

SENATE BILL NO. 2453

Introduced by

Senators Bercier, Schobinger, Stenehjem

Representatives Lemieux, Maragos, Thorpe

1 A BILL for an Act to amend and reenact sections 57-55-01.1, 57-55-03, 57-55-04, 57-55-06,
2 57-55-07, 57-55-10, and 57-55-11 of the North Dakota Century Code, relating to imposition of
3 mobile home taxes in the same manner as property taxes on real property; and to provide an
4 effective date.

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

6 **SECTION 1. AMENDMENT.** Section 57-55-01.1 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **57-55-01.1. Taxation and tax ~~permits~~ registration for mobile homes.** The owner of
9 each mobile home is subject to taxes as determined under this chapter and shall file an
10 application for a mobile home tax ~~permit~~ registration with the director of tax equalization in the
11 county in which the mobile home is located within ten days after the mobile home is acquired,
12 moved, or first brought into this state. Application must be made on forms approved by the tax
13 commissioner and furnished by the county director of tax equalization and must contain the
14 necessary information to carry out the provisions of this chapter. ~~A mobile home tax permit~~
15 ~~may not be issued unless the owner pays the tax and any penalties in full to the county~~
16 ~~treasurer. Upon payment of the tax, a mobile home tax permit must be issued to the owner of~~
17 ~~the mobile home. The tax permit is valid throughout the state for the mobile home during the~~
18 ~~period for which it was issued.~~

19 **SECTION 2. AMENDMENT.** Section 57-55-03 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **57-55-03. When taxes become due and delinquent - Penalty.**

22 ~~1. a.~~ The tax imposed in this chapter is due and payable ~~on January tenth of each~~
23 ~~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.~~

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.~~

2. ~~Except as provided in subdivision b of subsection 1, the tax imposed by this chapter may be paid in two equal installments if the amount of the tax due is forty dollars or more. The first installment is due on January tenth and becomes delinquent on March first and is then subject to a penalty of two percent, and on April first an additional penalty of two percent, and on May first an additional penalty of two percent, and on June first an additional penalty of two percent. The second installment is due June first and is delinquent on July first and is then subject to a penalty of two percent, and on August first an additional penalty of two percent, and on September first an additional penalty of two percent, and on October first an additional penalty of two percent. If any tax remains due after January first of the next year, interest is due at the monthly rate of one half percent of the tax due for each month or fraction of a month until the tax and penalties have been paid in full at the times and in the manner provided by law for payment of real property taxes. The provisions of chapters 57-02 through 57-28, to the extent they are not in conflict with this chapter, apply to taxation of mobile homes under this chapter.~~

SECTION 3. AMENDMENT. Section 57-55-04 of the North Dakota Century Code is amended and reenacted as follows:

57-55-04. Taxes - How determined - Disbursement. The director of tax equalization shall determine the tax for each mobile home by placing an evaluation on the mobile home based upon its assessed value and by adjusting the valuation of the mobile home by the percentage provided in section 57-02-27 to determine its taxable valuation of a mobile home under standards and guides determined by the state tax commissioner and applying that

~~evaluation to the preceding year's. Taxes due for the taxable year must be determined by~~
~~applying the~~ total mill levies applying to property within the taxing district in which the mobile
home is located. If a mobile home is ~~acquired or to be moved into this state~~ during the
calendar year ~~and a tax permit has not been previously issued for such mobile home in this~~
~~state for such year~~, the tax to the date of the move must be paid in full and is determined by
computing the ~~remaining number~~ percentage of months of the current year to the nearest full
~~month~~ that has elapsed to the date of the move and multiplying that ~~number~~ percentage by
~~one-twelfth of~~ the amount which would be due for the full year based upon application of the
preceding year's total mill levies applying to property within the taxing district in which the
mobile home is located. The taxes collected under this chapter must be disbursed in the same
year they are collected and in the same manner as real estate taxes ~~for the preceding year~~ are
disbursed.

SECTION 4. AMENDMENT. Section 57-55-06 of the North Dakota Century Code is
amended and reenacted as follows:

57-55-06. Tax permits registration - Form. The tax ~~permit~~ registration must be of a
size and design specified by the state tax commissioner. The director of tax equalization shall
order sufficient ~~permits~~ registrations for the county, and the costs ~~of such permits~~ must be paid
by the county.

SECTION 5. AMENDMENT. Section 57-55-07 of the North Dakota Century Code is
amended and reenacted as follows:

57-55-07. Failure to apply for permit registration - Illegal use of permit
registration - Penalty. Any person who fails to make application pursuant to the provisions of
this chapter, or who uses or allows to be used a tax ~~permit~~ registration of any mobile home
taxed pursuant to the provisions of this chapter for any purpose other than the purpose for
which it was issued, is guilty of a class B misdemeanor.

