

**HOUSE BILL NO. 1176**

Introduced by

Representatives Nathe, Hagert, Headland, Lefor, Porter, Stemen, Swiontek, Vigesaa

Senators Bekkedahl, Hogue, Weber, Rummel

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  
5 subsection 1 of section 21-10-06, section 57-02-01, subdivision c of subsection 1 of section  
6 57-02-08.1, subdivision b of subsection 2 of section 57-02-08.1, and sections 57-02-08.9,  
7 57-02-08.10, 57-02-27, 57-02-27.1, 57-02-53, 57-09-04, 57-11-03, 57-12-06, and 57-20-07.1 of  
8 the North Dakota Century Code, relating to funds invested by the state investment board,  
9 property tax definitions, the homestead tax credit and renters refund, the primary residence  
10 credit, property classifications, notices to property owners, and the property tax statement; to  
11 repeal sections 21-10-12, 21-10-13, and 57-15-02.2 of the North Dakota Century Code, relating  
12 to legacy fund definitions, the legacy earnings fund, and estimated property tax and budget  
13 hearing notices; to provide an appropriation; to provide a transfer; to provide an effective date;  
14 to provide an expiration date; and to declare an emergency.

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

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

- 18 1. Subject to the provisions of section 21-10-02, the board shall invest the following  
19 funds:
- 20 a. State bonding fund.
  - 21 b. Teachers' fund for retirement.
  - 22 c. State fire and tornado fund.
  - 23 d. Workforce safety and insurance fund.
  - 24 e. Public employees retirement system.

- 1 f. Insurance regulatory trust fund.
- 2 g. State risk management fund.
- 3 h. Budget stabilization fund.
- 4 i. Water projects stabilization fund.
- 5 j. Health care trust fund.
- 6 k. Cultural endowment fund.
- 7 l. Petroleum tank release compensation fund.
- 8 m. Legacy fund.
- 9 n. ~~Legacy earnings fund.~~
- 10 o. Opioid settlement fund.
- 11 ~~p-o.~~ A fund under contract with the board pursuant to subsection 3.

12 **SECTION 2.** A new section to chapter 54-27 of the North Dakota Century Code is created  
13 and enacted as follows:

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

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

- 1           c. The next one hundred million dollars to the legacy earnings highway distribution  
2           fund for allocations under section 54-27-19.3.  
3           d. The remaining amount to the legacy property tax relief fund under section 3 of  
4           this Act.

5           **SECTION 3.** A new section to chapter 54-27 of the North Dakota Century Code is created  
6 and enacted as follows:

7           **Legacy property tax relief fund - Intent.**

- 8           1. There is created in the state treasury the legacy property tax relief fund. The fund  
9           consists of all moneys allocated to the fund under section 2 of this Act and all moneys  
10           transferred to the fund by the legislative assembly.  
11           2. It is the intent of the legislative assembly that:  
12           a. The primary residence credit under section 57-02-08.9 be increased each  
13           biennium to provide additional property tax relief using only increased funding  
14           available from the legacy earnings fund allocation under section 2 of this Act.  
15           b. After the amount of the primary residence credit under section 57-02-08.9  
16           exceeds two thousand dollars, future legislative assemblies use additional  
17           funding available from the legacy earnings fund allocation under section 2 of this  
18           Act in future biennial budgets to replace a portion or all of the funding transferred  
19           from the general fund or other sources to the legacy property tax relief fund for  
20           the primary residence credit.  
21           3. It is further the intent of the legislative assembly that after providing the amount  
22           needed for the maximum property tax relief of all eligible taxpayers under the primary  
23           residence credit under section 57-02-08.9, future legislative assemblies use any  
24           excess funding available from the legacy earnings fund allocation under section 2 of  
25           this Act in future biennial budgets to replace a portion or all of the funding from the  
26           general fund, oil and gas tax revenues, or other sources for:  
27           a. The state reimbursement of the homestead credit under section 57-02-08.1;  
28           b. The state reimbursement of the disabled veterans' credit under section  
29           57-02-08.8;  
30           c. State-funded human services under chapter 50-35; and

- 1           d. The portion of state aid for payments to school districts under chapter 15.1-27  
2           attributable to property tax relief.

3           **SECTION 4. AMENDMENT.** Section 57-02-01 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5           **57-02-01. Definitions.**

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

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

1                   38-12-01 must continue to be assessed as agricultural property if the remainder  
2                   of the surface owner's parcel of property on which the subsurface mineral activity  
3                   is occurring continues to qualify for assessment as agricultural property under  
4                   this subsection.

5           2. "Air carrier transportation property" means the operative property of each airline  
6           whose property is assessed for taxation purposes pursuant to chapters 57-06 and  
7           57-32.

8           3. "Assessed valuation" means fifty percent of the true and full value of property.

9           4. "Centrally assessed property" means all property which is assessed by the state board  
10           of equalization under chapters 57-05, 57-06, and 57-32.

11          5. "Commercial property" means all property, or portions of property, not included in the  
12          classes of property defined in subsections 1, 4, 11, and 12.

13          6. "Credits" means and includes every claim and demand for money or other valuable  
14          thing, and every annuity or sum of money receivable at stated periods, due or to  
15          become due, and all claims and demands secured by deeds or mortgages, due or to  
16          become due.

17          7. "Governing body" means a board of county commissioners, city council, board of city  
18          commissioners, school board, or board of education, or the similarly constituted and  
19          acting board of any other municipality.

20          8. "Money" or "moneys" means gold and silver coin, treasury notes, bank notes, and  
21          every deposit which any person owning the same or holding in trust and residing in  
22          this state is entitled to withdraw as money or on demand.

23          9. "Municipality" or "taxing district" means a county, city, township, school district, water  
24          conservation and flood control district, Garrison Diversion Conservancy District, county  
25          park district, joint county park district, irrigation district, park district, rural fire protection  
26          district, or any other subdivision of the state empowered to levy taxes.

27          10. "Nonprimary residential property" means residential property, or portions of residential  
28          property, not included in the class of property defined in subsection 12.

29          11. "Person" includes a firm, corporation, or limited liability company.

30          ~~11.~~ "Primary residential property" means residential property certified as a primary  
31          residence under section 11 of this Act.

