

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

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~~two new sections to chapter 54-27, four new sections
2 to chapter 57-02, and a new subdivision to subsection 1 of section 57-55-10 of the North
3 Dakota Century Code, relating to a legacy earnings fund, a legacy property tax relief fund,
4 primary residence certification, a state reimbursed taxable valuation reduction for primary
5 residential property, and a state reimbursed taxable valuation reduction for agricultural and
6 commercial property owned by resident individuals or entities domiciled in the state, and
7 limitations on true and full valuation increases without voter approval; to amend and reenact
8 section 6-09.4-10.1, subsection 1 of section 21-10-06, sections 54-27-19.3 and 57-02-01,
9 subsection 15 of section 57-02-08, sections 57-02-08.1, 57-02-08.10, 57-02-14, 57-02-27, and
10 57-02-27.1, and subsection 2 of section 57-55-10 of the North Dakota Century Code, relating to
11 funds invested by the state investment board, property classifications and, the primary
12 residence credit certification and state reimbursement, removal of the farm residence
13 exemption, and valuation of real property exempt from taxation; to repeal ~~section~~sections
14 21-10-12, 21-10-13, and 57-02-08.9 of the North Dakota Century Code, relating to legacy fund
15 definitions, the legacy earnings fund, and the primary residence credit; to provide an
16 appropriation; to provide for a transfer; to provide an effective date; and to provide an expiration
17 date.

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

19 **SECTION 1. AMENDMENT.** Section 6-09.4-10.1 of the North Dakota Century Code is
20 amended and reenacted as follows:

1 **6-09.4-10.1. Legacy sinking and interest fund - Debt service requirements - Public**
2 **finance authority.**

3 There is created in the state treasury the legacy sinking and interest fund. The fund consists
4 of all moneys deposited in the fund under section ~~21-10-134~~ of this Act. Moneys in the fund may
5 be spent by the public finance authority pursuant to legislative appropriations to meet the debt
6 service requirements for evidences of indebtedness issued by the authority for transfer to the
7 Bank of North Dakota for allocations to infrastructure projects and programs.

8 **SECTION 2. AMENDMENT.** Subsection 1 of section 21-10-06 of the North Dakota Century
9 Code is amended and reenacted as follows:

10 1. Subject to the provisions of section 21-10-02, the board shall invest the following
11 funds:

- 12 a. State bonding fund.
- 13 b. Teachers' fund for retirement.
- 14 c. State fire and tornado fund.
- 15 d. Workforce safety and insurance fund.
- 16 e. Public employees retirement system.
- 17 f. Insurance regulatory trust fund.
- 18 g. State risk management fund.
- 19 h. Budget stabilization fund.
- 20 i. Water projects stabilization fund.
- 21 j. Health care trust fund.
- 22 k. Cultural endowment fund.
- 23 l. Petroleum tank release compensation fund.
- 24 m. Legacy fund.
- 25 n. ~~Legacy earnings fund.~~
- 26 ~~e.~~ Opioid settlement fund.

27 p-o. A fund under contract with the board pursuant to subsection 3.

28 **SECTION 3. AMENDMENT.** Section 54-27-19.3 of the North Dakota Century Code is
29 amended and reenacted as follows:

54-27-19.3. Legacy earnings highway distribution fund.

A legacy earnings highway distribution fund is created as a special fund in the state treasury into which must be deposited any allocations of legacy fund earnings made under section ~~21-10-134~~ of this Act. Any moneys in the legacy earnings highway distribution fund must be allocated and transferred by the state treasurer, as follows:

1. Sixty percent must be transferred to the department of transportation for deposit in the state highway fund;
2. Ten percent must be transferred to the legacy earnings township highway aid fund;
3. One and five-tenths percent must be transferred to the public transportation fund; and
4. Twenty-eight and five-tenths percent must be allocated to cities and counties using the formula established in subsection 4 of section 54-27-19. Moneys received by counties and cities must be used for roadway purposes in accordance with section 11 of article X of the Constitution of North Dakota.

SECTION 4. A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

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

1. There is created in the state treasury the legacy earnings fund. The fund consists of all moneys distributed by the state treasurer from the legacy fund pursuant to section 26 of article X of the Constitution of North Dakota. The distribution from the legacy fund on July first of each odd-numbered year must be equal to seven percent of the five-year average value of the legacy fund balance as reported by the state investment board. The average value of the legacy fund balance must be calculated using the fund balance at the end of each fiscal year for the five-year period ending with the most recently completed even-numbered fiscal year.
2. From the amount distributed to the legacy earnings fund under subsection 1, the state treasurer shall allocate funding in July of each odd-numbered year in the following order:
 - a. The first one hundred two million six hundred twenty-four thousand dollars or an amount equal to the amount appropriated from the legacy sinking and interest fund for debt service payments for a biennium, whichever is less, to the legacy sinking and interest fund under section 6-09.4-10.1.

1 b. The next one hundred million dollars to the legacy earnings highway distribution
2 fund for allocations under section 54-27-19.3.

3 c. The remaining amount to the legacy property tax relief fund under section 5 of
4 this Act.

5 **SECTION 5.** 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.**

8 There is created in the state treasury the legacy property tax relief fund. The fund consists
9 of all moneys allocated to the fund under section 4 of this Act and all moneys transferred to the
10 fund by the legislative assembly.

11 **SECTION 6. AMENDMENT.** Section 57-02-01 of the North Dakota Century Code is
12 amended and reenacted as follows:

13 **57-02-01. Definitions.**

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

- 15 1. "Agricultural property" means platted or unplatted lands used for raising agricultural
16 crops or grazing farm animals, except lands platted and assessed as agricultural
17 property prior to March 30, 1981, shall continue to be assessed as agricultural
18 property until put to a use other than raising agricultural crops or grazing farm animals.
19 Agricultural property includes land on which a greenhouse or other building is located
20 if the land is used for a nursery or other purpose associated with the operation of the
21 greenhouse. The time limitations contained in this section may not be construed to
22 prevent property that was assessed as other than agricultural property from being
23 assessed as agricultural property if the property otherwise qualifies under this
24 subsection.
- 25 a. Property platted on or after March 30, 1981, is not agricultural property when any
26 four of the following conditions exist:
- 27 (1) The land is platted by the owner.
- 28 (2) Public improvements, including sewer, water, or streets, are in place.
- 29 (3) Topsoil is removed or topography is disturbed to the extent that the property
30 cannot be used to raise crops or graze farm animals.
- 31 (4) Property is zoned other than agricultural.

