

Introduced by

Representative Toman

1 A BILL for an Act to create and enact a new section to chapter 57-02 and a new subdivision to
2 subsection 1 of section 57-55-10 of the North Dakota Century Code, relating to a primary
3 residence long-term homeowner property valuation reduction; and to provide 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 **Primary residence long-term homeowner property valuation reduction -**

8 **Qualification - Application - Certification - State reimbursement.**

- 9 1. A long-term homeowner is entitled to a reduction of one hundred percent of the
10 taxable valuation of the long-term homeowner's primary residence, up to a maximum
11 reduction of eighteen thousand dollars of taxable valuation. If the long-term
12 homeowner qualifies for another credit under this chapter, including the credits under
13 sections 57-02-08.1 and 57-02-08.8, which reduces the taxable value of the long-term
14 homeowner's primary residence, the credit must apply to the remaining taxable value
15 after application of the other credit.
- 16 2. A dwelling does not lose its character as a primary residence if the owner of the
17 dwelling does not reside in the primary residence because the individual is confined in
18 a nursing home, hospital, or other care facility, for as long as that confinement lasts
19 and the portion of the primary residence previously occupied by the individual is not
20 rented to another person.
- 21 3. Individuals residing together who are co-owners of the property but who are not
22 spouses or dependents each are entitled to a percentage of the reduction under
23 subsection 1 equal to their ownership interests in the property.

- 1 4. If a primary residence is co-owned by two individuals who are spouses and only one
2 spouse meets the criteria of a long-term homeowner, both spouses must be
3 considered long-term homeowners for purposes of the credit under this section.
- 4 5. To apply for the reduction under this section, an owner shall sign and file with the tax
5 commissioner an application containing a verified statement of facts establishing the
6 owner's property meets the eligibility requirements under this section as of the date of
7 the application on a form and in the manner prescribed by the tax commissioner.
- 8 a. An application must be filed by August 1, 2025, to request a valuation reduction
9 for:
- 10 (1) Taxable year 2025 for a primary residence taxed as real estate under this
11 title.
- 12 (2) Taxable years 2025 and 2026 for a primary residence taxed as a mobile
13 home under chapter 57-55.
- 14 b. For valuation reductions after 2025 for a primary residence taxed as real estate
15 under this title and valuation reductions after 2026 for a primary residence taxed
16 as a mobile home under chapter 57-55, an application must be filed by August
17 first of each year to request a reduction under this section beginning:
- 18 (1) The taxable year during which the application is filed for a primary residence
19 taxed as real estate under this title.
- 20 (2) The taxable year succeeding the taxable year during which the application
21 is filed for a primary residence taxed as a mobile home under chapter
22 57-55.
- 23 c. By October 1, 2025, the tax commissioner shall:
- 24 (1) Review the applications received under subdivision a and determine which
25 applications qualify for the reduction under this section; and
- 26 (2) Provide to each county director of tax equalization a copy of each approved
27 or rejected application received under subdivision a which identifies property
28 located in the county.
- 29 d. By October first of each year after 2025, the tax commissioner shall:
- 30 (1) Review the applications received under subdivision b and determine which
31 applicants qualify for the reduction under this section; and