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

1       **SECTION 5. AMENDMENT.** Subdivision c of subsection 1 of section 57-02-08.1 of the  
2 North Dakota Century Code is amended and reenacted as follows:

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

4           (1) If the person's income is not in excess of ~~forty~~fifty thousand dollars, a  
5           reduction of one hundred percent of the taxable valuation of the person's  
6           homestead up to a maximum reduction of ~~nine thousand~~eleven thousand  
7           two hundred fifty dollars of taxable valuation.

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

13       **SECTION 6. AMENDMENT.** Subdivision b of subsection 2 of section 57-02-08.1 of the  
14 North Dakota Century Code is amended and reenacted as follows:

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

26       **SECTION 7. AMENDMENT.** Section 57-02-08.9 of the North Dakota Century Code is  
27 amended and reenacted as follows:

1           **57-02-08.9. Primary residence credit - Qualification - Application. (Effective for the**  
2 **first two taxable years year beginning after December 31, 20232024)**

3           1. ~~An individual~~A taxpayer is entitled to a credit of ~~five hundred dollars~~ against the  
4           property tax due on the ~~individual's~~taxpayer's primary residence as provided in this  
5           section. The credit ~~may~~:

6           a. Is limited to one thousand five hundred fifty dollars.

7           b. May not reduce the property tax due on voter-approved levies.

8           c. May not reduce the liability for special assessments levied upon any property.

9           d. May not exceed the amount of property tax due against the primary residence.

10           The credit must

11           e. Must be applied to reduce the property tax owed on the individual'staxpayer's  
12           primary residence after other exemptions or credits under this chapter have been  
13           applied.

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

15           a. "Owned" means the 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,~~  
23           ~~and improvements used in the residential occupancy of the dwelling, that is:~~  
24           (a) Owned by one or more individuals, either directly or through a  
25           beneficial interest in a qualifying trust;  
26           (b) Designed or adapted for human residence;  
27           (c) Used as a residence; and  
28           (d) Occupied as a primary place of residence by an owner, by an  
29           individual who has a life estate in the property, or, for property owned  
30           through a beneficial interest in a qualifying trust, by a trustor or  
31           beneficiary of the trust who qualifies for the credit.



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

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

3           (b) A primary residence includes a primary residence taxed under  
4           chapter 57-55.

5       c. "Qualifying trust" means a trust:

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

12           (a) For life;

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

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

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

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

22           (b) Is recorded in the real property records of the county in which the  
23           property is located.

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

27       3. An individual who does not reside in the primary residence in this state is eligible for  
28           the credit under this section if the individual's absence is due to confinement in a  
29           nursing home, hospital, or other care facility, for as long as that confinement lasts and  
30           the portion of the primary residence previously occupied by the individual is not rented  
31           to another individual person.

- 1       4. Only one credit under this section may be applied against the property taxes levied  
2       against any primary residence. If a credit under this section is applied against the  
3       property tax due on a primary residence subject to a real estate transaction, any  
4       proration of the amount of property tax owed by a buyer or seller must be based on  
5       the amount of property tax owed after application of the credit under this section.
- 6       5. An individual whose primary residence is a farm structure exempt from taxation under  
7       subsection 15 of section 57-02-08 is not eligible for a credit under this section.
- 8       6. The credit may not reduce the liability for special assessments levied upon any  
9       property.
- 10      7. To apply for a credit under this section, an applicant shall sign and file with the tax  
11      commissioner, ~~by April first of each year,~~ an application containing a verified statement  
12      of facts establishing the applicant's eligibility as of the date of the ~~claim~~application on a  
13      form and in the manner prescribed by the tax commissioner. The application must be  
14      filed:
  - 15      a. By April 1, 2025, to request a credit for taxable year 2025 for a primary residence  
16      taxed as real estate under this title or as a mobile home under chapter 57-55.
  - 17      b. By September 1, 2025, to request a credit for taxable year 2026 for a primary  
18      residence taxed as a mobile home under chapter 57-55.
- 19      8. The tax commissioner, in consultation with the county auditors, shall prescribe, design,  
20      and make available all forms necessary to effectuate this section. The tax  
21      commissioner shall make these forms available upon request.

22      **SECTION 8. AMENDMENT.** Section 57-02-08.9 of the North Dakota Century Code is  
23      amended and reenacted as follows:

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

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

- 1           d. May not exceed the amount of property tax due against the parcel of primary  
2           residenceresidential property.
- 3           e. Must be applied to reduce the property tax owed on the taxpayer'sparcel of  
4           primary residenceresidential property after other exemptions or credits under this  
5           chapter have been applied.
- 6        2. ~~For purposes of this section:~~
- 7           a. ~~"Owned" means the individual holds a present ownership interest, including~~  
8           ownership in fee simple, holds a present life estate or other terminable present  
9           ownership interest, holds a beneficial interest in a qualifying trust, or is a  
10          purchaser under a contract for deed. The term does not include a mere right of  
11          occupancy or a tenancy under a lease.
- 12          b. (1) ~~"Primary residence" means a dwelling in this state, including the land,~~  
13          ~~appurtenances, and improvements used in the residential occupancy of the~~  
14          ~~dwelling, that is:~~
- 15               (a) ~~Owned by one or more individuals, either directly or through a~~  
16               beneficial interest in a qualifying trust;
- 17               (b) ~~Designed or adapted for human residence;~~
- 18               (c) ~~Used as a residence; and~~
- 19               (d) ~~Occupied as a primary place of residence by an owner, by an~~  
20               individual who has a life estate in the property, or, for property owned  
21               through a beneficial interest in a qualifying trust, by a trustor or  
22               beneficiary of the trust who qualifies for the credit.
- 23          (2) ~~For purposes of the definition of "primary residence" under this subdivision:~~
- 24               (a) ~~An individual may not have more than one primary residence.~~
- 25               (b) ~~A primary residence includes a primary residence taxed under~~  
26               chapter 57-55.
- 27          e. ~~"Qualifying trust" means a trust:~~
- 28               (1) ~~In which the agreement, will, or court order creating the trust, an instrument~~  
29               transferring property to the trust, or any other agreement that is binding on  
30               the trustee provides that the trustor of the trust or a beneficiary of the trust  
31               has the right to use and occupy as the trustor's or beneficiary's primary