- 1 (5) Property has assumed an urban atmosphere because of adjacent
2 residential or commercial development on three or more sides.
- 3 (6) The parcel is less than ten acres [4.05 hectares] and not contiguous to
4 agricultural property.
- 5 (7) The property sells for more than four times the county average true and full
6 agricultural value.
- 7 b. Land that was assessed as agricultural property at the time the land was put to
8 use for extraction of oil, natural gas, or subsurface minerals as defined in section
9 38-12-01 must continue to be assessed as agricultural property if the remainder
10 of the surface owner's parcel of property on which the subsurface mineral activity
11 is occurring continues to qualify for assessment as agricultural property under
12 this subsection.
- 13 2. "Air carrier transportation property" means the operative property of each airline
14 whose property is assessed for taxation purposes pursuant to chapters 57-06 and
15 57-32.
- 16 3. "Assessed valuation" means fifty percent of the true and full value of property.
- 17 4. "Centrally assessed property" means all property which is assessed by the state board
18 of equalization under chapters 57-05, 57-06, and 57-32.
- 19 5. "Commercial property" means all property, or portions of property, not included in the
20 classes of property defined in subsections 1, 4, ~~11~~, 10, 12, 13, and 14.
- 21 6. "Credits" means and includes every claim and demand for money or other valuable
22 thing, and every annuity or sum of money receivable at stated periods, due or to
23 become due, and all claims and demands secured by deeds or mortgages, due or to
24 become due.
- 25 7. "Governing body" means a board of county commissioners, city council, board of city
26 commissioners, school board, or board of education, or the similarly constituted and
27 acting board of any other municipality.
- 28 8. "Money" or "moneys" means gold and silver coin, treasury notes, bank notes, and
29 every deposit which any person owning the same or holding in trust and residing in
30 this state is entitled to withdraw as money or on demand.

- 1 9. "Municipality" or "taxing district" means a county, city, township, school district, water
2 conservation and flood control district, Garrison Diversion Conservancy District, county
3 park district, joint county park district, irrigation district, park district, rural fire protection
4 district, or any other subdivision of the state empowered to levy taxes.
- 5 10. "Nonprimary residential property" means residential property, or portions of residential
6 property, not included in the class of property defined in subsection 12.
- 7 11. "Person" includes a firm, corporation, or limited liability company.
- 8 ~~11.~~12. "Primary residential property" means residential property certified as a primary
9 residence under section 27 of this Act.
- 10 13. "Railroad property" means the operating property, including franchises, of each
11 railroad operated in this state, including any electric or other street or interurban
12 railway.
- 13 ~~12.~~14. "Residential property" means all property, or portions of property, used by an individual
14 or group of individuals as a dwelling, including property upon which a mobile home is
15 located but not including hotel and motel accommodations required to be licensed
16 under chapter 23-09 nor structures providing living accommodations for four or more
17 separate family units nor any tract of land upon which four or more mobile homes are
18 located. The term includes nonprimary residential property and primary residential
19 property.
- 20 ~~13.~~15. "Taxable valuation" signifies the valuation remaining after deducting exemptions and
21 making other reductions from the original assessed valuation, and is the valuation
22 upon which the rate of levy finally is computed and against which the taxes finally are
23 extended.
- 24 ~~14.~~16. "Tract", "lot", "piece or parcel of real property", or "piece or parcel of land" means any
25 contiguous quantity of land in the possession of, owned by or recorded as the property
26 of, the same claimant, person, or company.
- 27 ~~15.~~17. "True and full value" means the value determined by considering the earning or
28 productive capacity, if any, the market value, if any, and all other matters that affect the
29 actual value of the property to be assessed. This shall include, for purposes of arriving
30 at the true and full value of property used for agricultural purposes, farm rentals, soil
31 capability, soil productivity, and soils analysis.

1 ~~46-18.~~ "Unencumbered cash" means the total cash on hand in any fund, less the amount
2 belonging to the fund in closed banks and less the amount of outstanding warrants,
3 bills, accounts, and contracts which are chargeable against the fund.

4 ~~47-19.~~ There shall be a presumption that a unit of land is not a farm unless such unit contains
5 a minimum of ten acres [4.05 hectares], and the taxing authority, in determining
6 whether such presumption shall apply, shall consider such things as the present use,
7 the adaptability to use, and how similar type properties in the immediate area are
8 classified for tax purposes.

9 **SECTION 7.** A new section to chapter 57-02 of the North Dakota Century Code is created
10 and enacted as follows:

11 **Primary residence certification - Eligibility for primary residential property**

12 **classification - Application.**

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

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. To be certified as a primary residence and eligible for the primary residential property
22 classification under this chapter, an owner shall sign and file with the tax commissioner
23 an application containing a verified statement of facts establishing the owner's
24 property meets the eligibility requirements to be considered a primary residence under
25 this section as of the date of the application on a form and in the manner prescribed
26 by the tax commissioner.

