

**HOUSE BILL NO. 1267**

Introduced by

Representatives Dockter, D. Anderson, Bosch, Headland, Nathe

Senator Weber

1 A BILL for an Act to amend and reenact section 57-28-20 of the North Dakota Century Code,  
2 relating to the disposition of proceeds from tax lien foreclosures.

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

4 **SECTION 1. AMENDMENT.** Section 57-28-20 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **57-28-20. Disposition of proceeds of sales.**

7 All proceeds from the public or private sale of property under this chapter must be  
8 apportioned as regular tax payments are apportioned among and within taxing districts in which  
9 the property is located, as follows:

10 1. The county treasurer shall issue a regular tax receipt in the name of the county,  
11 beginning with the earliest year for which the taxes are delinquent. Tax receipts must  
12 be written for the ~~original~~ amount of the tax, ~~with~~without penalty and interest. If the  
13 property ~~was sold~~is:

14 a. Sold for an amount sufficient to cover all outstanding taxes, ~~and~~ special  
15 assessments, penalties, interest, and associated costs ~~associated with~~at the time  
16 of selling the property, tax receipts must be written for all such years, and any  
17 remaining amount must be retained by the county for ninety days following the  
18 date of the sale. After the ninety-day retention period, any excess proceeds must  
19 be distributed;

20 ~~a. To the owner of the record title of the real estate listed in the notice of foreclosure~~  
21 ~~of tax lien if the owner of record submitted an undisputed claim for the excess~~  
22 ~~proceeds within the ninety-day retention period;~~

1 ~~\_\_\_\_\_ b. To the clerk of the district court in the county in which all or a majority of the~~  
2 ~~property is located if a disputed claim or multiple claims for the excess proceeds~~  
3 ~~were submitted within the ninety-day retention period; or~~

4 ~~\_\_\_\_\_ c. To the unclaimed property administrator under chapter 47-30.2 if a claim for the~~  
5 ~~excess proceeds was not submitted within the ninety-day retention period~~credited  
6 to the general fund of the county as provided in subsection 3.

7 ~~\_\_\_\_\_ 2. If the property is sold~~

8 \_\_\_\_\_ b. Sold under a contract, the county treasurer shall issue tax receipts, beginning  
9 with the earliest year for which taxes or special assessments are delinquent,  
10 ~~with~~without penalty and interest, and all subsequent payments made on the  
11 contract must be applied to the earliest remaining unpaid taxes or special  
12 assessments. Any payment under the contract after all taxes, ~~and~~ special  
13 assessments, penalties, interest, and associated costs ~~associated with~~at the time  
14 of selling the property are paid must be retained by the county for ninety days  
15 following the date of the sale. After the ninety-day retention period, any excess  
16 proceeds must be distributed in the manner provided in subsection 4~~credited to~~  
17 ~~the county general fund~~3.

18 ~~\_\_\_\_\_ 3. If the property is sold~~

19 \_\_\_\_\_ c. Sold for less than the total amount of the taxes due, the treasurer shall write tax  
20 receipts beginning with the earliest year and for as many subsequent years as  
21 the proceeds realized from the sale will satisfy, and the remainder of any unpaid  
22 general taxes or special assessments must be canceled by the board of county  
23 commissioners.

24 \_\_\_\_\_ 2. If an owner of record title owns multiple parcels of property subject to foreclosure  
25 proceedings under this chapter, the county treasurer shall use the aggregate amount  
26 of outstanding taxes, special assessments, penalties, interest, and associated costs  
27 applicable to all parcels of property and the aggregate proceeds from all public or  
28 private sales of the parcels of property to determine the amount of excess proceeds, if  
29 any, available for distribution as provided in this section.

30 \_\_\_\_\_ 3. Excess proceeds under this section must be distributed:

- 1        a. To the owner of the record title of the real estate listed in the notice of foreclosure
- 2        of tax lien if the owner of record submitted an undisputed claim for the excess
- 3        proceeds within the ninety-day retention period;
- 4        b. To the clerk of the district court in the county in which all or a majority of the
- 5        property is located if a disputed claim or multiple claims for the excess proceeds
- 6        were submitted within the ninety-day retention period; or
- 7        c. To the unclaimed property administrator under chapter 47-30.2 if a claim for the
- 8        excess proceeds was not submitted within the ninety-day retention period.
- 9        4. A city or county that acquires a tax deed to property shall make reasonable efforts to
- 10       sell the property for the amount necessary to satisfy the outstanding taxes, penalties,
- 11       and interest owed on the property and shall distribute any remaining sale proceeds in
- 12       the manner provided in this chapter.