- 1 residence rent free and without charge except for taxes and other costs and  
2 expenses specified in the instrument or court order:
- 3 (a) For life;
- 4 (b) For the lesser of life or a term of years; or
- 5 (c) Until the date the trust is revoked or terminated by an instrument or  
6 court order that describes the property with sufficient certainty to  
7 identify it and is recorded in the real property records of the county in  
8 which the property is located; and
- 9 (2) That acquires the property in an instrument of title or under a court order  
10 that:
- 11 (a) Describes the property with sufficient certainty to identify it and the  
12 interest acquired; and
- 13 (b) Is recorded in the real property records of the county in which the  
14 property is located.
- 15 d. "Trustor" means an individual who transfers an interest in real or personal  
16 property to a qualifying trust, whether during the individual's lifetime or at death,  
17 or the individual's spouse.
- 18 3. An individual who does not reside in the primary residence is eligible for the credit  
19 under this section if the individual's absence is due to confinement in a nursing home,  
20 hospital, or other care facility, for as long as that confinement lasts and the portion of  
21 the primary residence previously occupied by the individual is not rented to another  
22 person.
- 23 4. Only one credit under this section may be applied against the property taxes levied  
24 against any parcel of primary residence residential property. If a credit under this  
25 section is applied against the property tax due on a parcel of primary  
26 residence residential property subject to a real estate transaction, any proration of the  
27 amount of property tax owed by a buyer or seller must be based on the amount of  
28 property tax owed after application of the credit under this section.
- 29 5. An individual whose primary residence is a farm structure exempt from taxation under  
30 subsection 15 of section 57-02-08 is not eligible for a credit under this section.

- 1       6. The credit may not reduce the liability for special assessments levied upon any  
2       property.
- 3       7. To apply for a credit under this section, an applicant shall sign and file with the tax  
4       commissioner an application containing a verified statement of facts establishing the  
5       applicant's eligibility as of the date of the application on a form and in the manner  
6       prescribed by the tax commissioner. The application must be filed:
- 7       a. By April 1, 2025, to request a credit for taxable year 2025 for a primary residence  
8       taxed as real estate under this title or as a mobile home under chapter 57-55.
- 9       b. By September 1, 2025, to request a credit for taxable year 2026 for a primary  
10      residence taxed as a mobile home under chapter 57-55.
- 11     8.3. The tax commissioner, in consultation with the county auditors, shall prescribe, design,  
12      and make available all forms necessary to effectuate this section. The tax  
13      commissioner shall make these forms available upon request.

14       **SECTION 9. AMENDMENT.** Section 57-02-08.10 of the North Dakota Century Code is  
15      amended and reenacted as follows:

16       **57-02-08.10. Primary residence credit - Certification - Distribution. (Effective through**  
17      **June 30, 2026May 31, 2026)**

- 18       1. By June first of each year June 1, 2025, the tax commissioner shall:
- 19       a. Review a sampling of information certified by the county auditor regarding the  
20       sum of the credits applied against real estate and mobile home taxes levied for  
21       taxable year 2024 to verify the accuracy of the application of the credit and certify  
22       to the state treasurer for payment to each county the aggregate dollar amount of  
23       credits applied against real estate and mobile home taxes levied for taxable year  
24       2024.
- 25       b. Review the applications received under section 57-02-08.9 for credits to be  
26       applied against real estate and mobile home taxes levied for taxable year 2025  
27       and determine which applicants qualify for the credit allowed under section  
28       57-02-08.9 for taxable year 2025; and
- 29       ~~b.c.~~ Provide to each county auditor:
- 30       (1) A copy of each approved application under subdivision ~~a~~b which identifies a  
31       primary residence located in the county; and

- 1                   (2) The sum of the credits allowed under section 57-02-08.9 in the county for  
2                   ~~the current taxable year 2025.~~
- 3       2. By November 1, 2025, the tax commissioner shall:
- 4           a. Review the applications received under section 57-02-08.9 for primary  
5           residences taxed as mobile homes under chapter 57-55 for credits to be applied  
6           against taxes levied for taxable year 2026 and determine which applicants qualify  
7           for the credit allowed under section 57-02-08.9 for taxable year 2026; and
- 8           b. Provide to each county auditor:
- 9               (1) A copy of each approved application under subdivision a which identifies a  
10              primary residence taxed under chapter 57-55 located in the county; and
- 11              (2) The sum of the credits allowed under section 57-02-08.9 for primary  
12              residences taxed under chapter 57-55 in the county for taxable year 2026.
- 13       3. a. For taxable year 2025:
- 14               (1) The county auditor shall apply the credit under section 57-02-08.9 to each  
15               primary residence taxed as real estate under this title and identified by the  
16               tax commissioner as a qualifying primary residence on the corresponding  
17               property tax statement.
- 18               (2) The county auditor shall consider an application received under section  
19               57-02-08.9 for a primary residence taxed as a mobile home under chapter  
20               57-55 and identified by the tax commissioner as a qualifying primary  
21               residence under subdivisions b and c of subsection 1 as an application for  
22               an abatement and refund of taxes in the amount of the credit allowed. The  
23               county auditor shall present the application for abatement and refund of  
24               taxes to the board of county commissioners at its next regular meeting. The  
25               county commissioners shall approve the applications filed under this  
26               paragraph as soon as practicable and refunds must be issued without delay  
27               according to the procedures in section 57-23-09. The application, notice,  
28               and hearing requirements and procedures under chapter 57-23 and  
29               sections 57-55-04.1 and 57-55-12 do not apply to an application for  
30               abatement and refund filed under this paragraph.

1           b. For taxable year 2026, the county auditor shall apply the credit under section  
2           57-02-08.9 to each primary residence taxed as a mobile home under chapter  
3           57-55 and identified by the tax commissioner as a qualifying primary residence  
4           on the corresponding mobile home tax statement.

5     ~~3.4.~~ By ~~January first of each year~~ January 15, 2026, the county auditor shall certify to the  
6     tax commissioner the sum of the credits approved by the tax commissioner under  
7     ~~subsection 1~~ subdivisions b and c of subsection 1 and under subsection 2 which were  
8     applied ~~toward~~ against property taxes owed on primary residences in the county for the  
9     ~~preceding year~~ as provided in subsection 3.

10    ~~4.5.~~ By ~~June first of each year after 2024~~ May 31, 2026, the tax commissioner shall review  
11    a sampling of information provided by the county auditor to verify the accuracy of the  
12    application of the credit and certify to the state treasurer for payment to each county  
13    the aggregate dollar amount of credits ~~allowed under section 57-02-08.9 in each~~  
14    ~~county for the preceding year~~ applied against property taxes owed on primary  
15    residences in the county as provided in subsection 3.

