

HOUSE BILL NO. 1575

Introduced by

Representatives Weisz, Beltz, Dockter, Dressler, Hagert, Headland, Kempenich

Senators Klein, Schaible, Thomas

1 A BILL for an Act to create and enact three new sections to chapter 57-02 and a new
2 subdivision to subsection 1 of section 57-55-10 of the North Dakota Century Code, relating to
3 primary residence certification, a state reimbursed taxable valuation reduction for primary
4 residential property, and a state reimbursed taxable valuation reduction for agricultural and
5 commercial property owned by resident individuals or entities domiciled in the state; to amend
6 and reenact sections 57-02-01, 57-02-08.10, 57-02-27, and 57-02-27.1 of the North Dakota
7 Century Code, relating to property classifications and the primary residence credit certification
8 and state reimbursement; to repeal section 57-02-08.9 of the North Dakota Century Code,
9 relating to the primary residence credit; to provide an effective date; and to provide an expiration
10 date.

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

12 **SECTION 1. AMENDMENT.** Section 57-02-01 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **57-02-01. Definitions.**

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

16 1. "Agricultural property" means platted or unplatted lands used for raising agricultural
17 crops or grazing farm animals, except lands platted and assessed as agricultural
18 property prior to March 30, 1981, shall continue to be assessed as agricultural
19 property until put to a use other than raising agricultural crops or grazing farm animals.
20 Agricultural property includes land on which a greenhouse or other building is located
21 if the land is used for a nursery or other purpose associated with the operation of the
22 greenhouse. The time limitations contained in this section may not be construed to
23 prevent property that was assessed as other than agricultural property from being

1 assessed as agricultural property if the property otherwise qualifies under this
2 subsection.

3 a. Property platted on or after March 30, 1981, is not agricultural property when any
4 four of the following conditions exist:

5 (1) The land is platted by the owner.

6 (2) Public improvements, including sewer, water, or streets, are in place.

7 (3) Topsoil is removed or topography is disturbed to the extent that the property
8 cannot be used to raise crops or graze farm animals.

9 (4) Property is zoned other than agricultural.

10 (5) Property has assumed an urban atmosphere because of adjacent
11 residential or commercial development on three or more sides.

12 (6) The parcel is less than ten acres [4.05 hectares] and not contiguous to
13 agricultural property.

14 (7) The property sells for more than four times the county average true and full
15 agricultural value.

16 b. Land that was assessed as agricultural property at the time the land was put to
17 use for extraction of oil, natural gas, or subsurface minerals as defined in section
18 38-12-01 must continue to be assessed as agricultural property if the remainder
19 of the surface owner's parcel of property on which the subsurface mineral activity
20 is occurring continues to qualify for assessment as agricultural property under
21 this subsection.

22 2. "Air carrier transportation property" means the operative property of each airline
23 whose property is assessed for taxation purposes pursuant to chapters 57-06 and
24 57-32.

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

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

28 5. "Commercial property" means all property, or portions of property, not included in the
29 classes of property defined in subsections 1, 4, ~~11~~, 10, 12, 13, and 14.

30 6. "Credits" means and includes every claim and demand for money or other valuable
31 thing, and every annuity or sum of money receivable at stated periods, due or to

1 become due, and all claims and demands secured by deeds or mortgages, due or to
2 become due.

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

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

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

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

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

16 ~~11.~~ "Primary residential property" means residential property certified as a primary
17 residence under section 2 of this Act.

18 13. "Railroad property" means the operating property, including franchises, of each
19 railroad operated in this state, including any electric or other street or interurban
20 railway.

21 ~~12.~~ "Residential property" means all property, or portions of property, used by an individual
22 or group of individuals as a dwelling, including property upon which a mobile home is
23 located but not including hotel and motel accommodations required to be licensed
24 under chapter 23-09 nor structures providing living accommodations for four or more
25 separate family units nor any tract of land upon which four or more mobile homes are
26 located. The term includes nonprimary residential property and primary residential
27 property.

