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Title.

Prepared by the Legislative Council staff for Senator Rummel
September 2, 2026

Sixty-ninth Legislative Assembly of North Dakota

**PROPOSED AMENDMENTS TO**

**SENATE BILL NO. 2405**

Introduced by

Senators Rummel, Patten

Representatives Dockter, Headland

A BILL for an Act to create and enact a new section to chapter 57-23 of the North Dakota Century Code, relating to the calculation of a primary residence credit abatement or refund of tax; to amend and reenact subsection 1 of section 57-02-08.9, ~~section~~sections 57-02-08.10 and 57-20-09, and subsection 1 of section 57-55-03 of the North Dakota Century Code, relating to ~~the order of application of~~ the primary residence credit and discount for early payment of tax; to provide for application; and to provide an effective date.

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

**SECTION 1. AMENDMENT.** Subsection 1 of section 57-02-08.9 of the North Dakota Century Code is amended and reenacted as follows:

1. A taxpayer is entitled to a credit against the property tax due on the taxpayer's parcel of primary residential property as provided in this section. The credit:
   a. Is limited to one thousand six hundred dollars.
   b. May not reduce the liability for special assessments levied upon any property.
   c. May not exceed the amount of property tax due against the parcel of primary residential property.
   d. Must be applied to reduce the property tax owed on the parcel of primary residential property after other exemptions~~,~~ or credits~~, or discounts~~ under this chapter have been applied.

**SECTION 2. AMENDMENT.** Section 57-02-08.10 of the North Dakota Century Code is amended and reenacted as follows:

**57-02-08.10. Primary residence credit - Certification - Distribution.**

1. The county auditor shall apply the credit under section 57-02-08.9 to each parcel of primary residential property on the corresponding property tax statement or mobile home tax statement.
2. By January fifteenth of each year, the county auditor shall certify to the tax commissioner the sum of the credits that were applied against property taxes owed on primary residences in the county for:
   a. The preceding taxable year for primary residential property taxed as real estate under this title.
   b. The current taxable year for primary residential property taxed as a mobile home under chapter 57-55.
3. By May thirty-first of each year, the tax commissioner shall certify to the state treasurer for payment to each county the aggregate dollar amount of credits certified by the counties in subsection 2.
4. Within fourteen days of receiving the payment from the state treasurer, the county treasurer shall apportion and distribute the payment to the county and to the taxing districts of the county on the same basis as property taxes and mobile home taxes were apportioned and distributed for the taxable year in which the taxes were levied.
5. Supplemental certifications by the county auditor and the tax commissioner and supplemental payments by the state treasurer may be made after the dates prescribed in this section to make corrections necessary because of errors.
6. Funding certified for payment and distributed under this section may not be reduced for the discount for early payment of tax under sections 57-20-09 and 57-55-03, including supplemental certifications and distributions resulting from an abatement or refund of tax granted under chapter 57-23.
7. The county auditors shall provide information requested by the tax commissioner to effectuate this section.

~~7.~~8. The tax commissioner shall prescribe, design, and make available all forms necessary to effectuate this section.

**SECTION 3. AMENDMENT.** Section 57-20-09 of the North Dakota Century Code is amended and reenacted as follows:

**57-20-09. Discount for early payment of tax.**

Except as provided in section 57-20-21.1, the county treasurer shall allow a five percent discount to all taxpayers who shall pay all of the real estate taxes levied on any tract or parcel of real property in any one year in full on or before February fifteenth ~~prior to~~before the date of delinquency. The discount applies to all general real estate taxes levied for state, county, city, township, school district, fire district, park district, and any other taxing districts but does not apply to personal property taxes or special assessment installments. ~~The discount must be applied before a primary residence credit under section 57-02-08.9 is applied.~~ If the board of county commissioners, by resolution, determines that an emergency exists in the county by virtue of weather or other catastrophe, it may extend the discount period for an additional thirty days.

**SECTION 4.** A new section to chapter 57-23 of the North Dakota Century Code is created and enacted as follows:

**Primary residence credit - Abatement or refund calculation.**

An abatement or refund of tax granted under this chapter related to the primary residence credit under section 57-02-08.9 may not be reduced by the discount for early payment of tax under sections 57-20-09 and 57-55-03. Supplemental certifications and distributions may be made as provided in section 57-02-08.10.

**SECTION 5. AMENDMENT.** Subsection 1 of section 57-55-03 of the North Dakota Century Code is amended and reenacted as follows:

1. a. The tax imposed in this chapter is due and payable on January tenth of each year or ten days after the mobile home is purchased or first moved into this state. If the tax due for the entire year is paid in full by February fifteenth, the county treasurer shall allow a five percent discount. ~~The discount must be applied before a primary residence credit under section 57-02-08.9 is applied.~~

   b. If the tax imposed by this chapter is paid in full within thirty days after the mobile home is purchased or moved into this state, the county treasurer shall allow a five percent discount. However, if the tax is not paid within forty days it is subject to a penalty and interest. The penalty is one percent of the tax. The interest is one-half percent of the tax for each full and fractional month of delay.

**SECTION 6. APPLICATION.** Section 4 of this Act applies to applications for an abatement or refund of taxes levied for taxable years beginning after December 31, 2025, for ad valorem property taxes, and for taxable years beginning after December 31, 2026, for mobile home taxes.

**SECTION 7. EFFECTIVE DATE.** ~~Section~~Sections 1 and 2 of this Act ~~is~~are effective for taxable years beginning after December 31, 2025, for ad valorem property taxes, and for taxable years beginning after December 31, 2026, for mobile home taxes. Section ~~2~~3 of this Act is effective for taxable years beginning after December 31, 2025. Section ~~3~~5 of this Act is effective for taxable years beginning after December 31, 2026. The remainder of this Act becomes effective upon its filing with the secretary of state.