16    ~~5.6.~~ Within fourteen days of receiving the payment from the state treasurer, but no later  
17    than June thirtieth of each year ~~after 2024~~, the county treasurer shall apportion and  
18    distribute the payment to the county and to the taxing districts of the county on the  
19    same basis as property taxes ~~for the preceding year~~ and mobile home taxes were  
20    apportioned and distributed for the taxable year in which the taxes were levied.

21    ~~6.7.~~ Supplemental certifications by the county auditor and the tax commissioner and  
22    supplemental payments by the state treasurer may be made after the dates prescribed  
23    in this section to make corrections necessary because of errors.

24    ~~7.8.~~ The county auditors shall provide information requested by the tax commissioner to  
25    effectuate this section.

26    ~~8.9.~~ The tax commissioner shall prescribe, design, and make available all forms necessary  
27    to effectuate this section.

28           **SECTION 10. AMENDMENT.** Section 57-02-08.10 of the North Dakota Century Code is  
29    amended and reenacted as follows:

1           **57-02-08.10. Primary residence credit - Certification - Distribution. (Effective through**  
2 **May 31, 2026)**

- 3           1. ~~By June 1, 2025, the tax commissioner shall:~~
- 4           a. ~~Review a sampling of information certified by the county auditor regarding the~~  
5 ~~sum of the credits applied against real estate and mobile home taxes levied for~~  
6 ~~taxable year 2024 to verify the accuracy of the application of the credit and certify~~  
7 ~~to the state treasurer for payment to each county the aggregate dollar amount of~~  
8 ~~credits applied against real estate and mobile home taxes levied for taxable year~~  
9 ~~2024.~~
- 10           b. ~~Review the applications received under section 57-02-08.9 for credits to be~~  
11 ~~applied against real estate and mobile home taxes levied for taxable year~~  
12 ~~2025 and determine which applicants qualify for the credit allowed under section~~  
13 ~~57-02-08.9 for taxable year 2025; and~~
- 14           c. ~~Provide to each county auditor:~~
- 15           (1) ~~A copy of each approved application under subdivision b which identifies a~~  
16 ~~primary residence located in the county; and~~
- 17           (2) ~~The sum of the credits allowed under section 57-02-08.9 in the county for~~  
18 ~~taxable year 2025.~~
- 19           2. ~~By November 1, 2025, the tax commissioner shall:~~
- 20           a. ~~Review the applications received under section 57-02-08.9 for primary~~  
21 ~~residences taxed as mobile homes under chapter 57-55 for credits to be applied~~  
22 ~~against taxes levied for taxable year 2026 and determine which applicants qualify~~  
23 ~~for the credit allowed under section 57-02-08.9 for taxable year 2026; and~~
- 24           b. ~~Provide to each county auditor:~~
- 25           (1) ~~A copy of each approved application under subdivision a which identifies a~~  
26 ~~primary residence taxed under chapter 57-55 located in the county; and~~
- 27           (2) ~~The sum of the credits allowed under section 57-02-08.9 for primary~~  
28 ~~residences taxed under chapter 57-55 in the county for taxable year 2026.~~
- 29           3. a. ~~For taxable year 2025:~~
- 30           (1) ~~The county auditor shall apply the credit under section 57-02-08.9 to each~~  
31 ~~primary residence taxed as real estate under this title and identified by the~~



1 tax commissioner as a qualifying primary residence on the corresponding  
2 property tax statement.

3 (2) ~~The county auditor shall consider an application received under section~~  
4 ~~57-02-08.9 for a primary residence taxed as a mobile home under chapter~~  
5 ~~57-55 and identified by the tax commissioner as a qualifying primary~~  
6 ~~residence under subdivisions b and c of subsection 1 as an application for~~  
7 ~~an abatement and refund of taxes in the amount of the credit allowed. The~~  
8 ~~county auditor shall present the application for abatement and refund of~~  
9 ~~taxes to the board of county commissioners at its next regular meeting. The~~  
10 ~~county commissioners shall approve the applications filed under this~~  
11 ~~paragraph as soon as practicable and refunds must be issued without delay~~  
12 ~~according to the procedures in section 57-23-09. The application, notice,~~  
13 ~~and hearing requirements and procedures under chapter 57-23 and~~  
14 ~~sections 57-55-04.1 and 57-55-12 do not apply to an application for~~  
15 ~~abatement and refund filed under this paragraph.~~

16 b. ~~For taxable year 2026, the~~The county auditor shall apply the credit under section  
17 57-02-08.9 to each primary residence taxed as a mobile home under chapter  
18 57-55 and identified by the tax commissioner as a qualifying primary  
19 residence~~parcel of primary residential property~~ on the corresponding property tax  
20 statement or mobile home tax statement.

21 ~~4.2.~~ By January 15, 2026~~fifteenth of each year,~~ the county auditor shall certify to the tax  
22 commissioner the sum of the credits approved by the tax commissioner under  
23 subdivisions b and c of subsection 1 and subsection 2 which~~that~~ were applied against  
24 property taxes owed on primary residences in the county as provided in  
25 subsection 3for:

26 a. The preceding taxable year for primary residential property taxed as real estate  
27 under this title.

28 b. The current taxable year for primary residential property taxed as a mobile home  
29 under chapter 57-55.

30 ~~5.3.~~ By May 31, 2026~~thirty-first of each year,~~ the tax commissioner shall review a sampling  
31 ~~of information provided by the county auditor to verify the accuracy of the application~~

1           of the credit and certify to the state treasurer for payment to each county the  
2           aggregate dollar amount of credits applied against property taxes owed on primary  
3           residences in the county as provided certified by the counties in subsection 32.

4     ~~6.4.~~ Within fourteen days of receiving the payment from the state treasurer, ~~but no later~~  
5           than ~~June thirtieth of each year~~, the county treasurer shall apportion and distribute the  
6           payment to the county and to the taxing districts of the county on the same basis as  
7           property taxes and mobile home taxes were apportioned and distributed for the  
8           taxable year in which the taxes were levied.

9     ~~7.5.~~ Supplemental certifications by the county auditor and the tax commissioner and  
10           supplemental payments by the state treasurer may be made after the dates prescribed  
11           in this section to make corrections necessary because of errors.

12     ~~8.6.~~ The county auditors shall provide information requested by the tax commissioner to  
13           effectuate this section.

