

FIRST ENGROSSMENT

ENGROSSED SENATE BILL NO. 2201

Introduced by

Senators Weber, Bekkedahl, Hogue

Representatives Headland, Lefor, Vigesaa

1 A BILL for an Act to amend and reenact section 57-02-08.9 of the North Dakota Century Code,
2 relating to the primary residence credit; to provide for application; to provide a retroactive
3 effective date; to provide an expiration date; and to declare an emergency.

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

5 **SECTION 1. AMENDMENT.** Section 57-02-08.9 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **57-02-08.9. Primary residence credit - Qualification - Application. (Effective for the**
8 **first two taxable years beginning after December 31, 2023)**

9 1. ~~An individual~~A taxpayer is entitled to a credit of five hundred dollars against the
10 property tax due on the ~~individual's taxpayer's~~ primary residence as provided in this
11 section. The credit may not exceed the amount of property tax due. The credit must be
12 applied to reduce the property tax owed on the ~~individual's taxpayer's~~ primary
13 residence after other exemptions or credits under this chapter have been applied.

14 2. For purposes of this section, "~~primary~~":

15 a. "Owned" means an individual holds a present ownership interest, including
16 ownership in fee simple, holds a present life estate or other terminable present
17 ownership interest, holds a beneficial interest in a qualifying trust, or is a
18 purchaser under a contract for deed. The term does not include a mere right of
19 occupancy or a tenancy under a lease.

20 b. (1) "Primary residence" means a dwelling in this state ~~owned and occupied by~~
21 an individual as that individual's primary place of residence and includes
22 residences taxed under chapter 57-55, including the land, appurtenances,

1 and improvements used in the residential occupancy of the dwelling, that,
2 subject to paragraph 2 and subsection 3, is:

3 (a) Owned by one or more individuals, directly, through a beneficial
4 interest in a qualifying trust;

5 (b) Designed or adapted for human residence;

6 (c) Used as a residence; and

7 (d) Occupied as a primary place of residence by an owner, by an
8 individual who has a life estate in the property, or, for property owned
9 through a beneficial interest in a qualifying trust, by a trustor or
10 beneficiary of the trust who qualifies for the credit.

11 (2) For purposes of the definition of "primary residence" under this subdivision:

12 (a) An individual may not have more than one primary residence.

13 (b) A primary residence includes a primary residence taxed under chapter
14 57-55.

15 c. "Qualifying trust" means a trust:

16 (1) In which the agreement, will, or court order creating the trust, an instrument
17 transferring property to the trust, or any other agreement that is binding on
18 the trustee provides that the trustor of the trust or a beneficiary of the trust
19 has the right to use and occupy as the trustor's or beneficiary's primary
20 residence rent free and without charge except for taxes and other costs and
21 expenses specified in the instrument or court order:

22 (a) For life;

23 (b) For the lesser of life or a term of years; or

24 (c) Until the date the trust is revoked or terminated by an instrument or
25 court order that describes the property with sufficient certainty to
26 identify it and is recorded in the real property records of the county in
27 which the property is located; and

28 (2) That acquires the property in an instrument of title or under a court order
29 that:

30 (a) Describes the property with sufficient certainty to identify it and the
31 interest acquired; and

1 the state treasurer shall be made and distributed according to the procedures provided under
2 section 57-02-08.10 and may be made after the dates prescribed in section 57-02-08.10.

3 **SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.