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

30 (1) An application for primary residence certification must be filed by August 1,
31 2025, to request a primary residence certification for:

- 1 (a) Taxable year 2025 for a primary residence taxed as real estate under
2 this title.
- 3 (b) Taxable years 2025 and 2026 for a primary residence taxed as a
4 mobile home under chapter 57-55.
- 5 (2) By October 31, 2025, the tax commissioner shall:
- 6 (a) Review the applications received under this subdivision and
7 determine which applicants qualify for the primary residence
8 certification; and
- 9 (b) Provide to each county director of tax equalization a copy of each
10 approved or rejected application received under this subdivision which
11 identifies property located in the county.
- 12 (3) By November 28, 2025, the county director of tax equalization shall:
- 13 (a) Notify the applicant of the approval or denial of the application.
- 14 (b) Adjust the corresponding taxable year classification from a residential
15 classification to the appropriate classification of primary residential
16 property or nonprimary residential property and correct the
17 assessment list to reflect the appropriate classification of the property.
- 18 b. For assessments for taxable years after 2025 for a primary residence taxed as
19 real estate under this title and assessments after 2026 for a primary residence
20 taxed as a mobile home under chapter 57-55:
- 21 (1) An application for primary residence certification must be filed by February
22 first of each year after 2025 to request a primary residence certification for:
- 23 (a) The taxable year during which the application is filed for a primary
24 residence taxed as real estate under this title.
- 25 (b) The taxable year succeeding the taxable year during which the
26 application is filed for a primary residence taxed as a mobile home
27 under chapter 57-55.
- 28 (2) As soon as practicable after receiving the applications, no later than
29 February twenty-eighth of each year after 2025, the tax department shall:

- 1 (a) Review the applications received under this subdivision and
2 determine which applicants qualify for the primary residence
3 certification; and
- 4 (b) Provide to each county director of tax equalization a copy of each
5 approved or rejected application received under this subdivision which
6 identifies property located in the county.
- 7 (3) Within fifteen days of receipt of the applications from the tax department
8 under paragraph 2, no later than March fifteenth of each year after 2025,
9 the county director of tax equalization shall notify the applicant of the
10 approval or denial of the application and reflect the appropriate classification
11 of the property on the assessment list.
- 12 c. The tax department may request additional documentation from the applicant
13 when making the determination of eligibility.
- 14 d. Determinations of eligibility under this subsection may be appealed through the
15 informal equalization process and formal abatement process.
- 16 4. A primary residence certification under this section is valid for the entire taxable year
17 for which the application for certification was approved, without regard to any change
18 of ownership of the property which occurs after the application for certification was
19 approved.
- 20 5. The tax commissioner shall prescribe, design, and make available all forms necessary
21 to effectuate this section. Application forms must include the full name and address of
22 the applicant and any other information prescribed by the tax commissioner. The
23 county director of tax equalization shall make these forms available to applicants upon
24 request.
- 25 6. For purposes of this section:
- 26 a. "Owned" means the individual holds a present ownership interest, including
27 ownership in fee simple, holds a present life estate or other terminable present
28 ownership interest, holds a beneficial interest in a qualifying trust, or is a
29 purchaser under a contract for deed. The term does not include a mere right of
30 occupancy or a tenancy under a lease.

- 1 b. (1) "Primary residence" means a dwelling in this state, including the land,
2 appurtenances, and improvements used in the residential occupancy of the
3 dwelling, which is not exempt from property taxes as a farm residence and,
4 subject to subsection 2 and paragraph 2, as of the assessment date of the
5 taxable year, is:
- 6 (a) Owned by one or more individuals, either directly or through a
7 beneficial interest in a qualifying trust;
- 8 (b) Designed or adapted for human residence;
- 9 (c) Used as a residence; and
- 10 (d) Occupied as a primary place of residence by an owner, an individual
11 who has a life estate in the property, or, for property owned through a
12 beneficial interest in a qualifying trust, by a trustor or beneficiary of the
13 trust who qualifies for the certification.
- 14 (2) For purposes of the term:
- 15 (a) An individual may not have more than one primary residence.
- 16 (b) A primary residence includes a primary residence taxed as a mobile
17 home under chapter 57-55.
- 18 c. "Qualifying trust" means a trust:
- 19 (1) In which the agreement, will, or court order creating the trust, an instrument
20 transferring property to the trust, or any other agreement that is binding on
21 the trustee provides that the trustor of the trust or a beneficiary of the trust
22 has the right to use and occupy as the trustor's or beneficiary's primary
23 residence rent free and without charge except for taxes and other costs and
24 expenses specified in the instrument or court order:
- 25 (a) For life;
- 26 (b) For the lesser of life or a term of years; or
- 27 (c) Until the date the trust is revoked or terminated by an instrument or
28 court order that describes the property with sufficient certainty to
29 identify it and is recorded in the real property records of the county in
30 which the property is located; and

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

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

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

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

10 **SECTION 8. AMENDMENT.** Subsection 15 of section 57-02-08 of the North Dakota
11 Century Code is amended and reenacted as follows:

12 15. ~~a.~~—All farm structures and improvements located on agricultural lands.

13 ~~(1)~~a. This subsection must be construed to exempt farm buildings and improvements
14 only, and may not be construed to exempt from taxation industrial plants, or
15 structures of any kind not used or intended for use as a part of a farm plant, or as
16 a farm residence.

17 ~~(2)~~b. "Farm buildings and improvements" includes a greenhouse or other building used
18 primarily for the growing of horticultural or nursery products from seed, cuttings,
19 or roots, if not used on more than an occasional basis for a showroom for the
20 retail sale of horticultural or nursery products. A greenhouse or building used
21 primarily for display and sale of grown horticultural or nursery products is not a
22 farm building or improvement.

23 ~~(3)~~c. Any structure or improvement used primarily in connection with a retail or
24 wholesale business other than farming, any structure or improvement located on
25 platted land within the corporate limits of a city, any structure or improvement
26 used by a manufacturing facility as defined in section 19-24.1-01, or any structure
27 or improvement located on railroad operating property subject to assessment
28 under chapter 57-05 is not exempt under this subsection. For purposes of this
29 paragraph, "business other than farming" includes processing to produce a
30 value-added physical or chemical change in an agricultural commodity beyond
31 the ordinary handling of that commodity by a farmer prior to sale.

1 ~~(4)d.~~ The following factors may not be considered in application of the exemption
2 under this subsection:

3 ~~(a)(1)~~ Whether the farmer grows or purchases feed for animals raised on the farm.

4 ~~(b)(2)~~ Whether animals being raised on the farm are owned by the farmer.

5 ~~(c)(3)~~ Whether the farm's replacement animals are produced on the farm.

6 ~~(d)(4)~~ Whether the farmer is engaged in contract feeding of animals on the farm.