14     ~~9.7.~~ The tax commissioner shall prescribe, design, and make available all forms necessary  
15           to effectuate this section.

16           **SECTION 11.** A new section to chapter 57-02 of the North Dakota Century Code is created  
17   and enacted as follows:

18           **Primary residence certification - Eligibility for primary residential property**  
19 **classification - Application.**

20     1. To be eligible for a primary residential property classification under this chapter, a  
21           primary residence must be certified by the county director of tax equalization as  
22           provided in this section.

23     2. A dwelling does not lose its character as a primary residence if the owner of the  
24           dwelling does not reside in the primary residence because the individual is confined in  
25           a nursing home, hospital, or other care facility, for as long as that confinement lasts  
26           and the portion of the primary residence previously occupied by the individual is not  
27           rented to another person.

28     3. To be certified as a primary residence and eligible for the primary residential property  
29           classification under this chapter, an owner shall sign and file with the tax commissioner  
30           an application containing a verified statement of facts establishing the owner's  
31           property meets the eligibility requirements to be considered a primary residence under

1           this section as of the date of the application on a form and in the manner prescribed by  
2           the tax commissioner.

3           a. An application for primary residence certification must be filed by February first of  
4           each year to request a primary residence certification for:

5                   (1) The taxable year during which the application is filed for a primary residence  
6                   taxed as real estate under this title.

7                   (2) The taxable year succeeding the taxable year during which the application  
8                   is filed for a primary residence taxed as a mobile home under chapter  
9                   57-55.

10           b. As soon as practicable after receiving the applications, no later than February  
11           twenty-eighth of each year, the tax commissioner shall:

12                   (1) Review the applications received under this subsection and determine  
13                   which applicants qualify for the primary residence certification; and

14                   (2) Provide to each county director of tax equalization a copy of each approved  
15                   or rejected application received under this subsection which identifies  
16                   property located in the county.

17           c. Within fifteen days of receipt of the applications from the tax commissioner under  
18           paragraph 2 of subdivision b, no later than March fifteenth of each year, the  
19           county director of tax equalization shall notify the applicant of the approval or  
20           denial of the application and reflect the appropriate classification of the property  
21           on the assessment list.

22           d. The tax commissioner may request additional documentation from the applicant  
23           when making the determination of eligibility.

24           e. Determinations of eligibility under this subsection may be appealed through the  
25           informal equalization process and formal abatement process.

26           4. A primary residence certification under this section is valid for the entire taxable year  
27           for which the application for certification was approved, without regard to any change  
28           of ownership of the property which occurs after the application for certification was  
29           approved.

30           5. The tax commissioner shall prescribe, design, and make available all forms necessary  
31           to effectuate this section. Application forms must include the full name and address of

1           the applicant and any other information prescribed by the tax commissioner. The  
2           county director of tax equalization shall make these forms available to applicants upon  
3           request.

4           6. For purposes of this section:

5           a. "Owned" means the individual holds a present ownership interest, including  
6           ownership in fee simple, holds a present life estate or other terminable present  
7           ownership interest, holds a beneficial interest in a qualifying trust, or is a  
8           purchaser under a contract for deed. The term does not include a mere right of  
9           occupancy or a tenancy under a lease.

10          b. (1) "Primary residence" means a dwelling in this state, including the land,  
11           appurtenances, and improvements used in the residential occupancy of the  
12           dwelling, which is not exempt from property taxes as a farm residence and,  
13           subject to subsection 2 and paragraph 2, as of the assessment date of the  
14           taxable year, is:

15           (a) Owned by one or more individuals, either directly or through a  
16           beneficial interest in a qualifying trust;

17           (b) Designed or adapted for human residence;

18           (c) Used as a residence; and

19           (d) Occupied as a primary place of residence by an owner, an individual  
20           who has a life estate in the property, or, for property owned through a  
21           beneficial interest in a qualifying trust, by a trustor or beneficiary of the  
22           trust who qualifies for the exemption.

23          (2) For purposes of the term:

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

25           (b) A primary residence includes a primary residence taxed under  
26           chapter 57-55.

27          c. "Qualifying trust" means a trust:

28          (1) In which the agreement, will, or court order creating the trust, an instrument  
29           transferring property to the trust, or any other agreement that is binding on  
30           the trustee provides that the trustor of the trust or a beneficiary of the trust  
31           has the right to use and occupy as the trustor's or beneficiary's primary

1 residence rent free and without charge except for taxes and other costs and  
2 expenses specified in the instrument or court order:

3 (a) For life;

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

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

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

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

13 (b) Is recorded in the real property records of the county in which the  
14 property is located.

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

18 **SECTION 12. AMENDMENT.** Section 57-02-27 of the North Dakota Century Code is  
19 amended and reenacted as follows:

20 **57-02-27. Property to be valued at a percentage of assessed value - Classification of**  
21 **property - Limitation on valuation of annexed agricultural lands.**

22 1. All property subject to taxation based on the value thereof must be valued as follows:

23 4. a. All primary residential property and nonprimary residential property to be valued  
24 at nine percent of assessed value. If any property is used for ~~both~~primary  
25 residential, nonprimary residential, and nonresidential purposes, the valuation  
26 must be prorated accordingly.

27 2. b. All agricultural property to be valued at ten percent of assessed value as  
28 determined pursuant to section 57-02-27.2.

29 3. c. All commercial property to be valued at ten percent of assessed value.

30 4. d. All centrally assessed property to be valued at ten percent of assessed value  
31 except as provided in section 57-06-14.1.

1        2.    The ~~resulting~~ amounts ~~must be known as~~ resulting from the calculation under  
2        subsection 1 are the taxable valuation.

3        3.    In determining the assessed value of real and personal property, except agricultural  
4        property, the assessor may not adopt a lower or different standard of value because  
5        the same is to serve as a basis of taxation, nor may the assessor adopt as a criterion  
6        of value the price at which said property would sell at auction, or at forced sale, or in  
7        the aggregate with all the property in the town or district, but the assessor shall value  
8        each article or description by itself, and at such sum or price as the assessor believes  
9        the same to be fairly worth in money. In assessing any tract or lot of real property,  
10       there must be determined the value of the land, exclusive of improvements, and the  
11       value of all taxable improvements and structures thereon, and the aggregate value of  
12       the property, including all taxable structures and other improvements, excluding the  
13       value of crops growing upon cultivated lands. In valuing any real property upon which  
14       there is a coal or other mine, or stone or other quarry, the same must be valued at  
15       such a price as such property, including the mine or quarry, would sell for at a fair  
16       voluntary sale for cash. Agricultural lands within the corporate limits of a city which are  
17       not platted constitute agricultural property and must be so classified and valued for  
18       ad valorem property tax purposes until such lands are put to another use. Agricultural  
19       lands, whether within the corporate limits of a city or not, which were platted and  
20       assessed as agricultural property prior to March 30, 1981, must be assessed as  
21       agricultural property for ad valorem property tax purposes until put to another use.  
22       Such valuation must be uniform with the valuation of adjoining unannexed agricultural  
23       land.