28 ~~13.~~ "Taxable valuation" signifies the valuation remaining after deducting exemptions and
29 making other reductions from the original assessed valuation, and is the valuation
30 upon which the rate of levy finally is computed and against which the taxes finally are
31 extended.

1 ~~14.16.~~ "Tract", "lot", "piece or parcel of real property", or "piece or parcel of land" means any
2 contiguous quantity of land in the possession of, owned by or recorded as the property
3 of, the same claimant, person, or company.

4 ~~15.17.~~ "True and full value" means the value determined by considering the earning or
5 productive capacity, if any, the market value, if any, and all other matters that affect the
6 actual value of the property to be assessed. This shall include, for purposes of arriving
7 at the true and full value of property used for agricultural purposes, farm rentals, soil
8 capability, soil productivity, and soils analysis.

9 ~~16.18.~~ "Unencumbered cash" means the total cash on hand in any fund, less the amount
10 belonging to the fund in closed banks and less the amount of outstanding warrants,
11 bills, accounts, and contracts which are chargeable against the fund.

12 ~~17.19.~~ There shall be a presumption that a unit of land is not a farm unless such unit contains
13 a minimum of ten acres [4.05 hectares], and the taxing authority, in determining
14 whether such presumption shall apply, shall consider such things as the present use,
15 the adaptability to use, and how similar type properties in the immediate area are
16 classified for tax purposes.

17 **SECTION 2.** A new section to chapter 57-02 of the North Dakota Century Code is created
18 and enacted as follows:

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

- 21 1. To be eligible for a primary residential property classification under this chapter, a
22 primary residence must be certified by the county director of tax equalization as
23 provided in this section.
- 24 2. A dwelling does not lose its character as a primary residence if the owner of the
25 dwelling does not reside in the primary residence because the individual is confined in
26 a nursing home, hospital, or other care facility, for as long as that confinement lasts
27 and the portion of the primary residence previously occupied by the individual is not
28 rented to another person.
- 29 3. To be certified as a primary residence and eligible for the primary residential property
30 classification under this chapter, an owner shall sign and file with the tax commissioner
31 an application containing a verified statement of facts establishing the owner's

1 property meets the eligibility requirements to be considered a primary residence under
2 this section as of the date of the application on a form and in the manner prescribed
3 by the tax commissioner.

4 a. For assessments for taxable year 2025 for a primary residence taxed as real
5 estate under this title and assessments for taxable years 2025 and 2026 for a
6 primary residence taxed as a mobile home under chapter 57-55:

7 (1) An application for primary residence certification must be filed by August 1,
8 2025, to request a primary residence certification for:

9 (a) Taxable year 2025 for a primary residence taxed as real estate under
10 this title.

11 (b) Taxable years 2025 and 2026 for a primary residence taxed as a
12 mobile home under chapter 57-55.

13 (2) By October 31, 2025, the tax commissioner shall:

14 (a) Review the applications received under this subdivision and
15 determine which applicants qualify for the primary residence
16 certification; and

17 (b) Provide to each county director of tax equalization a copy of each
18 approved or rejected application received under this subdivision which
19 identifies property located in the county.

20 (3) By November 28, 2025, the county director of tax equalization shall:

21 (a) Notify the applicant of the approval or denial of the application.

22 (b) Adjust the corresponding taxable year classification from a residential
23 classification to the appropriate classification of primary residential
24 property or nonprimary residential property and correct the
25 assessment list to reflect the appropriate classification of the property.

