

HOUSE BILL NO. 1559

Introduced by

Representatives Schauer, Bahl, Frelich, Jonas, Dockter, Grueneich, Ostlie, Vetter

Senators Bekkedahl, Cory, Paulson

1 A BILL for an Act to create and enact a new section to chapter 57-02 of the North Dakota
2 Century Code, relating to limitations on taxable valuation of residential property; and to provide
3 an effective date.

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

5 **SECTION 1.** A new section to chapter 57-02 of the North Dakota Century Code is created
6 and enacted as follows:

7 **Limitation on taxable valuation increases of residential property.**

8 1. Notwithstanding any other provision of law, for purposes of taxation, the taxable
9 valuation on a parcel of taxable property classified as residential property must be
10 limited as provided in this section.

11 a. The taxable valuation on a parcel of taxable property classified as residential
12 property may not exceed the amount of the base year valuation on that parcel of
13 taxable property, except as provided in subdivision b.

14 b. The assessor shall reassess the property to reflect the current true and full value
15 of the property:

16 (1) If the property or an improvement to the property was not taxable in the
17 preceding taxable year and is taxable in the current taxable year.

18 (2) Upon sale, transfer, or other change in ownership of the property. For
19 purposes of this paragraph, the assessor shall reassess the property to
20 reflect the current true and full value of the property as of the date of the
21 sale, transfer, or change in ownership.

22 (3) If an owner of the property makes or causes to be made an improvement to
23 the property. For purposes of this paragraph, the assessor shall reassess
24 the property to reflect the current true and full value of the property as of the

1 date of construction completion, accounting for improvements made to the
2 property.

3 2. For purposes of this section:

4 a. "Base year valuation" means the average of the taxable value of a parcel of
5 taxable property over the three most recent taxable years before the current
6 taxable year.

7 b. "Improvement" means the addition of a new structure or a structural change
8 made to an existing structure located on a parcel of residential property after the
9 most recent assessment of the property which increases the true and full value of
10 the property. The term does not include:

11 (1) Ordinary maintenance of an existing structure or the grounds of the
12 property.

13 (2) A replacement structure for a structure rendered uninhabitable or unusable
14 by a casualty or by wind or water damage, unless:

15 (a) The square footage of the replacement structure exceeds that of the
16 replaced structure as that structure existed before the casualty or
17 damage occurred; or

18 (b) The exterior of the replacement structure is of higher quality
19 construction and composition than that of the replaced structure.

20 3. A city or county may not supersede or modify the application of the provisions of this
21 section under home rule authority.

22 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
23 December 31, 2024.