

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO  
SECOND ENGROSSMENT**

**REENGROSSED HOUSE BILL NO. 1176**

Introduced by

Representatives Nathe, Hagert, Headland, Lefor, Porter, Stemen, Swiontek, Vigasaa  
Senators Bekkedahl, Hogue, Weber, Rummel

*In place of amendment (25.1003.04011) adopted by the Senate, Reengrossed House Bill No. 1176 is amended by amendment (25.1003.04013) as follows:*

1 A BILL for an Act to create and enact two new sections to chapter 54-27, a new section to  
2 chapter 57-02, and a new section to chapter 57-15 of the North Dakota Century Code, relating  
3 to a legacy earnings fund, a legacy property tax relief fund, a primary residence certification,  
4 and a limitation on property tax levies without voter approval; to amend and reenact section  
5 6-09.4-10.1, subsection 1 of section 21-10-06, sections 40-40-06, 54-27-19.3, and 57-02-01,  
6 ~~subsection c of subsection 1 of section 57-02-08.1, subdivision b of subsection 2 of section~~  
7 ~~57-02-08.1, section 57-02-08.8, section 57-02-08.9 as amended by section 1 of Senate Bill~~  
8 ~~No. 2201, as approved by the sixty-ninth legislative assembly, sections 57-02-08.10, 57-02-27,~~  
9 ~~57-02-27.1, 57-02-53, 57-09-04, 57-11-03, 57-12-06, 57-15-02.2, 57-15-14.2, and 57-20-07.1 of~~  
10 ~~the North Dakota Century Code, relating to funds invested by the state investment board,~~  
11 ~~property tax definitions, the homestead tax credit and renters refund, the property tax credit for~~  
12 ~~disabled veterans, the primary residence credit, property classifications, assessment and~~  
13 ~~budget hearing notices to property owners, school district levies, and the property tax~~  
14 ~~statement; to repeal sections 21-10-12 and 21-10-13 of the North Dakota Century Code,~~  
15 ~~relating to legacy fund definitions and the legacy earnings fund; to provide for a legislative~~  
16 ~~management study; to provide for a legislative management report; to provide an appropriation;~~  
17 ~~to provide a transfer; to provide an effective date; to provide an expiration date; and to declare~~  
18 an emergency.

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

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

3       **6-09.4-10.1. Legacy sinking and interest fund - Debt service requirements - Public**  
4 **finance authority.**

5       There is created in the state treasury the legacy sinking and interest fund. The fund consists  
6 of all moneys deposited in the fund under section ~~21-10-135 of this Act~~. Moneys in the fund may  
7 be spent by the public finance authority pursuant to legislative appropriations to meet the debt  
8 service requirements for evidences of indebtedness issued by the authority for transfer to the  
9 Bank of North Dakota for allocations to infrastructure projects and programs.

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

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

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

29       p. ~~o.~~ A fund under contract with the board pursuant to subsection 3.

30       **SECTION 3. AMENDMENT.** Section 40-40-06 of the North Dakota Century Code is  
31 amended and reenacted as follows:

**40-40-06. Notice of ~~preliminary budget statement~~ Contents ~~How given public~~  
budget hearing date.**

4- On or before August tenth of each year, after the governing body has prepared the preliminary budget statement, the auditor of the municipality shall:

~~a- Provide the county auditor with a copy of the preliminary budget statement.~~

~~b-1.~~ Set a public budget hearing date no earlier than September seventh and no later than October seventh for the purpose of adopting the final budget and making the annual tax levy.

~~c-2.~~ Provide notice of the public budget hearing date to the county auditor.

2- For municipalities anticipating levying less than one hundred thousand dollars in the current year, notice must:

a- Contain a statement of the total proposed expenditures for each fund in the preliminary budget, but need not contain any detailed statement of the proposed expenditures;

b- Be published at least once, not less than six days prior to the budget hearing, in a newspaper published in the municipality, if there is one, and if no newspaper is published in the municipality, the notice must be published not less than six days prior to the meeting in the official city newspaper as provided by section 40-01-09; and

c- Provide that any taxpayer may appear and discuss with the governing body any item of proposed expenditures or may object to any item or amount.

**SECTION 4. AMENDMENT.** Section 54-27-19.3 of the North Dakota Century Code is 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

~~21-10-135 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;



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

6       **SECTION 5.** A new section to chapter 54-27 of the North Dakota Century Code is created  
7 and enacted as follows:

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

- 9       1. There is created in the state treasury the legacy earnings fund. The fund consists of all  
10       moneys distributed by the state treasurer from the legacy fund pursuant to section 26  
11       of article X of the Constitution of North Dakota. The distribution from the legacy fund  
12       on July first of each odd-numbered year must be equal to seveneighth percent of the  
13       five-year average value of the legacy fund balance as reported by the state investment  
14       board. The average value of the legacy fund balance must be calculated using the  
15       fund balance at the end of each fiscal year for the five-year period ending with the  
16       most recently completed even-numbered fiscal year.
- 17       2. From the amount distributed to the legacy earnings fund under subsection 1, the state  
18       treasurer shall allocate the funding in July of each odd-numbered year in the following  
19       order:
  - 20       a. The first one hundred two million six hundred twenty-four thousand dollars or an  
21       amount equal to the amount appropriated from the legacy sinking and interest  
22       fund for debt service payments for a biennium, whichever is less, to the legacy  
23       sinking and interest fund under section 6-09.4-10.1.
  - 24       b. The next one hundred million dollars to the legacy earnings highway distribution  
25       fund for allocations under section 54-27-19.3.
  - 26       c. The remaining amount as follows:
    - 27       (1) Twenty-five percent to the highway fund.
    - 28       (2) The remainder to the legacy property tax relief fund under section 6 of this  
29       Act.