26 b. For assessments for taxable years after 2025 for a primary residence taxed as
27 real estate under this title and assessments after 2026 for a primary residence
28 taxed as a mobile home under chapter 57-55:

29 (1) An application for primary residence certification must be filed by February
30 first of each year after 2025 to request a primary residence certification for:

- 1 (a) The taxable year during which the application is filed for a primary
2 residence taxed as real estate under this title.
- 3 (b) The taxable year succeeding the taxable year during which the
4 application is filed for a primary residence taxed as a mobile home
5 under chapter 57-55.
- 6 (2) As soon as practicable after receiving the applications, no later than
7 February twenty-eighth of each year after 2025, the tax department shall:
- 8 (a) Review the applications received under this subdivision and
9 determine which applicants qualify for the primary residence
10 certification; and
- 11 (b) Provide to each county director of tax equalization a copy of each
12 approved or rejected application received under this subdivision which
13 identifies property located in the county.
- 14 (3) Within fifteen days of receipt of the applications from the tax department
15 under paragraph 2, no later than March fifteenth of each year after 2025,
16 the county director of tax equalization shall notify the applicant of the
17 approval or denial of the application and reflect the appropriate classification
18 of the property on the assessment list.
- 19 c. The tax department may request additional documentation from the applicant
20 when making the determination of eligibility.
- 21 d. Determinations of eligibility under this subsection may be appealed through the
22 informal equalization process and formal abatement process.
- 23 4. A primary residence certification under this section is valid for the entire taxable year
24 for which the application for certification was approved, without regard to any change
25 of ownership of the property which occurs after the application for certification was
26 approved.
- 27 5. The tax commissioner shall prescribe, design, and make available all forms necessary
28 to effectuate this section. Application forms must include the full name and address of
29 the applicant and any other information prescribed by the tax commissioner. The
30 county director of tax equalization shall make these forms available to applicants upon
31 request.

1 6. For purposes of this section:

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

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

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

14 (b) Designed or adapted for human residence;

15 (c) Used as a residence; and

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

20 (2) For purposes of the term:

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

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

24 c. "Qualifying trust" means a trust:

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

31 (a) For life;

- 1 (b) For the lesser of life or a term of years; or
2 (c) Until the date the trust is revoked or terminated by an instrument or
3 court order that describes the property with sufficient certainty to
4 identify it and is recorded in the real property records of the county in
5 which the property is located; and
6 (2) That acquires the property in an instrument of title or under a court order
7 that:
8 (a) Describes the property with sufficient certainty to identify it and the
9 interest acquired; and
10 (b) Is recorded in the real property records of the county in which the
11 property is located.
12 d. "Trustor" means an individual who transfers an interest in real or personal
13 property to a qualifying trust, whether during the individual's lifetime or at death,
14 or the individual's spouse.

15 **SECTION 3. AMENDMENT.** Section 57-02-08.10 of the North Dakota Century Code is
16 amended and reenacted as follows:

17 **57-02-08.10. Primary residence credit - Certification - Distribution. (Effective through**
18 **June 30, 2026August 1, 2025)**

- 19 1. By June first of ~~each year~~2025, the tax commissioner shall:
20 a. Review the applications received under section 57-02-08.9, as it existed on
21 December 31, 2024, and determine which applicants qualify for the credit allowed
22 under section 57-02-08.9, as it existed on December 31, 2024; and
23 b. Provide to each county auditor:
24 (1) A copy of each approved application under subdivision a which identifies a
25 primary residence located in the county; and
26 (2) The sum of the credits allowed under section 57-02-08.9, as it existed on
27 December 31, 2024, in the county for the current taxable year.
28 2. The county auditor shall apply the credit under section 57-02-08.9, as it existed on
29 December 31, 2024, to each primary residence identified by the tax commissioner as
30 a qualifying primary residence on the corresponding property tax statement.

1 3. ~~By January first of each year, the county auditor shall certify to the tax commissioner~~
2 ~~the sum of the credits approved by the tax commissioner under subsection 1 which~~
3 ~~were applied toward property taxes owed on primary residences in the county for the~~
4 ~~preceding year.~~

5 4. By June first of each year after ~~2024~~2025, the tax commissioner shall review a
6 sampling of information provided by the county auditor to verify the accuracy of the
7 application of the credit and certify to the state treasurer for payment to each county
8 the aggregate dollar amount of credits allowed under section 57-02-08.9, as it existed
9 on December 31, 2024, in each county for the preceding year.

