of property tax levied in dollars by a  
6 taxing district in the three taxable years immediately preceding the current  
7 taxable year.

8 d. "Excess percentage increase" means the difference, rounded to the nearest  
9 hundredth of a percent, between:

10 (1) The allowable percentage limit; and

11 (2) The difference between the actual amount of property tax levied in dollars  
12 and the greater of the base year levy or the adjusted year levy with the  
13 resulting difference under this paragraph divided by the greater of the base  
14 year levy or adjusted year levy.

15 e. "Proposed percentage increase" means the difference, rounded to the nearest  
16 hundredth of a percent, between:

17 (1) The difference between the amount of property tax in dollars proposed to be  
18 levied by the governing board of the taxing district and the greater of the  
19 base year levy or the adjusted year levy with the resulting difference under  
20 this paragraph divided by the greater of the base year levy or adjusted year  
21 levy; and

22 (2) The allowable percentage limit.

23 f. "Taxing district" means any political subdivision empowered to levy taxes.

24 **SECTION 24. AMENDMENT.** Section 57-15-14.2 of the North Dakota Century Code is  
25 amended and reenacted as follows:

26 **57-15-14.2. School district levies.**

- 27 1. ~~The board of a school district may levy a tax not exceeding the amount in dollars that~~  
28 ~~the school district levied for the prior year, plus twelve percent, up to an amount in~~  
29 dollars that would be generated by a levy of ~~seventy~~sixty mills on the taxable valuation  
30 of the district, for any purpose related to the provision of educational services~~the~~  
31 school district's local contribution to the costs of education. The proceeds of this levy

1 must be deposited into the school district's general fund and may be used in-  
2 ~~accordance with this subsection~~ for any purpose related to the provision of educational  
3 services. The proceeds may not be transferred into any other fund.

4 2. The board of a school district may levy no more than ten mills on the taxable valuation  
5 of the district, for any purpose related to the provision of educational services. The  
6 proceeds of this levy must be deposited into the school district's general fund and  
7 used in accordance with this subsection. The proceeds may not be transferred into  
8 any other fund.

9 3. The board of a school district may levy no more than twelve mills on the taxable  
10 valuation of the district, for miscellaneous purposes and expenses. The proceeds of  
11 this levy must be deposited into a special fund known as the miscellaneous fund and  
12 used in accordance with this subsection. The proceeds may not be transferred into  
13 any other fund.

14 ~~3.4.~~ The board of a school district may levy no more than three mills on the taxable  
15 valuation of the district for deposit into a special reserve fund, in accordance with  
16 chapter 57-19.

17 ~~4.5.~~ The board of a school district may levy no more than the number of mills necessary,  
18 on the taxable valuation of the district, for the payment of tuition, in accordance with  
19 section 15.1-29-15. The proceeds of this levy must be deposited into a special fund  
20 known as the tuition fund and used in accordance with this subsection. The proceeds  
21 may not be transferred into any other fund.

22 ~~5.6.~~ The board of a school district may levy no more than five mills on the taxable valuation  
23 of the district, pursuant to section 57-15-15.1, for purposes of developing a school  
24 safety plan in accordance with section 15.1-09-60. The proceeds of this levy must be  
25 deposited into a special fund known as the school safety plan fund and used in  
26 accordance with this subsection.

27 ~~6.7.~~ Nothing in this section limits the board of a school district from levying:

- 28 a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and  
29 b. Mills necessary to pay principal and interest on the bonded debt of the district,  
30 including the mills necessary to pay principal and interest on any bonded debt  
31 incurred under section 57-15-17.1 before July 1, 2013.

1       **SECTION 25. AMENDMENT.** Section 57-20-07.1 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **57-20-07.1. County treasurer to mail real estate tax statement - Contents of statement.**

4       1. On or before December twenty-sixth of each year, the county treasurer shall mail a  
5 real estate tax statement to the owner of each parcel of real property at the owner's  
6 last-known address. The form of the real estate tax statement to be used in every  
7 county must be prescribed and approved for use by the tax commissioner. The  
8 statement must be provided in a manner that allows the taxpayer to retain a printed  
9 record of the obligation for payment of taxes and special assessments as provided in  
10 the statement. If a parcel of real property is owned by more than one individual, the  
11 county treasurer shall send only one statement to one of the owners of that property.  
12 Additional copies of the tax statement will be sent to the other owners upon their  
13 request and the furnishing of their names and addresses to the county treasurer. The  
14 tax statement must:

- 15       a. Include a dollar valuation of the true and full value as defined by law of the  
16 property and the total mill levy applicable.
- 17       b. Include, or be accompanied by a separate sheet, with three columns showing, for  
18 the taxable year to which the tax statement applies and the two immediately  
19 preceding taxable years, ~~the:~~
- 20           (1) The property tax levy in dollars against the parcel by the county and school  
21               district and any city or township that levied taxes against the parcel.
- 22           (2) The amount of property tax levied as a result of mills levied by a school  
23               district under section 21-03-15 and subdivision b of subsection 6 of section  
24               57-15-14.2.
- 25       c. Provide information identifying the property tax savings provided by the state of  
26 North Dakota. The tax statement must include a line item that is entitled  
27 "legislative tax relief" and identifies the dollar amount of property tax savings  
28 realized by the taxpayer under chapter 50-34 for taxable years before 2019,  
29 chapter 50-35 for taxable years after 2018, and chapter 15.1-27.
- 30           (1) For purposes of this subdivision, legislative tax relief under chapter 15.1-27  
31               is determined by multiplying the taxable value for the taxable year for each

1 parcel shown on the tax statement by the number of mills of mill levy  
2 reduction grant under chapter 57-64 for the 2012 taxable year plus the  
3 number of mills determined by subtracting from the 2012 taxable year mill  
4 rate of the school district in which the parcel is located the lesser of  
5 one hundred twenty-five mills or the sum of:

6 (a) Fifty millsThe number of mills of mill levy reduction grant under  
7 chapter 57-64 for the 2012 taxable year; orand

8 (b) The 2012 taxable year mill rate of the school district minusexcluding  
9 sixty mills.