30       **SECTION 6.** A new section to chapter 54-27 of the North Dakota Century Code is created  
31 and enacted as follows:



1       **Legacy property tax relief fund.**

2       There is created in the state treasury the legacy property tax relief fund. The fund consists  
3       of all moneys allocated to the fund under section 5 of this Act and all moneys transferred to the  
4       fund by the legislative assembly.

5       **SECTION 7. AMENDMENT.** Section 57-02-01 of the North Dakota Century Code is  
6       amended and reenacted as follows:

7       **57-02-01. Definitions.**

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

- 9       1. "Agricultural property" means platted or unplatted lands used for raising agricultural  
10       crops or grazing farm animals, except lands platted and assessed as agricultural  
11       property prior to March 30, 1981, shall continue to be assessed as agricultural  
12       property until put to a use other than raising agricultural crops or grazing farm animals.  
13       Agricultural property includes land on which a greenhouse or other building is located  
14       if the land is used for a nursery or other purpose associated with the operation of the  
15       greenhouse. The time limitations contained in this section may not be construed to  
16       prevent property that was assessed as other than agricultural property from being  
17       assessed as agricultural property if the property otherwise qualifies under this  
18       subsection.
- 19       a. Property platted on or after March 30, 1981, is not agricultural property when any  
20       four of the following conditions exist:
- 21               (1) The land is platted by the owner.
- 22               (2) Public improvements, including sewer, water, or streets, are in place.
- 23               (3) Topsoil is removed or topography is disturbed to the extent that the property  
24               cannot be used to raise crops or graze farm animals.
- 25               (4) Property is zoned other than agricultural.
- 26               (5) Property has assumed an urban atmosphere because of adjacent  
27               residential or commercial development on three or more sides.
- 28               (6) The parcel is less than ten acres [4.05 hectares] and not contiguous to  
29               agricultural property.
- 30               (7) The property sells for more than four times the county average true and full  
31               agricultural value.

- 1           b. Land that was assessed as agricultural property at the time the land was put to  
2           use for extraction of oil, natural gas, or subsurface minerals as defined in section  
3           38-12-01 must continue to be assessed as agricultural property if the remainder  
4           of the surface owner's parcel of property on which the subsurface mineral activity  
5           is occurring continues to qualify for assessment as agricultural property under  
6           this subsection.
- 7           2. "Air carrier transportation property" means the operative property of each airline  
8           whose property is assessed for taxation purposes pursuant to chapters 57-06 and  
9           57-32.
- 10          3. "Assessed valuation" means fifty percent of the true and full value of property.
- 11          4. "Centrally assessed property" means all property which is assessed by the state board  
12          of equalization under chapters 57-05, 57-06, and 57-32.
- 13          5. "Commercial property" means all property, or portions of property, not included in the  
14          classes of property defined in subsections 1, 4, ~~44~~, 10, 12, 13, and 14.
- 15          6. "Credits" means and includes every claim and demand for money or other valuable  
16          thing, and every annuity or sum of money receivable at stated periods, due or to  
17          become due, and all claims and demands secured by deeds or mortgages, due or to  
18          become due.
- 19          7. "Governing body" means a board of county commissioners, city council, board of city  
20          commissioners, school board, or board of education, or the similarly constituted and  
21          acting board of any other municipality.
- 22          8. "Money" or "moneys" means gold and silver coin, treasury notes, bank notes, and  
23          every deposit which any person owning the same or holding in trust and residing in  
24          this state is entitled to withdraw as money or on demand.
- 25          9. "Municipality" or "taxing district" means a county, city, township, school district, water  
26          conservation and flood control district, Garrison Diversion Conservancy District, county  
27          park district, joint county park district, irrigation district, park district, rural fire protection  
28          district, or any other subdivision of the state empowered to levy taxes.
- 29          10. "Nonprimary residential property" means residential property, or portions of residential  
30          property, not included in the class of property defined in subsection 12.
- 31          11. "Person" includes a firm, corporation, or limited liability company.