10 ~~5.4.~~ Within fourteen days of receiving the payment from the state treasurer, but no later
11 than June thirtieth of each year after ~~2024~~2025, the county treasurer shall apportion
12 and distribute the payment to the county and to the taxing districts of the county on the
13 same basis as property taxes for the preceding year were apportioned and distributed.

14 ~~6.5.~~ Supplemental certifications by the county auditor and the tax commissioner and
15 supplemental payments by the state treasurer may be made after the dates prescribed
16 in this section to make corrections necessary because of errors.

17 ~~7.6.~~ The county auditors shall provide information requested by the tax commissioner to
18 effectuate this section.

19 ~~8.7.~~ The tax commissioner shall prescribe, design, and make available all forms necessary
20 to effectuate this section.

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

23 **Primary residential valuation reduction - Qualification - Certification - State**
24 **reimbursement.**

25 1. A taxpayer is entitled to a reduction of the taxable valuation of the taxpayer's parcel of
26 primary residential property as defined under section 57-02-01 equal to three percent
27 of the assessed value of the parcel of primary residential property. The reduction
28 under this section must be applied before other credits under this chapter, including
29 the credits under sections 57-02-08.1 and 57-02-08.8, have been applied.

- 1 2. Individuals residing together who are co-owners of the property but who are not
2 spouses or dependents each are entitled to a percentage of a full reduction under
3 subsection 1 equal to their ownership interests in the property.
- 4 3. a. For taxable year 2025:
- 5 (1) The county auditor shall apply the reduction under this section to each
6 parcel of primary residential property taxed as real estate under this title on
7 the corresponding tax statement.
- 8 (2) The county auditor shall consider an application received under section 2 of
9 this Act for primary residential property certification for a parcel of primary
10 residential property taxed as a mobile home under chapter 57-55 and
11 identified by the tax commissioner as a certified primary residence under
12 section 2 of this Act as an application for an abatement and refund of taxes
13 in an amount consistent with the reduction allowed. The county auditor shall
14 present the application for abatement and refund of taxes to the board of
15 county commissioners at its next regular meeting. The county
16 commissioners shall approve the applications filed under this paragraph as
17 soon as practicable and refunds must be issued without delay according to
18 the procedures in section 57-23-09. The application, notice, and hearing
19 requirements and procedures under chapter 57-23 and sections 57-55-04.1
20 and 57-55-12 do not apply to an application for abatement and refund filed
21 under this paragraph.
- 22 b. For taxable years after 2025, the county auditor shall apply the reduction under
23 this section to each parcel of primary residential property on the corresponding
24 property tax statement or mobile home tax statement.
- 25 4. A reduction under this section is valid for the entire taxable year for which the property
26 is certified as primary residential property, without regard to any change of ownership
27 of the property which occurs after the property was classified as primary residential
28 property for the taxable year.
- 29 5. This section does not reduce the liability of any individual for special assessments
30 levied upon any property.

- 1 6. A reduction of taxable valuation under this section may not be applied to reduce the
2 taxable valuation used for purposes of determining the amount subtracted from a
3 school district's state aid payment under subdivision a of subsection 4 of section
4 15.1-27-04.1.
- 5 7. a. Before January 15, 2026, the county auditor of each county shall certify to the tax
6 commissioner, on forms prescribed by the tax commissioner the following
7 information applicable to taxable year 2025 for primary residential property taxed
8 as real estate under this title and taxable years 2025 and 2026 for primary
9 residential property taxed as a mobile home under chapter 57-55:
- 10 (1) The full name, address, and social security or taxpayer identification number
11 of each individual or entity for whom the reduction under this section was
12 allowed;
- 13 (2) The legal description of the property;
- 14 (3) The taxable value of the property;
- 15 (4) The dollar amount of each reduction in taxable value allowed;
- 16 (5) The total of the tax mill rates used to calculate taxes for the corresponding
17 year of all taxing districts in which the property was contained, exclusive of
18 any state mill rates; and
- 19 (6) Any other information prescribed by the tax commissioner.
- 20 b. Before January fifteenth of each year after 2026, the county auditor of each
21 county shall certify to the tax commissioner, on forms prescribed by the tax
22 commissioner the following information applicable to the taxable year during
23 which the application under section 2 of this Act is filed for primary residential
24 property taxed as real estate under this title and the taxable year succeeding the
25 taxable year during which the application under section 2 of this Act is filed for
26 primary residential property taxed as a mobile home under chapter 57-55:
- 27 (1) The full name, address, and social security or taxpayer identification number
28 of each individual or entity for whom the reduction under this section was
29 allowed for the corresponding taxable year;
- 30 (2) The legal description of the property;
- 31 (3) The taxable value of the property;