7 ~~b.~~ It is the intent of the legislative assembly that this exemption as applied to a
8 residence must be strictly construed and interpreted to exempt only a residence
9 that is situated on a farm and which is occupied or used by a person who is a
10 farmer and that the exemption may not be applied to property which is occupied
11 or used by a person who is not a farmer. For purposes of this subdivision:

12 ~~(1)~~ "Farm" means a single tract or contiguous tracts of agricultural land
13 containing a minimum of ten acres [4.05 hectares] and for which the farmer,
14 actually farming the land or engaged in the raising of livestock or other
15 similar operations normally associated with farming and ranching, has
16 annual gross income from farming activities which is sixty-six percent or
17 more of annual gross income, including gross income of a spouse if
18 married, during any of the two preceding calendar years.

19 ~~(2)~~ "Farmer" means an individual who normally devotes the major portion of
20 time to the activities of producing products of the soil, with the exception of
21 marijuana grown under chapter 19-24.1; poultry; livestock; or dairy farming
22 in such products' unmanufactured state and has received annual gross
23 income from farming activities which is sixty-six percent or more of annual
24 gross income, including gross income of a spouse if married, during any of
25 the two preceding calendar years. For purposes of this paragraph, "farmer"
26 includes a:

27 ~~(a)~~ "Beginning farmer", which means an individual who has begun
28 occupancy and operation of a farm within the two preceding calendar
29 years; who normally devotes the major portion of time to the activities
30 of producing products of the soil, poultry, livestock, or dairy farming in
31 such products' unmanufactured state; and who does not have a

1 history of farm income from farm operation for each of the two
2 preceding calendar years.

3 ~~(b) "Retired farmer", which means an individual who is retired because of~~
4 ~~illness or age and who at the time of retirement owned and occupied~~
5 ~~as a farmer the residence in which the person lives and for which the~~
6 ~~exemption is claimed.~~

7 ~~(c) "Surviving spouse of a farmer", which means the surviving spouse of~~
8 ~~an individual who is deceased, who at the time of death owned and~~
9 ~~occupied as a farmer the residence in which the surviving spouse~~
10 ~~lives and for which the exemption is claimed. The exemption under~~
11 ~~this subparagraph expires at the end of the fifth taxable year after the~~
12 ~~taxable year of death of an individual who at the time of death was an~~
13 ~~active farmer. The exemption under this subparagraph applies for as~~
14 ~~long as the residence is continuously occupied by the surviving~~
15 ~~spouse of an individual who at the time of death was a retired farmer.~~

16 ~~(3) "Gross income" means gross income as defined under the federal Internal~~
17 ~~Revenue Code and does not include a gain from the sale or exchange of~~
18 ~~farm machinery as computed for federal income tax purposes. For purposes~~
19 ~~of this paragraph, "farm machinery" means all vehicular implements and~~
20 ~~attachment units designed and sold for direct use in planting, cultivating, or~~
21 ~~harvesting farm products or used in connection with the production of~~
22 ~~agricultural produce or products, livestock, or poultry on farms, which are~~
23 ~~operated, drawn, or propelled by motor or animal power. "Farm machinery"~~
24 ~~does not include vehicular implements operated wholly by hand or a motor~~
25 ~~vehicle that is required to be registered under chapter 57-40.3.~~

26 ~~(4) "Gross income from farming activities" means gross income from farming as~~
27 ~~defined for purposes of determining if an individual is a farmer eligible to use~~
28 ~~the special estimated income tax payment rules for farmers under section~~
29 ~~6654 of the federal Internal Revenue Code [26 U.S.C. 6654].~~

30 ~~(5) When exemption is claimed under this subdivision for a residence, the~~
31 ~~occupant of the residence who it is claimed is a farmer shall provide to the~~

1 ~~assessor for the year or years specified by the assessor a written statement~~
2 ~~in which it is stated that sixty-six percent or more of the gross income of that~~
3 ~~occupant, and spouse if married and both spouses occupy the residence,~~
4 ~~was, or was not, gross income from farming activities. The individual~~
5 ~~claiming the exemption also shall provide to the assessor, on a form~~
6 ~~prescribed by the tax commissioner, the necessary income information to~~
7 ~~demonstrate eligibility. Any income information provided to the assessor~~
8 ~~regarding eligibility for an exemption claimed under this subdivision is a~~
9 ~~confidential record.~~

10 ~~(6) For purposes of this subsection, "livestock" includes "nontraditional~~
11 ~~livestock" as defined in section 36-01-00.1.~~

12 ~~(7) A farmer operating a bed and breakfast facility in the farm residence~~
13 ~~occupied by that farmer is entitled to the exemption under this section for~~
14 ~~that residence if the farmer and the residence would qualify for exemption~~
15 ~~under this section except for the use of the residence as a bed and~~
16 ~~breakfast facility.~~

17 **SECTION 9. AMENDMENT.** Section 57-02-08.1 of the North Dakota Century Code is
18 amended and reenacted as follows:

19 **57-02-08.1. Homestead credit.**

- 20 1. a. Any person sixty-five years of age or older or permanently and totally disabled, in
21 the year in which the tax was levied, with an income that does not exceed the
22 limitations of subdivision c is entitled to receive a reduction in the assessment on
23 the taxable valuation on the person's homestead. An exemption under this
24 subsection applies regardless of whether the person is the head of a family.
- 25 b. The exemption under this subsection continues to apply if the person does not
26 reside in the homestead and the person's absence is due to confinement in a
27 nursing home, hospital, or other care facility, for as long as the portion of the
28 homestead previously occupied by the person is not rented to another person.
- 29 c. The exemption must be determined according to the following schedule:

- 1 (1) If the person's income is not in excess of forty thousand dollars, a reduction
2 of one hundred percent of the taxable valuation of the person's homestead
3 up to a maximum reduction of nine thousand dollars of taxable valuation.
- 4 (2) If the person's income is in excess of forty thousand dollars and not in
5 excess of seventy thousand dollars, a reduction of fifty percent of the
6 taxable valuation of the person's homestead up to a maximum reduction of
7 four thousand five hundred dollars of taxable valuation.
- 8 d. Persons residing together, as spouses or when one or more is a dependent of
9 another, are entitled to only one exemption between or among them under this
10 subsection. Persons residing together, who are not spouses or dependents, who
11 are co-owners of the property are each entitled to a percentage of a full
12 exemption under this subsection equal to their ownership interests in the
13 property.
- 14 e. This subsection does not reduce the liability of any person for special
15 assessments levied upon any property.
- 16 f. Any person claiming the exemption under this subsection shall sign a verified
17 statement of facts establishing the person's eligibility. Any income information
18 contained in the statement of facts is a confidential record.
- 19 g. The assessor shall attach the statement filed under subdivision f to the
20 assessment sheet and shall show the reduction on the assessment sheet.
- 21 h. An exemption under this subsection terminates at the end of the taxable year of
22 the death of the applicant.
- 23 2. a. Any person who would qualify for an exemption under subdivisions a and c of
24 subsection 1 except for the fact that the person rents living quarters is eligible for
25 refund of a portion of the person's annual rent deemed by this subsection to
26 constitute the payment of property tax.
- 27 b. For the purpose of this subsection, twenty percent of the annual rent, exclusive of
28 any federal rent subsidy and of charges for any utilities, services, furniture,
29 furnishings, or personal property appliances furnished by the landlord as part of
30 the rental agreement, whether expressly set out in the rental agreement, must be
31 considered as payment made for property tax. When any part of the twenty

1 percent of the annual rent exceeds four percent of the annual income of a
2 qualified applicant, the applicant is entitled to receive a refund from the state
3 general fund for that amount in excess of four percent of the person's annual
4 income, but the refund may not be in excess of four hundred dollars. If the
5 calculation for the refund is less than five dollars, a minimum of five dollars must
6 be sent to the qualifying applicant.

7 c. Persons who reside together, as spouses or when one or more is a dependent of
8 another, are entitled to only one refund between or among them under this
9 subsection. Persons who reside together in a rental unit, who are not spouses or
10 dependents, are each entitled to apply for a refund based on the rent paid by that
11 person.

12 d. Each application for refund under this subsection must be made to the tax
13 commissioner before the first day of June of each year by the person claiming the
14 refund. The tax commissioner may grant an extension of time to file an
15 application for good cause. The tax commissioner shall issue refunds to
16 applicants.

17 e. This subsection does not apply to rents or fees paid by a person for any living
18 quarters, including a nursing home licensed pursuant to section 23-16-01, if
19 those living quarters are exempt from property taxation and the owner is not
20 making a payment in lieu of property taxes.

21 f. A person may not receive a refund under this section for a taxable year in which
22 that person received an exemption under subsection 1.

23 3. All forms necessary to effectuate this section must be prescribed, designed, and made
24 available by the tax commissioner. The county directors of tax equalization shall make
25 these forms available upon request.

26 4. ~~A person whose homestead is a farm structure exempt from taxation under~~
27 ~~subsection 15 of section 57-02-08 may not receive any property tax credit under this~~
28 ~~section.~~

29 ~~5.~~ For the purposes of this section:

30 a. "Dependent" has the same meaning it has for federal income tax purposes.

31 b. "Homestead" has the same meaning as provided in section 47-18-01.

- 1 c. "Income" means income for the most recent complete taxable year from all
2 sources, including the income of any dependent of the applicant, and including
3 any county, state, or federal public assistance benefits, social security, or other
4 retirement benefits, but excluding any federal rent subsidy, any amount excluded
5 from income by federal or state law with the exception of income from social
6 security benefits, and medical expenses paid during the year by the applicant or
7 the applicant's dependent which is not compensated by insurance or other
8 means.
- 9 d. "Medical expenses" has the same meaning as it has for state income tax
10 purposes, except that for transportation for medical care the person may use the
11 standard mileage rate allowed for state officer and employee use of a motor
12 vehicle under section 54-06-09.
- 13 e. "Permanently and totally disabled" means the inability to engage in any
14 substantial gainful activity by reason of any medically determinable physical or
15 mental impairment which can be expected to result in death or has lasted or can
16 be expected to last for a continuous period of not less than twelve months as
17 established by a certificate from a licensed physician or a written determination of
18 disability from the social security administration or any federal or state agency
19 that has authority to certify an individual's disability.

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

22 **57-02-08.10. Primary residence credit - Certification - Distribution. (Effective through**
23 **~~June 30, 2026~~August 1, 2025)**

- 24 1. By June first of each year~~2025~~, the tax commissioner shall:
- 25 a. Review the applications received under section 57-02-08.9, as it existed on
26 December 31, 2024, and determine which applicants qualify for the credit allowed
27 under section 57-02-08.9, as it existed on December 31, 2024; and
- 28 b. Provide to each county auditor:
- 29 (1) A copy of each approved application under subdivision a which identifies a
30 primary residence located in the county; and

- 1 (2) The sum of the credits allowed under section 57-02-08.9, as it existed on
2 December 31, 2024, in the county for the current taxable year.
- 3 2. The county auditor shall apply the credit under section 57-02-08.9, as it existed on
4 December 31, 2024, to each primary residence identified by the tax commissioner as
5 a qualifying primary residence on the corresponding property tax statement.
- 6 3. ~~By January first of each year, the county auditor shall certify to the tax commissioner~~
7 ~~the sum of the credits approved by the tax commissioner under subsection 1 which~~
8 ~~were applied toward property taxes owed on primary residences in the county for the~~
9 ~~preceding year.~~
- 10 4. ~~By June first of each year after 2024~~2025, the tax commissioner shall review a
11 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, as it existed
14 on December 31, 2024, in each county for the preceding year.
- 15 ~~5.4.~~ Within fourteen days of receiving the payment from the state treasurer, but no later
16 than June thirtieth of ~~each year after 2024~~2025, the county treasurer shall apportion
17 and distribute the payment to the county and to the taxing districts of the county on the
18 same basis as property taxes for the preceding year were apportioned and distributed.
- 19 ~~6.5.~~ Supplemental certifications by the county auditor and the tax commissioner and
20 supplemental payments by the state treasurer may be made after the dates prescribed
21 in this section to make corrections necessary because of errors.
- 22 ~~7.6.~~ The county auditors shall provide information requested by the tax commissioner to
23 effectuate this section.
- 24 ~~8.7.~~ The tax commissioner shall prescribe, design, and make available all forms necessary
25 to effectuate this section.