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- 1 ~~44-12.~~ "Primary residential property" means residential property certified as a primary  
2 residence under section 14 of this Act.
- 3 ~~13.~~ "Railroad property" means the operating property, including franchises, of each  
4 railroad operated in this state, including any electric or other street or interurban  
5 railway.
- 6 ~~42-14.~~ "Residential property" means all property, or portions of property, used by an individual  
7 or group of individuals as a dwelling, including property upon which a mobile home is  
8 located but not including hotel and motel accommodations required to be licensed  
9 under chapter 23-09 nor structures providing living accommodations for four or more  
10 separate family units nor any tract of land upon which four or more mobile homes are  
11 located. The term includes nonprimary residential property and primary residential  
12 property.
- 13 ~~43-15.~~ "Taxable valuation" signifies the valuation remaining after deducting exemptions and  
14 making other reductions from the original assessed valuation, and is the valuation  
15 upon which the rate of levy finally is computed and against which the taxes finally are  
16 extended.
- 17 ~~44-16.~~ "Tract", "lot", "piece or parcel of real property", or "piece or parcel of land" means any  
18 contiguous quantity of land in the possession of, owned by or recorded as the property  
19 of, the same claimant, person, or company.
- 20 ~~45-17.~~ "True and full value" means the value determined by considering the earning or  
21 productive capacity, if any, the market value, if any, and all other matters that affect the  
22 actual value of the property to be assessed. This shall include, for purposes of arriving  
23 at the true and full value of property used for agricultural purposes, farm rentals, soil  
24 capability, soil productivity, and soils analysis.
- 25 ~~46-18.~~ "Unencumbered cash" means the total cash on hand in any fund, less the amount  
26 belonging to the fund in closed banks and less the amount of outstanding warrants,  
27 bills, accounts, and contracts which are chargeable against the fund.
- 28 ~~47-19.~~ There shall be a presumption that a unit of land is not a farm unless such unit contains  
29 a minimum of ten acres [4.05 hectares], and the taxing authority, in determining  
30 whether such presumption shall apply, shall consider such things as the present use,



1 the adaptability to use, and how similar type properties in the immediate area are  
2 classified for tax purposes.

3 ~~SECTION 8. AMENDMENT. Subdivision c of subsection 1 of section 57-02-08.1 of the~~  
4 ~~North Dakota Century Code is amended and reenacted as follows:~~

5 ~~e. The exemption must be determined according to the following schedule:~~

6 ~~(1) If the person's income is not in excess of fortyfifty thousand dollars, a~~  
7 ~~reduction of one hundred percent of the taxable valuation of the person's~~  
8 ~~homestead up to a maximum reduction of nine thousand dollars of taxable~~  
9 ~~valuation.~~

10 ~~(2) If the person's income is in excess of fortyfifty thousand dollars and not in~~  
11 ~~excess of seventyeighty thousand dollars, a reduction of fifty percent of the~~  
12 ~~taxable valuation of the person's homestead up to a maximum reduction of~~  
13 ~~four thousand five hundred dollars of taxable valuation.~~

14 **SECTION 8. AMENDMENT.** Subdivision b of subsection 2 of section 57-02-08.1 of the  
15 North Dakota Century Code is amended and reenacted as follows:

16 b. For the purpose of this subsection, twenty percent of the annual rent, exclusive of  
17 any federal rent subsidy and of charges for any utilities, services, furniture,  
18 furnishings, or personal property appliances furnished by the landlord as part of  
19 the rental agreement, whether expressly set out in the rental agreement, must be  
20 considered as payment made for property tax. When any part of the twenty  
21 percent of the annual rent exceeds four percent of the annual income of a  
22 qualified applicant, the applicant is entitled to receive a refund from the state  
23 general fund for that amount in excess of four percent of the person's annual  
24 income, but the refund may not be in excess of ~~four hundred~~six hundred dollars.  
25 If the calculation for the refund is less than five dollars, a minimum of five dollars  
26 must be sent to the qualifying applicant.

27 **SECTION 9. AMENDMENT.** Section 57-02-08.8 of the North Dakota Century Code is  
28 amended and reenacted as follows:

29 **57-02-08.8. Property tax credit for disabled veterans - Certification - Distribution.**

30 1. A disabled veteran of the United States armed forces with an armed forces  
31 service-connected disability of fifty percent or greater or a disabled veteran who has



1 an extra-schedular rating to include individual unemployability that brings the veteran's  
2 total disability rating to one hundred percent as determined by the department of  
3 veterans' affairs, who was discharged under honorable conditions or who has been  
4 retired from the armed forces of the United States, or the surviving spouse if the  
5 disabled veteran is deceased, is eligible for a credit applied against the first eight-  
6 ~~thousand one hundred~~ nine thousand dollars of taxable valuation of the homestead  
7 owned and occupied by the disabled veteran or surviving spouse equal to the  
8 percentage of the disabled veteran's disability compensation rating for  
9 service-connected disabilities as certified by the department of veterans' affairs for the  
10 purpose of applying for a property tax credit. A surviving spouse who is receiving  
11 United States department of veterans affairs dependency and indemnity compensation  
12 receives a one hundred percent credit as described in this subsection. If the  
13 determination of disability or service-connected death occurs subsequent to the  
14 qualifying veteran's death through application of a law that renders a surviving spouse  
15 of a qualifying veteran eligible for United States department of veterans affairs  
16 disability and indemnity compensation, the determination for purposes of the credit  
17 under this subsection is presumed to precede the veteran's death. Sufficient proof of  
18 receipt of United States department of veterans affairs dependency and indemnity  
19 compensation includes correspondence directed to a surviving spouse of a qualifying  
20 veteran by the United States department of veterans affairs which indicates the  
21 surviving spouse is a survivor of the qualifying veteran and is in receipt of United  
22 States department of veterans affairs dependency and indemnity compensation.