10 (2) Legislative tax relief under chapter 50-35 is determined by multiplying the  
11 taxable value for the taxable year for each parcel shown on the tax  
12 statement by the number of mills of relief determined by dividing the amount  
13 calculated in subsection 1 of section 50-35-03 for a human service zone by  
14 the taxable value of taxable property in the zone for the taxable year.

15 d. Provide information identifying the primary residence credit, including information  
16 regarding the portion of the credit derived from funding distributed from the  
17 legacy fund.

18 (1) The statement must include a separate line item identifying the primary  
19 residence credit realized by the taxpayer for each taxable year shown.

20 (2) The statements must include a separate line item or conspicuous  
21 description identifying the portion of the credit derived from funding  
22 distributed from the legacy fund.

23 (a) The dollar amount of the primary residence credit derived from  
24 funding distributed from the legacy fund is calculated as the product of  
25 the total amount of the primary residence credit realized by the  
26 taxpayer in a taxable year multiplied by the applicable percent.

27 (b) By November first of each year, the tax commissioner shall notify  
28 each county auditor of the applicable percent to be used for the  
29 calculation in paragraph a for the current and prior two taxable years.

30 (c) For purposes of this paragraph, "applicable percent" means the  
31 percent, rounded to the nearest hundredth of a percent, calculated as

1 the quotient of the amount allocated to the legacy property tax relief  
2 fund from the legacy earnings fund for the primary residence credit  
3 pursuant to section 5 of this Act divided by the total amount  
4 appropriated from the legacy property tax relief fund for the primary  
5 residence credit, using the allocations and appropriations for the  
6 relevant tax years.

- 7 2. Failure of an owner to receive a statement will not relieve that owner of liability, nor  
8 extend the discount privilege past the February fifteenth deadline.

9 **SECTION 26. REPEAL.** Sections 21-10-12 and 21-10-13 of the North Dakota Century  
10 Code are repealed.

11 **SECTION 27. LEGISLATIVE INTENT - CONSIDERATION OF FUTURE PROPERTY TAX**  
12 **RELIEF.** It is the intent of the sixty-ninth legislative assembly that the seventieth legislative  
13 assembly consider using any funding available from the legacy property tax relief fund  
14 exceeding the amount needed for the primary residence credit to provide property tax relief to  
15 other property classifications, including agricultural, commercial, centrally assessed, and  
16 nonprimary residential property.

17 **SECTION 28. LEGISLATIVE MANAGEMENT STUDY - REAL ESTATE TAX STATEMENT.**  
18 During the 2025-26 interim, the legislative management shall consider studying the feasibility  
19 and desirability of revising the content of the real estate tax statement to improve transparency  
20 in property taxation. The study must include consideration of the statutory requirements related  
21 to the contents and delivery of the real estate tax statement, a review of available historical real  
22 estate tax statements, and information regarding any administrative costs associated with  
23 updates to the real estate tax statement. The study must include input from the tax  
24 commissioner, state supervisor of assessments, and representatives of local taxing districts.  
25 The legislative management shall report its findings and recommendations, together with any  
26 legislation required to implement the recommendations, to the seventieth legislative assembly.

27 **SECTION 29. APPROPRIATION - TAX COMMISSIONER - PRIMARY RESIDENCE**  
28 **CREDIT - INFORMATION ON PROPERTY TAX STATEMENTS.**

- 29 1. There is appropriated out of any moneys in the legacy property tax relief fund, not  
30 otherwise appropriated, the sum of \$295,000,000, or so much of the sum as may be



1           necessary, to the tax commissioner for the state reimbursement under the primary  
2           residence credit, for the biennium beginning July 1, 2025, and ending June 30, 2027.  
3        2.   Pursuant to section 57-20-07.1, the tax commissioner shall notify each county auditor  
4           that the applicable percent for taxable years 2025 and 2026 is 100 percent, which  
5           reflects the portion of the primary residence credit derived from funding distributed  
6           from the legacy fund.

7        **SECTION 30. EFFECTIVE DATE.**

- 8        1.   Sections 8, 9, 10, 11, 23, and 24 of this Act are effective for taxable years beginning  
9           after December 31, 2024.  
10       2.   Sections 7, 12, 15, 16, and 17 of this Act are effective for taxable years beginning after  
11           December 31, 2025.  
12       3.   Section 13 of this Act becomes effective on June 1, 2025.  
13       4.   Section 14 of this Act becomes effective on June 1, 2026.

14       **SECTION 31. EMERGENCY.** Sections 11 and 13 of this Act are declared to be an  
15       emergency measure.