24       **SECTION 13. AMENDMENT.** Section 57-02-27.1 of the North Dakota Century Code is  
25       amended and reenacted as follows:

26       **57-02-27.1. Property to be valued at true and full value.**

27       1.    All assessors and boards of equalization shall place the values of all items of taxable  
28       property at the true and full value of the property except as otherwise specifically  
29       provided by law, and the amount of taxes that may be levied on such property must be  
30       limited as provided in this chapter. For the purposes of sections 57-02-27, 57-02-27.1,  
31       57-02-27.2, and 57-55-04, the term "true and full value" has the same meaning as

1 provided in ~~subsection 15 of~~ section 57-02-01, except that "true and full value" of  
2 agricultural lands must be as determined pursuant to section 57-02-27.2.

3 2. The governing body of the city or township may establish valuations that recognize the  
4 supply of vacant lots available for sale.

5 **SECTION 14. AMENDMENT.** Section 57-02-53 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **57-02-53. Assessment increase and budget hearing notice to property owner.**

8 1. a. ~~When any assessor has increased the true and full valuation of any lot or tract~~  
9 ~~of land and improvements to an amount that is an increase of three thousand dollars~~  
10 ~~or more and ten percent or more from the amount of the previous year's assessment,~~  
11 ~~the~~On or before March first of each year the governing body of a taxing district shall  
12 provide to the assessor in each township, city, or county in which the taxing district has  
13 taxable property the date, time, and location of the taxing district's public hearing on its  
14 property tax levy, which may be no earlier than September seventh. A taxing district  
15 that fails to provide the information required under this subsection on or before August  
16 tenth may not impose a property tax levy in a greater amount of dollars than was  
17 imposed by the taxing district in the prior year.

18 2. An assessor shall deliver written notice of the amount of increase and the:

19 a. The amount of the ~~previous~~current year's assessment to the property owner at  
20 the expense of the assessment district for which the assessor is employed of  
21 each parcel of taxable property, including improvements, which has been  
22 assessed by the assessor.

23 b. The date, time, and location of the taxing district's public hearing on its property  
24 tax levy, which may be no earlier than September seventh.

25 3. Delivery of written notice to a property owner under this subdivisionsection must be  
26 completed at least fifteen days before the meeting of the local board of equalization.

27 b. ~~If written notice by the assessor was not required under subdivision a and action~~  
28 ~~by the township, city, or county board of equalization or order of the state board~~  
29 ~~of equalization has increased the true and full valuation of any lot or tract of land~~  
30 ~~and improvements to an amount that results in a cumulative increase of three~~  
31 ~~thousand dollars or more and ten percent or more from the amount of the~~

1                   previous year's assessment, written notice of the amount of increase and the  
2                   amount of the previous year's assessment must be delivered to the property  
3                   owner. The written notice under this subdivision must be mailed or delivered at  
4                   the expense of the township, city, or county that made the assessment increase  
5                   or at the expense of the township, city, or county that was ordered to make the  
6                   increase by the state board of equalization. Delivery of written notice to a  
7                   property owner under this subdivision must be completed within fifteen days after  
8                   the meeting of the township, city, or county board of equalization that made or  
9                   ordered the assessment increase and within thirty days after the meeting of the  
10                  state board of equalization, if the state board of equalization ordered the  
11                  assessment increase.

12        ~~e.4.~~   The tax commissioner shall prescribe suitable forms for written notices under this  
13        ~~subsection~~section. The written notice under ~~subdivision at~~this section must show  
14        ~~the~~contain:

- 15            a.    The true and full value of the parcel of taxable property, including improvements,  
16            that the assessor determined for the current year ~~and for the previous year and~~  
17            ~~must also show the~~.
- 18            b.    The date prescribed by law for the meeting of the local board of equalization of  
19            the assessment district in which the parcel of taxable property is located and the  
20            meeting date of the county board of equalization.
- 21            c.    The date, time, and location of the public budget hearing for each of the taxing  
22            districts in which the property owner's parcel of taxable property is located and  
23            the location at which the taxing district's budget will be available for review.
- 24            d.    A statement that there will be an opportunity for citizens to present oral or written  
25            comments regarding each taxing district's property tax levy at the public budget  
26            hearing of each taxing district.

27        ~~d.5.~~   Delivery of written notice under this section must be by personal delivery to the  
28        property owner, mail addressed to the property owner at the property owner's  
29        last-known address, or electronic mail to the property owner directed with verification  
30        of receipt to an electronic mail address at which the property owner has consented to  
31        receive notice.



- 1        2. ~~The form of notice prescribed by the tax commissioner must require a statement to~~  
2        ~~inform the taxpayer that an assessment increase may mean property taxes on the~~  
3        ~~parcel will increase. The notice may contain an estimate of a tax increase resulting~~  
4        ~~from the assessment increase.~~
- 5        6. If a parcel of taxable property is owned by more than one owner, notice may be sent to  
6        only one owner of the property. Failure of an owner to receive a notice under this  
7        section does not relieve the owner of property tax liability or modify the qualifying date  
8        under section 57-20-09 for which an owner may receive a discount for early payment  
9        of tax.