23 2. If two disabled veterans are married to each other and living together, their combined  
24 credits may not exceed one hundred percent of ~~eight thousand one hundred~~ nine  
25 thousand dollars of taxable valuation of the homestead. If a disabled veteran co-owns  
26 the homestead property with someone other than the disabled veteran's spouse,  
27 parent, or child, the credit is limited to that disabled veteran's interest in the  
28 homestead, ~~to a maximum amount calculated by multiplying eight thousand~~  
29 ~~one hundred dollars of the taxable valuation by of the disabled veteran's percentage of~~  
30 ~~interest in the homestead property and multiplying the result by the applicant's certified~~  
31 ~~disability percentage.~~ not to exceed the maximum credit amount in subsection 1.



- 1     3. A disabled veteran or ~~unmarried~~ surviving spouse claiming a credit under this  
2       section for the first time shall file with the county auditor an affidavit showing the facts  
3       required under this section, a description of the property, and a certificate from the  
4       United States department of veterans' affairs, or its successor, certifying to the amount  
5       of the disability. The affidavit and certificate must be open for public inspection. A  
6       person shall thereafter furnish to the assessor or other assessment officials, when  
7       requested to do so, any information which supports the claim for credit for any  
8       subsequent year.
- 9     4. For purposes of this section, and except as otherwise provided in this section,  
10       ~~"homestead":~~
  - 11       a. "Child" means a child by birth, adoption, or marriage.
  - 12       b. "Homestead" has the meaning provided in section 47-18-01 except that it also  
13           applies to a person who otherwise qualifies under the provisions of this section  
14           whether the person is the head of the family.
  - 15       c. "Parent" means a birth parent, adoptive parent, or stepparent.
- 16     5. This section does not reduce the liability of a person for special assessments levied  
17       upon property.
- 18     6. A credit under this section terminates at the end of the taxable year of the death of the  
19       applicant.
- 20     7. The board of county commissioners may cancel the portion of unpaid taxes that  
21       represents the credit calculated in accordance with this section for any year in which  
22       the qualifying owner has held title to the homestead property. Cancellation of taxes for  
23       any year before enactment of this section must be based on the law that was in effect  
24       for that tax year.
- 25     8. Before the first of March of each year, the county auditor of each county shall certify to  
26       the tax commissioner on forms prescribed by the tax commissioner the name and  
27       address of each person for whom the property tax credit for homesteads of disabled  
28       veterans was allowed for the preceding year, the amount of credit allowed, the total of  
29       the tax mill rates of all taxing districts, exclusive of any state mill rates, that was  
30       applied to other real estate in the taxing districts for the preceding year, and such  
31       other information as may be prescribed by the tax commissioner.



- 1 9. On or before the first of June of each year, the tax commissioner shall audit the  
2 certifications, make the required corrections, and certify to the state treasurer for  
3 payment to each county the sum of the amounts computed by multiplying the credit  
4 allowed for each homestead of a disabled veteran in the county by the total of the tax  
5 mill rates, exclusive of any state mill rates that were applied to other real estate in the  
6 taxing districts for the preceding year.
- 7 10. The county treasurer upon receipt of the payment from the state treasurer shall  
8 apportion and distribute the payment without delay to the county and to the local  
9 taxing districts of the county on the basis on which the general real estate tax for the  
10 preceding year is apportioned and distributed.
- 11 11. On or before the first day of June of each year, the tax commissioner shall certify to  
12 the state treasurer the amount computed by multiplying the property tax credit allowed  
13 under this section for homesteads of disabled veterans in the state for the preceding  
14 year by one mill for deposit in the state medical center fund.
- 15 12. Supplemental certifications by the county auditor and by the tax commissioner and  
16 supplemental payments by the state treasurer may be made after the dates prescribed  
17 in this section to make such corrections as may be necessary because of errors or  
18 because of approval of an application for abatement filed by a person because the  
19 credit provided for the homestead of a disabled veteran was not allowed in whole or in  
20 part.

21 **SECTION 10. AMENDMENT.** Section 57-02-08.9 of the North Dakota Century Code as  
22 amended by section 1 of Senate Bill No. 2201, as approved by the sixty-ninth legislative  
23 assembly, is amended and reenacted as follows:

24 **57-02-08.9. Primary residence credit - Qualification - Application. (Effective for the**  
25 **first ~~two~~ taxable years~~year~~ beginning after December 31, 2023~~2024~~)**

- 26 1. A taxpayer is entitled to a credit of ~~five hundred dollars~~ against the property tax due on  
27 the taxpayer's primary residence as provided in this section. The credit ~~may:~~
  - 28 a. ~~Is limited to one thousand four hundred fifty~~ one thousand six hundred fifty dollars.
  - 29 b. ~~May not reduce the property tax due on voter approved levies.~~
  - 30 c. ~~May not reduce the liability for special assessments levied upon any property.~~