- 1 (2) Provide to each county director of tax equalization a copy of each approved
2 or rejected application received under subdivision b which identifies property
3 located in the county.
- 4 e. The county director of tax equalization shall attach each application approved
5 under this subsection to the assessment list and list the amount of the reduction
6 on the assessment list.
- 7 f. The tax department may request additional documentation from the applicant
8 when making the determination of eligibility.
- 9 g. If any claimant is found to have claimed a reduction fraudulently under this
10 section to which that claimant is not entitled, all reductions under this section for
11 that claimant for that taxable year must be canceled. If a claimant received a
12 reduction that is canceled under this section, the auditor of the county in which
13 the property is located shall enter the amount of the canceled reduction as
14 omitted property on the assessment list of property that has escaped taxation.
- 15 h. Determinations of eligibility for a reduction under this section may be appealed
16 through the equalization and abatement process.
- 17 6. a. For taxable year 2025:
- 18 (1) The county auditor shall apply the reduction under this section to each
19 primary residence taxed as real estate under this title and identified as a
20 qualifying primary residence on the corresponding tax statement.
- 21 (2) The county auditor shall consider an application received under
22 subsection 5 for a primary residence taxed as a mobile home under chapter
23 57-55 and identified by the tax commissioner as a primary residence eligible
24 for the reduction under this section as an application for an abatement and
25 refund of taxes in an amount consistent with the reduction 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 years after 2025, the county auditor shall apply the reduction under
4 this section to each primary residence identified as a qualifying primary residence
5 on the corresponding property tax statement or mobile home tax statement.
- 6 7. A reduction under this section is valid for the entire taxable year for which the claim
7 was approved, without regard to any change of ownership of the property which
8 occurs after the claim was approved for the taxable year.
- 9 8. This section does not reduce the liability of any individual for special assessments
10 levied upon any property.
- 11 9. A reduction of taxable valuation under this section may not be applied to reduce the
12 taxable valuation used for purposes of determining the amount subtracted from a
13 school district's state aid payment under subdivision a of subsection 4 of section
14 15.1-27-04.1.
- 15 10. The tax commissioner shall prescribe, design, and make available all forms necessary
16 to effectuate this section. Application forms must include the full name and address of
17 the applicant and any other information prescribed by the tax commissioner. The
18 county director of tax equalization shall make these forms available to applicants upon
19 request.
- 20 11. For purposes of this section:
- 21 a. "Long-term homeowner" means a homeowner who has owned the homeowner's
22 primary residence for thirty years or more.
- 23 b. "Owned" means an individual holds a present ownership interest, including
24 ownership in fee simple, holds a present life estate or other terminable present
25 ownership interest, holds a beneficial interest in a qualifying trust in which the
26 property is held, has an ownership interest in the corporation or passthrough
27 entity that owns the property, or is a purchaser under a contract for deed. The
28 term does not include a mere right of occupancy or a tenancy under a lease.
- 29 c. (1) "Primary residence" means a dwelling in this state, including the land,
30 appurtenances, and improvements used in the residential occupancy of the

1 dwelling, which is not exempt from property taxes as a farm residence and,
2 subject to subsection 2 and paragraph 2, is:

3 (a) Owned by one or more individuals, either directly or through a
4 beneficial 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:

8 [1] An individual who holds a present ownership interest, including
9 ownership in fee simple;

10 [2] An individual who has a life estate in the property;

11 [3] For property owned through a beneficial interest in a qualifying
12 trust, a trustor or beneficiary of the trust who qualifies for the
13 reduction; or

14 [4] For property owned through an ownership interest in a
15 corporation or passthrough entity, an individual who holds an
16 ownership interest in the corporation or passthrough entity and
17 who qualifies for the reduction.

18 (2) For purposes of the term:

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

20 (b) A primary residence includes a primary residence taxed as a mobile
21 home under chapter 57-55.

22 d. "Qualifying trust" means a trust:

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

29 (a) For life;

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

- 1 (c) Until the date the trust is revoked or terminated by an instrument or
2 court order that describes the property with sufficient certainty to
3 identify it and is recorded in the real property records of the county in
4 which the property is located; and
- 5 (2) That acquires the property in an instrument of title or under a court order
6 that:
- 7 (a) Describes the property with sufficient certainty to identify it and the
8 interest acquired; and
- 9 (b) Is recorded in the real property records of the county in which the
10 property is located.
- 11 e. "Trustor" means an individual who transfers an interest in real or personal
12 property to a qualifying trust, whether during the individual's lifetime or at death,
13 or the individual's spouse.
- 14 12. a. Before January 15, 2026, the county auditor of each county shall certify to the tax
15 commissioner, on forms prescribed by the tax commissioner, the following
16 information applicable to taxable year 2025 for primary residences taxed as real
17 estate under this title and taxable years 2025 and 2026 for primary residences
18 taxed as a mobile home under chapter 57-55:
- 19 (1) The full name, address, and social security or taxpayer identification number
20 of each individual or entity for whom the reduction under this section was
21 allowed;
- 22 (2) The legal description of the property;
- 23 (3) The taxable value of the property;
- 24 (4) The dollar amount of each reduction in taxable value allowed;
- 25 (5) The total of the tax mill rates used to calculate taxes for the corresponding
26 year of all taxing districts in which the property was contained, exclusive of
27 any state mill rates; and
- 28 (6) Any other information prescribed by the tax commissioner.
- 29 b. Before January fifteenth of each year after 2026, the county auditor of each
30 county shall certify to the tax commissioner, on forms prescribed by the tax
31 commissioner, the following information applicable to the taxable year during

1 which the application is filed for a primary residence taxed as real estate under
2 this title and the taxable year succeeding the taxable year during which the
3 application is filed for a primary residence taxed as a mobile home under chapter
4 57-55:

5 (1) The full name, address, and social security or taxpayer identification number
6 of each individual or entity for whom the reduction under this section was
7 allowed for the corresponding taxable year;

8 (2) The legal description of the property;

9 (3) The taxable value of the property;

10 (4) The dollar amount of each reduction in taxable value allowed;

11 (5) The total of the tax mill rates used to calculate taxes for the corresponding
12 year of all taxing districts in which the property was contained, exclusive of
13 any state mill rates; and

14 (6) Any other information prescribed by the tax commissioner.