10        **SECTION 15. AMENDMENT.** Section 57-09-04 of the North Dakota Century Code is  
11 amended and reenacted as follows:

12        **57-09-04. Duties of board –~~Limitation on increase~~– Notice.**

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

28        **SECTION 16. AMENDMENT.** Section 57-11-03 of the North Dakota Century Code is  
29 amended and reenacted as follows:

1           **57-11-03. Duties of board –~~Limitation on increase~~–~~Notice.~~**

2           At its meeting, the board of equalization shall proceed to equalize and correct the  
3 assessment roll. It may change the valuation and assessment of any real property upon the roll  
4 by increasing or diminishing the true and full valuation thereof as is reasonable and just to  
5 render taxation uniform; ~~except that the board may not increase the valuation of any property~~  
6 ~~returned by the assessor to an amount that results in a cumulative increase of more than fifteen~~  
7 ~~percent from the amount of the previous year's assessment without first giving the owner or the~~  
8 ~~owner's agent reasonable notice and opportunity to be heard regarding the intention of the~~  
9 ~~board to increase it.~~ All complaints and grievances of residents of the city must be heard and  
10 decided by the board and it may make corrections as appear to be just. Complaints by  
11 nonresidents with reference to the assessment of any real property and complaints by others  
12 with reference to any assessment made after the meeting of the city board of equalization must  
13 be heard and determined by the county board of equalization. ~~The board shall comply with any~~  
14 ~~requirement for notice of an assessment increase under section 57-02-53.~~

15           **SECTION 17. AMENDMENT.** Section 57-12-06 of the North Dakota Century Code is  
16 amended and reenacted as follows:

17           **57-12-06. County board of equalization - Equalizing between assessment districts**  
18 **and between properties –~~Limitation on increase~~–~~Notice.~~**

- 19           1. The rules prescribed in section 57-12-05 apply when the board of county  
20 commissioners is equalizing assessments between the several assessment and taxing  
21 districts in the county provided that in such case, except as otherwise provided in  
22 subsection 2, the board may raise or lower the valuation of classes of property only so  
23 as to equalize the assessments as between districts. ~~If the board orders an increase~~  
24 ~~under this subsection, the board must comply with any requirement for notice of an~~  
25 ~~assessment increase under section 57-02-53.~~
- 26           2. Notwithstanding any other provision of this section:
- 27           a. The county board of equalization after notice to the local board of equalization  
28 may reduce the assessment on any separate piece or parcel of real estate even  
29 though such property was assessed in a city or township having a local board of  
30 equalization. The county board of equalization may not reduce any such  
31 assessment unless the owner of the property or the person to whom it was

1           assessed first appeals to the county board of equalization, either by appearing  
2           personally or by a representative before the board or by mail or other  
3           communication to the board, in which the owner's reasons for asking for the  
4           reduction are made known to the board. The proceedings of the board shall show  
5           the manner in which the appeal was made known to the board and the reasons  
6           for granting any reduction in any such assessment.

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

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

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



- 1           e. The levy, not to exceed one mill, for the Garrison Diversion Conservancy District,  
2           authorized by section 57-15-26.8.
- 3           f. Taxes or special assessments levied to pay the principal and interest on any  
4           obligations of any political subdivision, including taxes levied for deficiencies in  
5           special assessment and improvement district funds and revenue bond and  
6           reserve funds.
- 7           g. Taxes levied pursuant to law for the proportion of the cost to any taxing district for  
8           a special improvement project by general taxation.
- 9           h. Taxes levied under sections 40-24-10, 40-43-01, and 57-15-41, and chapter  
10          61-16.1.
- 11         3. A majority of the qualified electors in a taxing district, at a regular or special election of  
12          the taxing district, may approve a property tax levy exceeding the limitation under  
13          subsection 1 for only one taxable year. The ballot measure must state the proposed  
14          percentage increase and the proposed dollar amount increase exceeding the limitation  
15          under subsection 1.
- 16         4. A city or county may not supersede or modify the application of this section under  
17          home rule authority.
- 18         5. For purposes of this section:
- 19           a. "Adjusted year levy" means amount of property tax levied in dollars by the taxing  
20           district in the preceding taxable year adjusted as follows:
- 21                 (1) When property and improvements to property which were not taxable in the  
22                 preceding taxable year are taxable in the current year, the amount levied in  
23                 dollars in the preceding taxable year by the taxing district must be increased  
24                 to reflect the taxes that would have been imposed against the additional  
25                 taxable valuation attributable to that property at the mill rate applied to all  
26                 property in the preceding taxable year, excluding the mill rate associated  
27                 with:
- 28                         (a) Any irrevocable tax levied to pay bonded indebtedness levied under  
29                         section 16 of article X of the Constitution of North Dakota.

1                   (b) A tax levied for the one-mill levy for the state medical center  
2                                 authorized by section 10 of article X of the Constitution of North  
3                                 Dakota.

4           (2) When a property tax exemption existed in the preceding taxable year which  
5                   has been reduced or no longer exists for the current taxable year, the  
6                   amount levied in dollars in the preceding taxable year by the taxing district  
7                   must be increased to reflect the taxes that would have been imposed  
8                   against the portion of the taxable valuation of the property which is no  
9                   longer exempt at the mill rate applied to all property in the preceding taxable  
10                   year, excluding the mill rate associated with:

11                   (a) Any irrevocable tax levied to pay bonded indebtedness levied under  
12                                 section 16 of article X of the Constitution of North Dakota.

13                   (b) A tax levied for the one-mill levy for the state medical center  
14                                 authorized by section 10 of article X of the Constitution of North  
15                                 Dakota.

16           (3) When property that was taxable in the preceding taxable year is not taxable  
17                   for the current taxable year, the amount levied in dollars in the preceding  
18                   taxable year by the taxing district must be reduced by the amount of taxes  
19                   that were imposed against the taxable valuation of that property in the  
20                   preceding taxable year.

21           (4) When a temporary mill levy increase, excluding an increase under this  
22                   section, authorized by the electors of the taxing district or mill levy  
23                   imposition authority under state law existed in the preceding taxable year  
24                   but is no longer applicable or has been reduced, the amount levied in  
25                   dollars in the preceding taxable year by the taxing district must be adjusted  
26                   to reflect the expired temporary mill levy increase and the eliminated or  
27                   reduced mill levy under state law before the percentage increase allowable  
28                   under this subsection is applied.

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

- 1           c. "Base year levy" means the highest amount of property tax levied in dollars by a  
2           taxing district in the three taxable years immediately preceding the current  
3           taxable year.
- 4           d. "Excess percentage increase" means the difference, rounded to the nearest  
5           hundredth of a percent, between:
- 6           (1) The allowable percentage limit; and  
7           (2) The difference between the actual amount of property tax levied in dollars  
8           and the greater of the base year levy or the adjusted year levy with the  
9           resulting difference under this paragraph divided by the greater of the base  
10          year levy or adjusted year levy.
- 11          e. "Proposed percentage increase" means the difference, rounded to the nearest  
12          hundredth of a percent, between:
- 13          (1) The difference between the amount of property tax in dollars proposed to be  
14          levied by the governing board of the taxing district and the greater of the  
15          base year levy or the adjusted year levy with the resulting difference under  
16          this paragraph divided by the greater of the base year levy or adjusted year  
17          levy; and
- 18          (2) The allowable percentage limit.
- 19          f. "Taxing district" means any political subdivision empowered to levy taxes.