- 1 | ~~d.c.~~ May not exceed the amount of property tax due against the primary residence.  
2 | ~~The credit must~~
- 3 | ~~e.d.~~ Must be applied to reduce the property tax owed on the taxpayer's primary  
4 | residence after other exemptions or credits under this chapter have been applied.
- 5 | 2. For purposes of this section:
- 6 | a. "Owned" means an individual holds a present ownership interest, including  
7 | ownership in fee simple, holds a present life estate or other terminable present  
8 | ownership interest, holds a beneficial interest in a qualifying trust, or is a  
9 | purchaser under a contract for deed. The term does not include a mere right of  
10 | occupancy or a tenancy under a lease.
- 11 | b. (1) "Primary residence" means a dwelling in this state, including the land,  
12 | appurtenances, and improvements used in the residential occupancy of the  
13 | dwelling, that, subject to paragraph 2 and subsection 3, is:
- 14 | (a) Owned by one or more individuals, either directly or through a  
15 | beneficial interest in a qualifying trust;  
16 | (b) Designed or adapted for human residence;  
17 | (c) Used as a residence; and  
18 | (d) Occupied as a primary place of residence by an owner, by an  
19 | individual who has a life estate in the property, or, for property owned  
20 | through a beneficial interest in a qualifying trust, by a trustor or  
21 | beneficiary of the trust who qualifies for the credit.
- 22 | (2) For purposes of the definition of "primary residence" under this subdivision:
- 23 | (a) An individual may not have more than one primary residence.  
24 | (b) A primary residence includes a primary residence taxed under chapter  
25 | 57-55.
- 26 | c. "Qualifying trust" means a trust:
- 27 | (1) In which the agreement, will, or court order creating the trust, an instrument  
28 | transferring property to the trust, or any other agreement that is binding on  
29 | the trustee provides that the trustor of the trust or a beneficiary of the trust  
30 | has the right to use and occupy as the trustor's or beneficiary's primary



- 1 residence rent free and without charge except for taxes and other costs and  
2 expenses specified in the instrument or court order:
- 3 (a) For life;  
4 (b) For the lesser of life or a term of years; or  
5 (c) Until the date the trust is revoked or terminated by an instrument or  
6 court order that describes the property with sufficient certainty to  
7 identify it and is recorded in the real property records of the county in  
8 which the property is located; and
- 9 (2) That acquires the property in an instrument of title or under a court order  
10 that:
- 11 (a) Describes the property with sufficient certainty to identify it and the  
12 interest acquired; and  
13 (b) Is recorded in the real property records of the county in which the  
14 property is located.
- 15 d. "Trustor" means an individual who transfers an interest in real or personal  
16 property to a qualifying trust, whether during the individual's lifetime or at death,  
17 or the individual's spouse.
- 18 3. An individual who does not reside in the primary residence is eligible for the credit  
19 under this section if the individual's absence is due to confinement in a nursing home,  
20 hospital, or other care facility, for as long as that confinement lasts and the portion of  
21 the primary residence previously occupied by the individual is not rented to another  
22 person.
- 23 4. Only one credit under this section may be applied against the property taxes levied  
24 against any primary residence. A trust may not claim a credit for more than one  
25 primary residence under this section. If a credit under this section is applied against  
26 the property tax due on a primary residence subject to a real estate transaction, any  
27 proration of the amount of property tax owed by a buyer or seller must be based on  
28 the amount of property tax owed after application of the credit under this section.
- 29 5. An individual whose primary residence is a farm structure exempt from taxation under  
30 subsection 15 of section 57-02-08 is not eligible for a credit under this section.



6. The credit may not reduce the liability for special assessments levied upon any property.

7. To apply for a credit under this section, an applicant shall sign and file with the tax commissioner, ~~by April first of each year,~~ an application containing a verified statement of facts establishing the applicant's eligibility as of the date of the ~~claim~~application on a form and in the manner prescribed by the tax commissioner. The application must be filed:

a. By April 1, 2025, to request a credit for taxable year 2025 for a primary residence taxed as real estate under this title or as a mobile home under chapter 57-55.

b. By September 1, 2025, to request a credit for taxable year 2026 for a primary residence taxed as a mobile home under chapter 57-55.

8. The tax commissioner, in consultation with the county auditors, shall prescribe, design, and make available all forms necessary to effectuate this section. The tax commissioner shall make these forms available upon request.

~~SECTION 11. AMENDMENT. Section 57-02-08.9 of the North Dakota Century Code is amended and reenacted as follows:~~

~~57-02-08.9. Primary residence credit - Qualification - Application. (Effective for the first taxable year beginning after December 31, 2024)~~

~~1. A taxpayer is entitled to a credit against the property tax due on the taxpayer's parcel of primary residence residential property as provided in this section. The credit:~~

~~a. Is limited to one thousand four hundred fifty dollars.~~

~~b. May not reduce the property tax due on voter approved levies.~~

~~c. May not reduce the liability for special assessments levied upon any property.~~

~~d. May not exceed the amount of property tax due against the parcel of primary residence residential property.~~

~~e. Must be applied to reduce the property tax owed on the taxpayer's parcel of primary residence residential property after other exemptions or credits under this chapter have been applied.~~

~~2. For purposes of this section:~~

~~a. "Owned" means an individual holds a present ownership interest, including ownership in fee simple, holds a present life estate or other terminable present~~

ownership interest, holds a beneficial interest in a qualifying trust, or is a purchaser under a contract for deed. The term does not include a mere right of occupancy or a tenancy under a lease.

b. (1) "Primary residence" means a dwelling in this state, including the land, appurtenances, and improvements used in the residential occupancy of the dwelling, that, subject to paragraph 2 and subsection 3, is:

(a) Owned by one or more individuals, either directly or through a beneficial interest in a qualifying trust;

(b) Designed or adapted for human residence;

(c) Used as a residence; and

(d) Occupied as a primary place of residence by an owner, by an individual who has a life estate in the property, or, for property owned through a beneficial interest in a qualifying trust, by a trustor or beneficiary of the trust who qualifies for the credit.