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

28 **Primary residential valuation reduction - Qualification - Certification - State**
29 **reimbursement.**

- 30 1. A taxpayer is entitled to a reduction of the taxable valuation of the taxpayer's parcel of
31 primary residential property as defined under section 57-02-01 equal to three **and**

1 one-half percent of the assessed value of the parcel of primary residential property.
2 The reduction under this section must be applied before other credits under this
3 chapter, including the credits under sections 57-02-08.1 and 57-02-08.8, have been
4 applied.

5 2. Individuals residing together who are co-owners of the property but who are not
6 spouses or dependents each are entitled to a percentage of a full reduction under
7 subsection 1 equal to their ownership interests in the property.

8 3. a. For taxable year 2025:

9 (1) The county auditor shall apply the reduction under this section to each
10 parcel of primary residential property taxed as real estate under this title on
11 the corresponding tax statement.

12 (2) The county auditor shall consider an application received under section 27
13 of this Act for primary residential property certification for a parcel of primary
14 residential property taxed as a mobile home under chapter 57-55 and
15 identified by the tax commissioner as a certified primary residence under
16 section 27 of this Act as an application for an abatement and refund of taxes
17 in an amount consistent with the reduction allowed. The county auditor shall
18 present the application for abatement and refund of taxes to the board of
19 county commissioners at its next regular meeting. The county
20 commissioners shall approve the applications filed under this paragraph as
21 soon as practicable and refunds must be issued without delay according to
22 the procedures in section 57-23-09. The application, notice, and hearing
23 requirements and procedures under chapter 57-23 and sections 57-55-04.1
24 and 57-55-12 do not apply to an application for abatement and refund filed
25 under this paragraph.

26 b. For taxable years after 2025, the county auditor shall apply the reduction under
27 this section to each parcel of primary residential property on the corresponding
28 property tax statement or mobile home tax statement.

29 4. A reduction under this section is valid for the entire taxable year for which the property
30 is certified as primary residential property, without regard to any change of ownership

1 of the property which occurs after the property was classified as primary residential
2 property for the taxable year.

3 5. This section does not reduce the liability of any individual for special assessments
4 levied upon any property.

5 6. A reduction of taxable valuation under this section may not be applied to reduce the
6 taxable valuation used for purposes of determining the amount subtracted from a
7 school district's state aid payment under subdivision a of subsection 4 of section
8 15.1-27-04.1.

9 7. a. Before January 15, 2026, the county auditor of each county shall certify to the tax
10 commissioner, on forms prescribed by the tax commissioner the following
11 information applicable to taxable year 2025 for primary residential property taxed
12 as real estate under this title and taxable years 2025 and 2026 for primary
13 residential property taxed as a mobile home under chapter 57-55:

14 (1) The full name, address, and social security or taxpayer identification number
15 of each individual or entity for whom the reduction under this section was
16 allowed;

17 (2) The legal description of the property;

18 (3) The taxable value of the property;

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

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

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

24 b. Before January fifteenth of each year after 2026, the county auditor of each
25 county shall certify to the tax commissioner, on forms prescribed by the tax
26 commissioner the following information applicable to the taxable year during
27 which the application under section 27 of this Act is filed for primary residential
28 property taxed as real estate under this title and the taxable year succeeding the
29 taxable year during which the application under section 27 of this Act is filed for
30 primary residential property taxed as a mobile home under chapter 57-55:

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

1 primary residential property taxed as a mobile home under chapter
2 57-55 in the county for taxable year 2026 by the total of the tax mill
3 rates used to calculate mobile home taxes under chapter 57-55 in
4 taxable year 2026 of all taxing districts in which the property was
5 located.

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

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

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

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

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

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

28 (a) The taxable year during which the application under section 27 of this
29 Act is filed for primary residential property taxed as real estate under
30 this title.

1 (b) The taxable year succeeding the taxable year during which the
2 application under section 27 of this Act is filed for primary residential
3 property taxed as a mobile home 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 9. 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 10. 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 11 The tax commissioner shall prescribe, design, and make available all forms necessary
17 to effectuate this section.

18 **SECTION 12.** A new section to chapter 57-02 of the North Dakota Century Code is created
19 and enacted as follows:

20 **Qualifying agricultural and commercial property valuation reduction - Qualification -**
21 **Certification - State reimbursement.**

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

25 ~~a. For a parcel of qualifying agricultural property, two percent of the assessed value~~
26 ~~of the parcel.~~

27 ~~b. For a parcel of qualifying commercial property, one and one-half percent of the~~
28 assessed value of the parcel of qualifying commercial property or qualifying
29 agricultural property.

30 2. The reduction under this section must be applied before other credits under this
31 chapter.

- 1 3. Persons who are co-owners of the property but who are not spouses or dependents
2 each are entitled to a percentage of a full reduction under subsection 1 equal to their
3 ownership interests in the property.
- 4 4. To apply for the reduction under this section, an owner shall sign and file with the tax
5 commissioner by August first of each year an application containing a verified
6 statement of facts establishing the owner's property meets the eligibility requirements
7 to be considered qualifying commercial property or qualifying agricultural property
8 under this section as of the date of the application on a form and in the manner
9 prescribed by the tax commissioner.
- 10 5. By October first of each year, the tax commissioner shall:
 - 11 a. Review the applications received under subsection 4 and determine which
12 applicants qualify for the reduction under this section; and
 - 13 b. Provide to each county director of tax equalization a copy of each approved or
14 rejected application which identifies property located in the county.
- 15 6. The county director of tax equalization shall attach each approved application to the
16 assessment list and list the amount of the reduction allowed on the assessment list.
- 17 7. The tax department may request additional documentation from the applicant when
18 making the determination of eligibility.
- 19 8. If an applicant is found to have claimed a reduction fraudulently under this section to
20 which that applicant is not entitled, all reductions under this section for that applicant
21 for that taxable year must be canceled. If an applicant received a reduction that is
22 canceled under this section, the auditor of the county in which the property is located
23 shall enter the amount of the canceled reduction as omitted property on the
24 assessment list of property that has escaped taxation.
- 25 9. Determinations of eligibility for a reduction under this section may be appealed through
26 the equalization and abatement process.
- 27 10. The county auditor shall apply the reduction under this section to each parcel of
28 qualifying commercial property or qualifying agricultural property on the corresponding
29 property tax statement.

