

Sixty-first
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1354

Introduced by

Representatives Weiler, Nathe

1 A BILL for an Act to create and enact a new section to chapter 57-20 of the North Dakota
2 Century Code, relating to an extension of time of property tax delinquency before foreclosure of
3 a tax lien for certain property developers; to amend and reenact sections 15-08-19, 57-20-26,
4 and 57-28-01 of the North Dakota Century Code, relating to the period of property tax
5 delinquency before foreclosure of a tax lien; and to provide an effective date.

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

7 **SECTION 1. AMENDMENT.** Section 15-08-19 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **15-08-19. Taxation of and foreclosure of tax lien on property sold by state on**
10 **deferred payment contract.** Property contracted to be sold by the state is subject to taxation
11 from the date of the contract, and the taxes assessed thereon must be collected and enforced
12 in the same manner as taxes against other property. If the contract is not canceled or if the
13 contract has been canceled and the period of redemption has not yet run, the property upon
14 which taxes are delinquent is subject to foreclosure of tax lien. After two years from the date
15 the tax became due or four years from the date the tax became due for property within a
16 property development under section 2 of this Act, and after notice of foreclosure has been
17 given as required in title 57, on the date of foreclosure, the county shall acquire such rights and
18 interests as belonged to the holder and owner of the contract issued under the provisions of
19 this chapter and only such rights. The county may assign its rights and interest at any time,
20 and the assignee shall have the rights given by this section to the county. No tax deed may be
21 issued upon any tax sale certificate while the legal title to the lands remains in the state of
22 North Dakota.

23 **SECTION 2.** A new section to chapter 57-20 of the North Dakota Century Code is
24 created and enacted as follows:

1 **Extended time of foreclosure of tax lien for certain property held by developers.**

2 Notwithstanding any other provision of law, for a developer of a property development for which
3 the date of application for plat consideration was before January 1, 2008, foreclosure of a tax
4 lien on property within the property development may not be made until four or more years
5 have passed since the tax became due. This section does not apply to any property within a
6 property development that has been sold or otherwise transferred by the developer. For
7 purposes of this section, "property development" means a subdivision or platted group of lots of
8 property intended for residential or commercial, or both, building development and sale.

9 **SECTION 3. AMENDMENT.** Section 57-20-26 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **57-20-26. Treasurer to give notice of tax lien by mail.** Between the first and fifteenth
12 of November of each year, the county treasurer shall mail to each owner of any lot or tract of
13 land for which taxes are delinquent a notice giving the legal description of that lot or tract and
14 stating that the taxes are delinquent and constitute a lien against the property. The notice must
15 advise the owner that unless the delinquent taxes and special assessments with penalty,
16 simple interest at the rate of twelve percent per annum from and after January first following the
17 year in which the taxes become due and payable, and costs established under subsection 5 of
18 section 57-28-04 are paid by October first of the second year following the year in which the
19 taxes became delinquent or the fourth year following the year in which the taxes became
20 delinquent for a property development under section 2 of this Act, the county auditor will
21 foreclose on the tax lien and issue a tax deed to the county.

22 **SECTION 4. AMENDMENT.** Section 57-28-01 of the North Dakota Century Code is
23 amended and reenacted as follows:

24 **57-28-01. Notice of foreclosure of tax lien to be given.** On or before June first in
25 each year, the county auditor shall give notice of foreclosure of tax lien for all property for which
26 two or more years have passed, or four years have passed since the tax became due for a
27 property development under section 2 of this Act, since the tax became due.

28 **SECTION 5. EFFECTIVE DATE.** This Act is effective for all taxable years after
29 December 31, 2008.