- 1 (4) The dollar amount of each reduction in taxable value allowed;
2 (5) The total of the tax mill rates used to calculate taxes for the corresponding
3 year of all taxing districts in which the property was contained, exclusive of
4 any state mill rates; and
5 (6) Any other information prescribed by the tax commissioner.
6 8. a. By March 15, 2026, the tax commissioner shall:
7 (1) Review the certifications under subdivision a of subsection 7, make any
8 required corrections, and certify to the state treasurer for payment to each
9 county the sum of the amounts computed by:
10 (a) For primary residential valuation reductions for primary residential
11 property taxed as real estate for taxable year 2025, multiplying the
12 reduction allowed for each qualifying parcel of primary residential
13 property taxed as real estate under this title in the county for taxable
14 year 2025 by the total of the tax mill rates for taxable year 2025 of all
15 taxing districts in which the property was located.
16 (b) For primary residential valuation reductions for primary residential
17 property taxed as mobile homes under chapter 57-55 for taxable year
18 2025, multiplying the reduction allowed for each qualifying parcel of
19 primary residential property taxed as a mobile home under chapter
20 57-55 in the county for taxable year 2025 by the total of the tax mill
21 rates used to calculate mobile home taxes under chapter 57-55 in
22 taxable year 2025 of all taxing districts in which the property was
23 located.
24 (c) For primary residential valuation reductions for primary residential
25 property taxed as mobile homes under chapter 57-55 for taxable year
26 2026, multiplying the reduction allowed for each qualifying parcel of
27 primary residential property taxed as a mobile home under chapter
28 57-55 in the county for taxable year 2026 by the total of the tax mill
29 rates used to calculate mobile home taxes under chapter 57-55 in
30 taxable year 2026 of all taxing districts in which the property was
31 located.

1 (2) Certify to the state treasurer for deposit in the state medical center fund the
2 amount computed by multiplying one mill times the reduction allowed under
3 this section for primary residential property taxed as real estate for taxable
4 year 2025 and primary residential property taxed as mobile homes under
5 chapter 57-55 for taxable years 2025 and 2026.

6 b. By March fifteenth of each year after 2026, the tax commissioner shall:

7 (1) Review the certifications under subdivision b of subsection 7, make any
8 required corrections, and certify to the state treasurer for payment to each
9 county the sum of the amounts computed by:

10 (a) Multiplying the reduction allowed for each qualifying parcel of primary
11 residential property taxed as real estate under this title in the county
12 for the preceding year by the total of the tax mill rates for the
13 preceding year of all taxing districts in which the property was located.

14 (b) Multiplying the reduction allowed for each qualifying parcel of primary
15 residential property taxed as a mobile home under chapter 57-55 in
16 the county for the current year by the total of the tax mill rates used to
17 calculate mobile home taxes under chapter 57-55 for the current
18 taxable year of all taxing districts in which the property was located.

19 (2) Certify annually to the state treasurer for deposit in the state medical center
20 fund the amount computed by multiplying one mill times the reduction
21 allowed under this section for all eligible parcels of primary residential
22 property in the state for:

23 (a) The taxable year during which the application under section 2 of this
24 Act is filed for primary residential property taxed as real estate under
25 this title.

26 (b) The taxable year succeeding the taxable year during which the
27 application under section 2 of this Act is filed for primary residential
28 property taxed as a mobile home under chapter 57-55.

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

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

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

11 11 The tax commissioner shall prescribe, design, and make available all forms necessary
12 to effectuate this section.