- 1 11. A reduction under this section is valid for the entire taxable year for which the claim
2 was approved, without regard to any change of ownership of the property which
3 occurs after the claim was approved for the taxable year.
- 4 12. This section does not reduce the liability of any owner for special assessments levied
5 upon any property.
- 6 13. A reduction of taxable valuation under this section may not be applied to reduce the
7 taxable valuation used for purposes of determining the amount subtracted from a
8 school district's state aid payment under subdivision a of subsection 4 of section
9 15.1-27-04.1.
- 10 14. Before January fifteenth of each year after 2025, the county auditor of each county
11 shall certify to the tax commissioner, on forms prescribed by the tax commissioner, the
12 following information:
- 13 a. The full name, address, and social security or taxpayer identification number of
14 each individual or entity for whom the reduction under this section was allowed
15 for the preceding taxable year;
- 16 b. The legal description of the property;
- 17 c. The taxable value of the property;
- 18 d. The dollar amount of each reduction in taxable value allowed;
- 19 e. The total of the tax mill rates used to calculate taxes for the preceding year of all
20 taxing districts in which the property was contained, exclusive of any state mill
21 rates; and
- 22 f. Any other information prescribed by the tax commissioner.
- 23 15. By March fifteenth of each year after 2025, the tax commissioner shall:
- 24 a. Review the certifications under subsection 14, make any required corrections,
25 and certify to the state treasurer for payment to each county the sum of the
26 amounts computed by multiplying the reduction allowed for each parcel of
27 qualifying agricultural property and qualifying commercial property in the county
28 for the preceding year by the total of the tax mill rates for the preceding year of all
29 taxing districts in which the property was located.
- 30 b. Certify annually to the state treasurer for deposit in the state medical center fund
31 the amount computed by multiplying one mill times the reduction allowed under

1 this section for all parcels of qualifying agricultural property and qualifying
2 commercial property in the state for the preceding taxable year.

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

5 17. Within fourteen days of receiving the payment from the state treasurer, the county
6 treasurer shall apportion and distribute the payment without delay to the county and to
7 the taxing districts of the county on the same basis property taxes under this chapter
8 were apportioned and distributed for the preceding taxable year.

9 18. 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 any corrections necessary because of errors or approval of any
12 application for equalization or abatement filed by an individual or entity because all or
13 part of the reduction under this section was not allowed.

14 19. The tax commissioner shall prescribe, design, and make available all forms necessary
15 to effectuate this section. Application forms must include the full name and address of
16 the applicant and any other information prescribed by the tax commissioner. The
17 county director of tax equalization shall make these forms available to applicants upon
18 request.

19 20. For purposes of this section:

20 a. "Domicile" has the meaning provided under section 47-30.2-01.

21 b. "Owned" means an individual or entity holds a present ownership interest,
22 including ownership in fee simple, holds a present life estate or other terminable
23 present ownership interest, or is a purchaser under a contract for deed. The term
24 does not include a mere right of occupancy or a tenancy under a lease.

25 c. "Qualifying agricultural property" means agricultural property, as defined under
26 section 57-02-01, which is owned by an individual who is a resident of the state
27 or an entity that is domiciled in the state.

28 d. "Qualifying commercial property" means commercial property, as defined under
29 section 57-02-01, which is owned by an individual who is a resident of the state
30 or an entity that is domiciled in the state.

1 **SECTION 13. AMENDMENT.** Section 57-02-14 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **57-02-14. Valuation of real property exempt from taxation.**

4 1. At the time of making the assessment of real property, the assessor shall enter in a
5 separate list each description of property exempt by law and shall value it in the same
6 manner as other property, designating in each case to whom ~~such~~the property belongs
7 and for what purpose used. ~~This section does~~

8 2. The requirements under subsection 1 do not apply to the following property exempt
9 from property taxes by law:

10 a. Property of the United States;

11 b. Property of this state; or a political subdivision of this state~~or farm; and~~

12 c. Farm buildings~~or, excluding farm residences~~~~exempt from property taxes by law.~~

13 **SECTION 14. AMENDMENT.** Section 57-02-27 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **57-02-27. Property to be valued at a percentage of assessed value - Classification of**
16 **property - Limitation on valuation of annexed agricultural lands.**

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

18 1-a. All primary residential property and nonprimary residential property to be valued
19 at nine percent of assessed value. If any property is used for ~~both~~primary
20 ~~residential, nonprimary~~ residential; and nonresidential purposes, the valuation
21 must be prorated accordingly.

22 2-b. All agricultural property to be valued at ten percent of assessed value as
23 determined pursuant to section 57-02-27.2.

24 3-c. All commercial property to be valued at ten percent of assessed value.

25 4-d. All centrally assessed property to be valued at ten percent of assessed value
26 except as provided in section 57-06-14.1.

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

29 3. In determining the assessed value of real and personal property, except agricultural
30 property, the assessor may not adopt a lower or different standard of value because
31 the same is to serve as a basis of taxation, nor may the assessor adopt as a criterion

1 of value the price at which said property would sell at auction, or at forced sale, or in
2 the aggregate with all the property in the town or district, but the assessor shall value
3 each article or description by itself, and at such sum or price as the assessor believes
4 the same to be fairly worth in money. In assessing any tract or lot of real property,
5 there must be determined the value of the land, exclusive of improvements, and the
6 value of all taxable improvements and structures thereon, and the aggregate value of
7 the property, including all taxable structures and other improvements, excluding the
8 value of crops growing upon cultivated lands. In valuing any real property upon which
9 there is a coal or other mine, or stone or other quarry, the same must be valued at
10 such a price as such property, including the mine or quarry, would sell for at a fair
11 voluntary sale for cash. Agricultural lands within the corporate limits of a city which are
12 not platted constitute agricultural property and must be so classified and valued for
13 ad valorem property tax purposes until such lands are put to another use. Agricultural
14 lands, whether within the corporate limits of a city or not, which were platted and
15 assessed as agricultural property prior to March 30, 1981, must be assessed as
16 agricultural property for ad valorem property tax purposes until put to another use.
17 Such valuation must be uniform with the valuation of adjoining unannexed agricultural
18 land.