(2) For purposes of the definition of "primary residence" under this subdivision:

(a) An individual may not have more than one primary residence.

(b) A primary residence includes a primary residence taxed under chapter 57-55.

c. "Qualifying trust" means a trust:

(1) In which the agreement, will, or court order creating the trust, an instrument transferring property to the trust, or any other agreement that is binding on the trustee provides that the trustor of the trust or a beneficiary of the trust has the right to use and occupy as the trustor's or beneficiary's primary residence rent free and without charge except for taxes and other costs and expenses specified in the instrument or court order:

(a) For life;

(b) For the lesser of life or a term of years; or

(c) Until the date the trust is revoked or terminated by an instrument or court order that describes the property with sufficient certainty to identify it and is recorded in the real property records of the county in 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 ~~\_\_\_\_\_ 3. An individual who does not reside in the primary residence is eligible for the credit~~  
11 ~~under this section if the individual's absence is due to confinement in a nursing home,~~  
12 ~~hospital, or other care facility, for as long as that confinement lasts and the portion of~~  
13 ~~the primary residence previously occupied by the individual is not rented to another~~  
14 ~~person.~~  
15 ~~\_\_\_\_\_ 4. Only one credit under this section may be applied against the property taxes levied~~  
16 ~~against any parcel of primary residence residential property. A trust may not claim a~~  
17 ~~credit for more than one parcel of primary residence residential property under this~~  
18 ~~section. If a credit under this section is applied against the property tax due on a~~  
19 ~~parcel of primary residence residential property subject to a real estate transaction, any~~  
20 ~~proration of the amount of property tax owed by a buyer or seller must be based on~~  
21 ~~the amount of property tax owed after application of the credit under this section.~~  
22 ~~\_\_\_\_\_ 5. An individual whose primary residence is a farm structure exempt from taxation under~~  
23 ~~subsection 15 of section 57-02-08 is not eligible for a credit under this section.~~  
24 ~~\_\_\_\_\_ 6. The credit may not reduce the liability for special assessments levied upon any~~  
25 ~~property.~~  
26 ~~\_\_\_\_\_ 7. To apply for a credit under this section, an applicant shall sign and file with the tax~~  
27 ~~commissioner an application containing a verified statement of facts establishing the~~  
28 ~~applicant's eligibility as of the date of the application on a form and in the manner~~  
29 ~~prescribed by the tax commissioner. The application must be filed:~~  
30 ~~\_\_\_\_\_ a. By April 1, 2025, to request a credit for taxable year 2025 for a primary residence~~  
31 ~~taxed as real estate under this title or as a mobile home under chapter 57-55.~~



1 ~~b. By September 1, 2025, to request a credit for taxable year 2026 for a primary~~  
2 ~~residence taxed as a mobile home under chapter 57-55.~~

3 ~~8.3. The tax commissioner, in consultation with the county auditors, shall prescribe,~~  
4 ~~design, and make available all forms necessary to effectuate this section. The tax~~  
5 ~~commissioner shall make these forms available upon request.~~

6 **SECTION 11. AMENDMENT.** Section 57-02-08.9 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **57-02-08.9. Primary residence credit - Qualification—Application.** (Effective for the  
9 **first taxable year~~years~~ beginning after December 31, 2024~~2025~~**)

- 10 1. A taxpayer is entitled to a credit against the property tax due on the taxpayer's parcel  
11 of primary residenceresidential property as provided in this section. The credit:
- 12 a. Is limited to one thousand six hundred fifty dollars.
  - 13 b. May not reduce the liability for special assessments levied upon any property.
  - 14 c. May not exceed the amount of property tax due against the parcel of primary  
15 residenceresidential property.
  - 16 d. Must be applied to reduce the property tax owed on the taxpayer's parcel of  
17 primary residenceresidential property after other exemptions or credits under this  
18 chapter have been applied.