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

15 **Qualifying agricultural and commercial property valuation reduction - Qualification -**
16 **Certification - State reimbursement.**

17 1. A taxpayer is entitled to a reduction of the taxable valuation of the taxpayer's parcel of
18 qualifying commercial property or qualifying agricultural property as provided in this
19 section. The reduction is equal to:

20 a. For a parcel of qualifying agricultural property, two percent of the assessed value
21 of the parcel.

22 b. For a parcel of qualifying commercial property, one percent of the assessed value
23 of the parcel.

24 2. The reduction under this section must be applied before other credits under this
25 chapter.

26 3. Persons who are co-owners of the property but who are not spouses or dependents
27 each are entitled to a percentage of a full reduction under subsection 1 equal to their
28 ownership interests in the property.

29 4. To apply for the reduction under this section, an owner shall sign and file with the tax
30 commissioner by August first of each year an application containing a verified
31 statement of facts establishing the owner's property meets the eligibility requirements

- 1 to be considered qualifying commercial property or qualifying agricultural property
2 under this section as of the date of the application on a form and in the manner
3 prescribed by the tax commissioner.
- 4 5. By October first of each year, the tax commissioner shall:
- 5 a. Review the applications received under subsection 4 and determine which
6 applicants qualify for the reduction under this section; and
- 7 b. Provide to each county director of tax equalization a copy of each approved or
8 rejected application which identifies property located in the county.
- 9 6. The county director of tax equalization shall attach each approved application to the
10 assessment list and list the amount of the reduction allowed on the assessment list.
- 11 7. The tax department may request additional documentation from the applicant when
12 making the determination of eligibility.
- 13 8. If an applicant is found to have claimed a reduction fraudulently under this section to
14 which that applicant is not entitled, all reductions under this section for that applicant
15 for that taxable year must be canceled. If an applicant received a reduction that is
16 canceled under this section, the auditor of the county in which the property is located
17 shall enter the amount of the canceled reduction as omitted property on the
18 assessment list of property that has escaped taxation.
- 19 9. Determinations of eligibility for a reduction under this section may be appealed through
20 the equalization and abatement process.
- 21 10. The county auditor shall apply the reduction under this section to each parcel of
22 qualifying commercial property or qualifying agricultural property on the corresponding
23 property tax statement.
- 24 11. A reduction under this section is valid for the entire taxable year for which the claim
25 was approved, without regard to any change of ownership of the property which
26 occurs after the claim was approved for the taxable year.
- 27 12. This section does not reduce the liability of any owner for special assessments levied
28 upon any property.
- 29 13. A reduction of taxable valuation under this section may not be applied to reduce the
30 taxable valuation used for purposes of determining the amount subtracted from a

- 1 school district's state aid payment under subdivision a of subsection 4 of section
2 15.1-27-04.1.
- 3 14. Before January fifteenth of each year after 2025, the county auditor of each county
4 shall certify to the tax commissioner, on forms prescribed by the tax commissioner, the
5 following information:
- 6 a. The full name, address, and social security or taxpayer identification number of
7 each individual or entity for whom the reduction under this section was allowed
8 for the preceding taxable year;
- 9 b. The legal description of the property;
- 10 c. The taxable value of the property;
- 11 d. The dollar amount of each reduction in taxable value allowed;
- 12 e. The total of the tax mill rates used to calculate taxes for the preceding year of all
13 taxing districts in which the property was contained, exclusive of any state mill
14 rates; and
- 15 f. Any other information prescribed by the tax commissioner.
- 16 15. By March fifteenth of each year after 2025, the tax commissioner shall:
- 17 a. Review the certifications under subsection 14, make any required corrections,
18 and certify to the state treasurer for payment to each county the sum of the
19 amounts computed by multiplying the reduction allowed for each parcel of
20 qualifying agricultural property and qualifying commercial property in the county
21 for the preceding year by the total of the tax mill rates for the preceding year of all
22 taxing districts in which the property was located.
- 23 b. Certify annually to the state treasurer for deposit in the state medical center fund
24 the amount computed by multiplying one mill times the reduction allowed under
25 this section for all parcels of qualifying agricultural property and qualifying
26 commercial property in the state for the preceding taxable year.
- 27 16. In reviewing certifications, the tax commissioner may refer to any income tax return
28 information or other information available to the tax commissioner.
- 29 17. Within fourteen days of receiving the payment from the state treasurer, the county
30 treasurer shall apportion and distribute the payment without delay to the county and to