20           **SECTION 19. AMENDMENT.** Section 57-20-07.1 of the North Dakota Century Code is  
21 amended and reenacted as follows:

22           **57-20-07.1. County treasurer to mail real estate tax statement - Contents of statement.**

- 23           1. On or before December twenty-sixth of each year, the county treasurer shall mail a  
24           real estate tax statement to the owner of each parcel of real property at the owner's  
25           last-known address. The form of the real estate tax statement to be used in every  
26           county must be prescribed and approved for use by the tax commissioner. The  
27           statement must be provided in a manner that allows the taxpayer to retain a printed  
28           record of the obligation for payment of taxes and special assessments as provided in  
29           the statement. If a parcel of real property is owned by more than one individual, the  
30           county treasurer shall send only one statement to one of the owners of that property.  
31           Additional copies of the tax statement will be sent to the other owners upon their

1 request and the furnishing of their names and addresses to the county treasurer. The  
2 tax statement must:

- 3 a. Include a dollar valuation of the true and full value as defined by law of the  
4 property and the total mill levy applicable.  
5 b. Include, or be accompanied by a separate sheet, with three columns showing, for  
6 the taxable year to which the tax statement applies and the two immediately  
7 preceding taxable years, ~~the:~~

8 (1) ~~The~~ property tax levy in dollars against the parcel by the county and school  
9 district and any city or township that levied taxes against the parcel.

10 (2) The amount of property tax levied as a result of voter-approved levy  
11 authority, which must be separately stated for each taxing district that levied  
12 property tax as a result of voter-approved levy authority.

- 13 c. Provide information identifying the property tax savings provided by the state of  
14 North Dakota. The tax statement must include a line item that is entitled  
15 "legislative tax relief" and identifies the dollar amount of property tax savings  
16 realized by the taxpayer under chapter 50-34 for taxable years before 2019,  
17 chapter 50-35 for taxable years after 2018, and chapter 15.1-27.

18 (1) For purposes of this subdivision, legislative tax relief under chapter 15.1-27  
19 is determined by multiplying the taxable value for the taxable year for each  
20 parcel shown on the tax statement by ~~the number of mills of mill levy~~  
21 ~~reduction grant under chapter 57-64 for the 2012 taxable year plus the~~  
22 ~~number of mills determined by subtracting from the 2012 taxable year mill~~  
23 ~~rate of the school district in which the parcel is located the lesser of one~~  
24 ~~hundred twenty-five mills or the sum of:~~

25 (a) ~~Fifty mills~~ The number of mills of mill levy reduction grant under  
26 chapter 57-64 for the 2012 taxable year; or and

27 (b) ~~The 2012 taxable year mill rate of the school district minus~~ excluding  
28 sixty mills.

29 (2) Legislative tax relief under chapter 50-35 is determined by multiplying the  
30 taxable value for the taxable year for each parcel shown on the tax  
31 statement by the number of mills of relief determined by dividing the amount



1                   calculated in subsection 1 of section 50-35-03 for a human service zone by  
2                   the taxable value of taxable property in the zone for the taxable year.

3           d. Provide information identifying the primary residence credit, including information  
4           regarding the portion of the credit derived from funding distributed from the  
5           legacy fund.

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

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

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

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

18           (c) For purposes of this paragraph, "applicable percent" means the  
19           percent, rounded to the nearest hundredth of a percent, calculated as  
20           the quotient of the amount allocated to the legacy property tax relief  
21           fund from the legacy earnings fund for the primary residence credit  
22           pursuant to section 2 of this Act divided by the total amount  
23           appropriated from the legacy property tax relief fund for the primary  
24           residence credit, using the allocations and appropriations for the  
25           relevant tax years.

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

28           **SECTION 20. REPEAL.** Sections 21-10-12, 21-10-13, and 57-15-02.2 of the North Dakota  
29           Century Code are repealed.

1           **SECTION 21. APPROPRIATION - TRANSFER - GENERAL FUND TO LEGACY**  
2 **PROPERTY TAX RELIEF FUND - INFORMATION ON PROPERTY TAX STATEMENTS - TAX**  
3 **COMMISSIONER.**

- 4           1. There is appropriated out of any moneys in the general fund in the state treasury, not  
5 otherwise appropriated, the sum of \$310,001,793, which the office of management  
6 and budget shall transfer to the legacy property tax relief fund, during the biennium  
7 beginning July 1, 2025, and ending June 30, 2027. For legislative council budget  
8 status reporting purposes, the transfer under this subsection is considered an ongoing  
9 funding item.
- 10          2. There is appropriated out of any moneys in the legacy property tax relief fund, not  
11 otherwise appropriated, the sum of \$483,400,000, or so much of the sum as may be  
12 necessary, to the tax commissioner for the state reimbursement under the primary  
13 residence credit for the biennium beginning July 1, 2025, and ending June 30, 2027.  
14 Of the \$483,400,000, \$310,001,793 is from the general fund pursuant to subsection 1,  
15 and \$173,398,207 is from the legacy earnings fund pursuant to section 2 of this Act.
- 16          3. Pursuant to section 57-20-07.1, the tax commissioner shall notify each county auditor  
17 that the applicable percent for taxable years 2025 and 2026 is 35.87 percent, which  
18 reflects the portion of the primary residence credit derived from funding distributed  
19 from the legacy fund.

20 **SECTION 22. EFFECTIVE DATE.**

- 21          1. Sections 5, 6, 7, and 18 of this Act are effective for taxable years beginning after  
22 December 31, 2024.
- 23          2. Sections 4, 8, 11, 12, and 13 of this Act are effective for taxable years beginning after  
24 December 31, 2025.
- 25          3. Section 9 of this Act becomes effective on June 1, 2025.
- 26          4. Section 10 of this Act becomes effective on June 1, 2026.

27 **SECTION 23. EMERGENCY.** Sections 7 and 9 of this Act are declared to be an emergency  
28 measure.