19 2. For purposes of this section:

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

25 b. (1) ~~"Primary residence" means a dwelling in this state, including the land,~~  
26 ~~appurtenances, and improvements used in the residential occupancy of the~~  
27 ~~dwelling, that, subject to paragraph 2 and subsection 3, is:~~

28 ~~(a) Owned by one or more individuals, either directly or through a~~  
29 ~~beneficial interest in a qualifying trust;~~

30 ~~(b) Designed or adapted for human residence;~~

31 ~~(c) Used as a residence; and~~



- 1 ~~(d) Occupied as a primary place of residence by an owner, by an~~  
2 ~~individual who has a life estate in the property, or, for property owned~~  
3 ~~through a beneficial interest in a qualifying trust, by a trustor or~~  
4 ~~beneficiary of the trust who qualifies for the credit.~~
- 5 ~~(2) For purposes of the definition of "primary residence" under this subdivision:~~
- 6 ~~(a) An individual may not have more than one primary residence.~~
- 7 ~~(b) A primary residence includes a primary residence taxed under chapter~~  
8 ~~57-55.~~
- 9 ~~c. "Qualifying trust" means a trust:~~
- 10 ~~(1) In which the agreement, will, or court order creating the trust, an instrument~~  
11 ~~transferring property to the trust, or any other agreement that is binding on~~  
12 ~~the trustee provides that the trustor of the trust or a beneficiary of the trust~~  
13 ~~has the right to use and occupy as the trustor's or beneficiary's primary~~  
14 ~~residence rent free and without charge except for taxes and other costs and~~  
15 ~~expenses specified in the instrument or court order:~~
- 16 ~~(a) For life;~~
- 17 ~~(b) For the lesser of life or a term of years; or~~
- 18 ~~(c) Until the date the trust is revoked or terminated by an instrument or~~  
19 ~~court order that describes the property with sufficient certainty to~~  
20 ~~identify it and is recorded in the real property records of the county in~~  
21 ~~which the property is located; and~~
- 22 ~~(2) That acquires the property in an instrument of title or under a court order~~  
23 ~~that:~~
- 24 ~~(a) Describes the property with sufficient certainty to identify it and the~~  
25 ~~interest acquired; and~~
- 26 ~~(b) Is recorded in the real property records of the county in which the~~  
27 ~~property is located.~~
- 28 ~~d. "Trustor" means an individual who transfers an interest in real or personal~~  
29 ~~property to a qualifying trust, whether during the individual's lifetime or at death,~~  
30 ~~or the individual's spouse.~~



- 1 ~~3. An individual who does not reside in the primary residence is eligible for the credit~~  
2 ~~under this section if the individual's absence is due to confinement in a nursing home,~~  
3 ~~hospital, or other care facility, for as long as that confinement lasts and the portion of~~  
4 ~~the primary residence previously occupied by the individual is not rented to another~~  
5 ~~person.~~
- 6 ~~4. Only one credit under this section may be applied against the property taxes levied~~  
7 ~~against any parcel of primary residenceresidential property. A trust may not claim a~~  
8 ~~credit for more than one parcel of primary residenceresidential property under this~~  
9 ~~section. If a credit under this section is applied against the property tax due on a~~  
10 ~~parcel of primary residenceresidential property subject to a real estate transaction, any~~  
11 ~~proration of the amount of property tax owed by a buyer or seller must be based on~~  
12 ~~the amount of property tax owed after application of the credit under this section.~~
- 13 ~~5. An individual whose primary residence is a farm structure exempt from taxation under~~  
14 ~~subsection 15 of section 57-02-08 is not eligible for a credit under this section.~~
- 15 ~~6. The credit may not reduce the liability for special assessments levied upon any~~  
16 ~~property.~~
- 17 ~~7. To apply for a credit under this section, an applicant shall sign and file with the tax~~  
18 ~~commissioner, an application containing a verified statement of facts establishing the~~  
19 ~~applicant's eligibility as of the date of the application on a form and in the manner~~  
20 ~~prescribed by the tax commissioner. The application must be filed:~~
  - 21 ~~a. By April 1, 2025, to request a credit for taxable year 2025 for a primary residence~~  
22 ~~taxed as real estate under this title or as a mobile home under chapter 57-55.~~
  - 23 ~~b. By September 1, 2025, to request a credit for taxable year 2026 for a primary~~  
24 ~~residence taxed as a mobile home under chapter 57-55.~~
- 25 ~~8.3. The tax commissioner, in consultation with the county auditors, shall prescribe, design,~~  
26 ~~and make available all forms necessary to effectuate this section. The tax~~  
27 ~~commissioner shall make these forms available upon request.~~

28 **SECTION 12. AMENDMENT.** Section 57-02-08.10 of the North Dakota Century Code is  
29 amended and reenacted as follows:



**57-02-08.10. Primary residence credit - Certification - Distribution. (Effective through  
~~June 30, 2026~~May 31, 2026)**

1. By ~~June first of each year~~June 1, 2025, the tax commissioner shall:

a. Review a sampling of information certified by the county auditor regarding the sum of the credits applied against real estate and mobile home taxes levied for taxable year 2024 to verify the accuracy of the application of the credit and certify to the state treasurer for payment to each county the aggregate dollar amount of credits applied against real estate and mobile home taxes levied for taxable year 2024.:

b. Review the applications received under section 57-02-08.9 for credits to be applied against real estate and mobile home taxes levied for taxable year 2025 and determine which applicants qualify for the credit allowed under section 57-02-08.9 for taxable year 2025; and

~~b.c.~~ Provide to each county auditor:

- (1) A copy of each approved application under subdivision ~~ab~~ which identifies a primary residence located in the county; and
- (2) The sum of the credits allowed under section 57-02-08.9 in the county for the ~~current~~ taxable year 2025.