15 13. a. By March 15, 2026, the tax commissioner shall:

16 (1) Review the certifications under subdivision a of subsection 12, make any
17 required corrections, and certify to the state treasurer for payment to each
18 county the sum of the amounts computed by:

19 (a) For valuation reductions for primary residences taxed as real estate
20 for taxable year 2025, multiplying the reduction allowed for each
21 qualifying primary residence taxed as real estate under this title in the
22 county for taxable year 2025 by the total of the tax mill rates for
23 taxable year 2025 of all taxing districts in which the property was
24 located.

25 (b) For valuation reductions for primary residences taxed as mobile
26 homes under chapter 57-55 for taxable year 2025, multiplying the
27 reduction allowed for each qualifying primary residence taxed as a
28 mobile home under chapter 57-55 in the county for taxable year 2025
29 by the total of the tax mill rates used to calculate mobile home taxes
30 under chapter 57-55 in taxable year 2025 of all taxing districts in
31 which the property was located.

- 1 (c) For valuation reductions for primary residences taxed as mobile
2 homes under chapter 57-55 for taxable year 2026, multiplying the
3 reduction allowed for each qualifying primary residence taxed as a
4 mobile home under chapter 57-55 in the county for taxable year 2026
5 by the total of the tax mill rates used to calculate mobile home taxes
6 under chapter 57-55 in taxable year 2026 of all taxing districts in
7 which the property was located.
- 8 (2) Certify to the state treasurer for deposit in the state medical center fund the
9 amount computed by multiplying one mill times the reduction allowed under
10 this section for primary residences taxed as real estate for taxable year
11 2025 and mobile homes under chapter 57-55 for taxable years 2025 and
12 2026.
- 13 b. By March fifteenth of each year after 2026, the tax commissioner shall:
- 14 (1) Review the certifications under subdivision b of subsection 12, make any
15 required corrections, and certify to the state treasurer for payment to each
16 county the sum of the amounts computed by:
- 17 (a) Multiplying the reduction allowed for each qualifying primary residence
18 taxed as real estate under this title in the county for the preceding
19 year by the total of the tax mill rates for the preceding year of all
20 taxing districts in which the property was located.
- 21 (b) Multiplying the reduction allowed for each qualifying primary residence
22 taxed as a mobile home under chapter 57-55 in the county for the
23 current year by the total of the tax mill rates used to calculate mobile
24 home taxes under chapter 57-55 for the current taxable year of all
25 taxing districts in which the property was located.
- 26 (2) Certify annually to the state treasurer for deposit in the state medical center
27 fund the amount computed by multiplying one mill times the reduction
28 allowed under this section for all eligible primary residences in the state for:
- 29 (a) The taxable year during which the application is filed for a primary
30 residence taxed as real estate under this title.

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

4 c. In reviewing certifications, the tax commissioner may refer to any income tax
5 return information or other information available to the tax commissioner.

6 14. Within fourteen days of receiving the payment from the state treasurer, the county
7 treasurer shall apportion and distribute the payment without delay to the county and to
8 the taxing districts of the county on the same basis property taxes under this chapter
9 and mobile home taxes under chapter 57-55 were apportioned and distributed for the
10 taxable year in which the taxes were levied.

11 15. Supplemental certifications by the county auditor and the tax commissioner and
12 supplemental payments by the state treasurer may be made after the dates prescribed
13 in this section to make any corrections necessary because of errors or approval of any
14 application for equalization or abatement filed by an individual or entity because all or
15 part of the reduction under this section was not allowed.

16 **SECTION 2.** A new subdivision to subsection 1 of section 57-55-10 of the North Dakota
17 Century Code is created and enacted as follows:

18 If it is owned by an individual who qualifies for the primary residence long-term
19 homeowner property valuation reduction under section 1 of this Act, to the extent
20 to which the individual is entitled to the reduction.

21 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
22 December 31, 2024.