19 **SECTION 15. AMENDMENT.** Section 57-02-27.1 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **57-02-27.1. Property to be valued at true and full value.**

- 22 1. All assessors and boards of equalization shall place the values of all items of taxable
23 property at the true and full value of the property except as otherwise specifically
24 provided by law, and the amount of taxes that may be levied on such property must be
25 limited as provided in this chapter. For the purposes of sections 57-02-27, 57-02-27.1,
26 57-02-27.2, and 57-55-04, the term "true and full value" has the same meaning as
27 provided in ~~subsection 15~~ of section 57-02-01, except that "true and full value" of
28 agricultural lands must be as determined pursuant to section 57-02-27.2.
- 29 2. The governing body of the city or township may establish valuations that recognize the
30 supply of vacant lots available for sale.

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

3 **Limitation on true and full valuation increases.**

- 4 1. Notwithstanding any other provision of law, the true and full valuation on any parcel of
5 taxable property may not exceed by more than three percent the amount of the true
6 and full valuation on that parcel of taxable property in the preceding taxable year,
7 except to the extent improvements to the property have been made which were not
8 included in the true and full valuation of the property in the preceding taxable year. The
9 limitation in this section applies regardless of a sale, transfer, or other change in
10 ownership of the property.
- 11 2. True and full valuations exceeding the limitations under subsection 1 may be imposed
12 upon approval of a ballot measure, stating the proposed maximum allowable
13 percentage increase in true and full valuation, by a majority of the qualified electors of
14 the taxing district voting on the question at a statewide general or primary election.
15 True and full valuations exceeding the limitations under subsection 1 may be approved
16 by electors for not more than four taxable years at a time.
- 17 3. A city or county may not supersede or modify the application of this section under
18 home rule authority.

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

21 If it is owned by an individual who qualifies for the primary residential valuation
22 reduction under section 411 of this Act, to the extent to which the individual is
23 entitled to the reduction.

24 **SECTION 18. AMENDMENT.** Subsection 2 of section 57-55-10 of the North Dakota
25 Century Code is amended and reenacted as follows:

- 26 2. This chapter does not apply to a mobile home that:
- 27 a. Is used only for the temporary living quarters of the owner or other occupant
28 while the person is engaged in recreational or vacation activities, provided the
29 unit:
- 30 (1) Displays a current travel trailer license; or

1 (2) Is a park model trailer that is used only for seasonal or recreational living
2 quarters and not as a primary residence, and which is located in a trailer
3 park or campground, and for which the owner has paid a park model trailer
4 fee under section 39-18-03.2. For purposes of this paragraph, "park model"
5 trailer means a recreational vehicle not exceeding forty feet [12.19 meters]
6 in length which is primarily designed to provide temporary living quarters for
7 recreation, camping, or seasonal use, is built on a single chassis, is
8 mounted on wheels, has a gross trailer area not exceeding four hundred
9 square feet [37.16 square meters] of enclosed living space in the setup
10 mode, and is certified by the manufacturer as complying with American
11 national standards institute standard A119.5.

12 b. ~~Qualifies as a farm residence as described by subsection 15 of section 57-02-08,~~
13 ~~provided such mobile home is permanently attached to a foundation.~~

14 ~~c.~~ Is permanently attached to a foundation and is assessed as real property,
15 provided the owner of such mobile home also owns the land on which such
16 mobile home is located or is in possession of the real property under the terms of
17 a lease in recordable form which has a term that continues for at least twenty
18 years after the date of execution with the consent of the lessor of the real
19 property.

20 ~~d.c.~~ Is owned by a licensed mobile home dealer who holds such mobile home solely
21 for the purpose of resale, and provided that such mobile home is not used as
22 living quarters or as the place for the conducting of any business.

23 **SECTION 19. REPEAL.** Sections 21-10-12 and 21-10-13 of the North Dakota Century
24 Code are repealed.

25 **SECTION 20. REPEAL.** Section 57-02-08.9 of the North Dakota Century Code is repealed.

26 **SECTION 21. APPROPRIATION - TRANSFER - GENERAL FUND TO LEGACY**
27 **PROPERTY TAX RELIEF FUND - TAX COMMISSIONER.**

28 1. There is appropriated out of any moneys in the general fund in the state treasury, not
29 otherwise appropriated, the sum of \$85,001,793 which the office of management and
30 budget shall transfer to the legacy property tax relief fund, during the biennium
31 beginning July 1, 2025, and ending June 30, 2027. For legislative council budget

1 status reporting purposes, the transfer under this subsection is considered an ongoing
2 funding item.

3 2. There is appropriated out of any moneys in the legacy property tax relief fund, not
4 otherwise appropriated, the sum of \$483,400,000 or so much of the sum as may be
5 necessary, to the tax commissioner for the state reimbursement of the primary
6 residential taxable valuation reduction and qualifying agricultural and commercial
7 property taxable valuation reduction, for the biennium beginning July 1, 2025, and
8 ending June 30, 2027. Of the \$483,400,000, \$85,001,793 is from the general fund
9 pursuant to subsection 1, and \$398,398,207 is from the legacy earnings fund.

10 **SECTION 22. EFFECTIVE DATE.** Sections ~~1, 2, 4, 5,~~ 6, 7, 811, 12, 14, 15, 16, 17, and 920
11 of this Act are effective for taxable years beginning after December 31, 2024. Sections 8, 9, and
12 18 of this Act are effective for taxable years beginning after December 31, 2025.