- 1 the taxing districts of the county on the same basis property taxes under this chapter
2 were apportioned and distributed for the preceding taxable year.
- 3 18. Supplemental certifications by the county auditor and the tax commissioner and
4 supplemental payments by the state treasurer may be made after the dates prescribed
5 in this section to make any corrections necessary because of errors or approval of any
6 application for equalization or abatement filed by an individual or entity because all or
7 part of the reduction under this section was not allowed.
- 8 19. The tax commissioner shall prescribe, design, and make available all forms necessary
9 to effectuate this section. Application forms must include the full name and address of
10 the applicant and any other information prescribed by the tax commissioner. The
11 county director of tax equalization shall make these forms available to applicants upon
12 request.
- 13 20. For purposes of this section:
- 14 a. "Domicile" has the meaning provided under section 47-30.2-01.
- 15 b. "Owned" means an individual or entity holds a present ownership interest,
16 including ownership in fee simple, holds a present life estate or other terminable
17 present ownership interest, or is a purchaser under a contract for deed. The term
18 does not include a mere right of occupancy or a tenancy under a lease.
- 19 c. "Qualifying agricultural property" means agricultural property, as defined under
20 section 57-02-01, which is owned by an individual who is a resident of the state
21 or an entity that is domiciled in the state.
- 22 d. "Qualifying commercial property" means commercial property, as defined under
23 section 57-02-01, which is owned by an individual who is a resident of the state
24 or an entity that is domiciled in the state.

25 **SECTION 6. AMENDMENT.** Section 57-02-27 of the North Dakota Century Code is
26 amended and reenacted as follows:

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

- 29 1. All property subject to taxation based on the value thereof must be valued as follows:
- 30 4-a. All primary residential property and nonprimary residential property to be valued
31 at nine percent of assessed value. If any property is used for ~~both~~ primary

1 residential, nonprimary residential, and nonresidential purposes, the valuation
2 must be prorated accordingly.

3 2-b. All agricultural property to be valued at ten percent of assessed value as
4 determined pursuant to section 57-02-27.2.

5 3-c. All commercial property to be valued at ten percent of assessed value.

6 4-d. All centrally assessed property to be valued at ten percent of assessed value
7 except as provided in section 57-06-14.1.

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

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

1 **SECTION 7. AMENDMENT.** Section 57-02-27.1 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **57-02-27.1. Property to be valued at true and full value.**

4 1. All assessors and boards of equalization shall place the values of all items of taxable
5 property at the true and full value of the property except as otherwise specifically
6 provided by law, and the amount of taxes that may be levied on such property must be
7 limited as provided in this chapter. For the purposes of sections 57-02-27, 57-02-27.1,
8 57-02-27.2, and 57-55-04, the term "true and full value" has the same meaning as
9 provided in ~~subsection 15 of section 57-02-01~~, except that "true and full value" of
10 agricultural lands must be as determined pursuant to section 57-02-27.2.

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

13 **SECTION 8.** A new subdivision to subsection 1 of section 57-55-10 of the North Dakota
14 Century Code is created and enacted as follows:

15 If it is owned by an individual who qualifies for the primary residential valuation
16 reduction under section 4 of this Act, to the extent to which the individual is
17 entitled to the reduction.

18 **SECTION 9. REPEAL.** Section 57-02-08.9 of the North Dakota Century Code is repealed.

19 **SECTION 10. EFFECTIVE DATE.** Sections 1, 2, 4, 5, 6, 7, 8 and 9 of this Act are effective
20 for taxable years beginning after December 31, 2024.