SECTION 6. AMENDMENT. Section 57-55-10 of the North Dakota Century Code is
amended and reenacted as follows:

57-55-10. Exemptions - Exceptions.

1. Property tax exemptions otherwise provided by law do not apply to mobile homes
taxable under this chapter. A mobile home described in this subsection to the

extent herein limited is exempt from taxation under this chapter; provided, that the mobile home shall have a tax ~~permit~~ registration as provided in section 57-55-06:

- a. If it is owned and used as living quarters of a military person on active military duty in this state who is a resident of another state.
- b. If it is owned and occupied by a welfare recipient, provided the mobile home is not permanently attached to the land and classified as real property. For the purposes of this subdivision, "welfare recipient" means any person who is certified to the county director of tax equalization by the county social service board as receiving the major portion of income from any state or federal public assistance program.
- c. If it is owned and used as living quarters by a disabled veteran or unremarried surviving spouse who meets the requirements of subsection 20 of section 57-02-08.
- d. If it is owned and used as living quarters by a permanently and totally disabled person or unremarried surviving spouse who meets the requirements of subsection 20 of section 57-02-08.
- e. If it is owned and used as the living quarters for a blind person who meets the requirements of subsection 22 of section 57-02-08.
- f. If it is owned and used by a person who uses it as living quarters and who qualifies for the homestead credit provided in section 57-02-08.1, and the mobile home shall be regarded for the purposes of this exemption as the homestead of the person claiming the exemption.

2. This chapter does not apply to a mobile home that:

- a. Is used only for the temporary living quarters of the owner or other occupant while the person is engaged in recreational or vacation activities, provided the unit:
 - (1) Displays a current travel trailer license; or
 - (2) Is a park model trailer that is used only for seasonal or recreational living quarters and not as a primary residence, and which is located in a trailer park or campground, and for which the owner has paid a park model trailer fee under section 39-18-03.2. For purposes of this

paragraph, "park model" trailer means a recreational vehicle not exceeding forty feet [12.19 meters] in length which is primarily designed to provide temporary living quarters for recreation, camping, or seasonal use, is built on a single chassis, is mounted on wheels, has a gross trailer area not exceeding four hundred square feet [37.16 square meters] of enclosed living space in the setup mode, and is certified by the manufacturer as complying with American national standards institute standard A119.5.

- b. Qualifies as a farm residence as described by subsection 15 of section 57-02-08, provided such mobile home is permanently attached to the ground.
- c. Is permanently attached to a foundation and is assessed as real property, provided the owner of such mobile home also owns the land on which such mobile home is located.
- d. Is owned by a licensed mobile home dealer who holds such mobile home solely for the purpose of resale, and provided that such mobile home is not used as living quarters or as the place for the conducting of any business.

SECTION 7. AMENDMENT. Section 57-55-11 of the North Dakota Century Code is amended and reenacted as follows:

57-55-11. Collection - Enforcement - Movement of mobile home tax payment prerequisite - Penalty.

1. The director of tax equalization shall make an inspection of each mobile home park, lot, or other place in which mobile homes are located, for the purpose of determining ~~whether compliance with~~ the provisions of this chapter ~~are being~~ ~~complied with~~. If the director determines that any person is not complying with the provisions of this chapter, the director shall give such person a warning that if such person fails to comply within ten days after the issuance of such warning, the director of tax equalization may begin civil action against such person. In the alternative, if the director of tax equalization determines that there are mobile homes in the director's county belonging to transients or nonresidents who have failed to comply with the provisions of this chapter, and in the director's opinion the taxes will be uncollectible if immediate action is not taken, the director shall notify

the county sheriff. The county sheriff shall immediately, and in no event later than five days after receiving such notification, commence proceedings as provided by law to collect the taxes, penalties, and interest, if any, which are due.

2. Before a mobile home is moved from its existing location, a moving permit must be obtained by the owner from the county director of tax equalization indicating that all taxes, determined as provided in section 57-55-04 and any applicable penalties, and interest levied against the mobile home have been paid. While the mobile home is being transported, the moving permit must be displayed on the rear of the mobile home. Any person who violates this provision is guilty of an infraction, for which a fine of no less than one hundred dollars and no more than five hundred dollars may be imposed.

SECTION 8. EFFECTIVE DATE. This Act is effective for taxable years beginning after December 31, 2000, except that during calendar year 2001 mobile home taxes are due and payable under the provisions of chapter 57-55 as they existed on December 31, 2000. This Act applies to taxes that become due on or after January 1, 2002.