2. By November 1, 2025, the tax commissioner shall:

a. Review the applications received under section 57-02-08.9 for primary residences taxed as mobile homes under chapter 57-55 for credits to be applied against taxes levied for taxable year 2026 and determine which applicants qualify for the credit allowed under section 57-02-08.9 for taxable year 2026; and

b. Provide to each county auditor:

- (1) A copy of each approved application under subdivision a which identifies a primary residence taxed under chapter 57-55 located in the county; and
- (2) The sum of the credits allowed under section 57-02-08.9 for primary residences taxed under chapter 57-55 in the county for taxable year 2026.

3. a. For taxable year 2025:

- (1) The county auditor shall apply the credit under section 57-02-08.9 to each primary residence taxed as real estate under this title and identified by the

1 tax commissioner as a qualifying primary residence on the corresponding  
2 property tax statement.

3 (2) The county auditor shall consider an application received under section  
4 57-02-08.9 for a primary residence taxed as a mobile home under chapter  
5 57-55 and identified by the tax commissioner as a qualifying primary  
6 residence under subdivisions b and c of subsection 1 as an application for  
7 an abatement and refund of taxes in the amount of the credit allowed. The  
8 county auditor shall present the application for abatement and refund of  
9 taxes to the board of county commissioners at its next regular meeting. The  
10 county commissioners shall approve the applications filed under this  
11 paragraph as soon as practicable and refunds must be issued without delay  
12 according to the procedures in section 57-23-09. The application, notice,  
13 and hearing requirements and procedures under chapter 57-23 and  
14 sections 57-55-04.1 and 57-55-12 do not apply to an application for  
15 abatement and refund filed under this paragraph.

16 b. For taxable year 2026, the county auditor shall apply the credit under section  
17 57-02-08.9 to each primary residence taxed as a mobile home under chapter  
18 57-55 and identified by the tax commissioner as a qualifying primary residence  
19 on the corresponding mobile home tax statement.

20 ~~3.4.~~ By January first of each year January 15, 2026, the county auditor shall certify to the  
21 tax commissioner the sum of the credits approved by the tax commissioner under  
22 ~~subsection 1~~ subdivisions b and c of subsection 1 and under subsection 2 which were  
23 applied ~~toward~~ against property taxes owed on primary residences in the county ~~for the~~  
24 ~~preceding year~~ as provided in subsection 3.

25 ~~4.5.~~ By June first of each year ~~after 2024~~ May 31, 2026, the tax commissioner shall review  
26 a sampling of information provided by the county auditor to verify the accuracy of the  
27 application of the credit and certify to the state treasurer for payment to each county  
28 the aggregate dollar amount of credits ~~allowed under section 57-02-08.9 in each~~  
29 ~~county for the preceding year~~ applied against property taxes owed on primary  
30 residences in the county as provided in subsection 3.



- 1     ~~5.6.~~ Within fourteen days of receiving the payment from the state treasurer, but no later  
2           than June thirtieth of each year ~~after 2024~~, the county treasurer shall apportion and  
3           distribute the payment to the county and to the taxing districts of the county on the  
4           same basis as property taxes ~~for the preceding year~~ and mobile home taxes were  
5           apportioned and distributed for the taxable year in which the taxes were levied.  
6     ~~6.7.~~ Supplemental certifications by the county auditor and the tax commissioner and  
7           supplemental payments by the state treasurer may be made after the dates prescribed  
8           in this section to make corrections necessary because of errors.  
9     ~~7.8.~~ The county auditors shall provide information requested by the tax commissioner to  
10          effectuate this section.  
11    ~~8.9.~~ The tax commissioner shall prescribe, design, and make available all forms necessary  
12          to effectuate this section.

13       **SECTION 13. AMENDMENT.** Section 57-02-08.10 of the North Dakota Century Code is  
14    amended and reenacted as follows:

15       **57-02-08.10. Primary residence credit - Certification - Distribution. (Effective**  
16    ~~through~~ after May 31, 2026)

- 17       1. ~~By June 1, 2025, the tax commissioner shall:~~  
18           a. ~~Review a sampling of information certified by the county auditor regarding the~~  
19           ~~sum of the credits applied against real estate and mobile home taxes levied for~~  
20           ~~taxable year 2024 to verify the accuracy of the application of the credit and certify~~  
21           ~~to the state treasurer for payment to each county the aggregate dollar amount of~~  
22           ~~credits applied against real estate and mobile home taxes levied for taxable year~~  
23           ~~2024.~~  
24           b. ~~Review the applications received under section 57-02-08.9 for credits to be~~  
25           ~~applied against real estate and mobile home taxes levied for taxable year~~  
26           ~~2025 and determine which applicants qualify for the credit allowed under section~~  
27           ~~57-02-08.9 for taxable year 2025; and~~  
28           c. ~~Provide to each county auditor:~~  
29           (1) ~~A copy of each approved application under subdivision b 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 in the county for~~  
2                   ~~taxable year 2025.~~
- 3       2. ~~By November 1, 2025, the tax commissioner shall:~~
- 4           a. ~~Review the applications received under section 57-02-08.9 for primary~~  
5           ~~residences taxed as mobile homes under chapter 57-55 for credits to be applied~~  
6           ~~against taxes levied for taxable year 2026 and determine which applicants qualify~~  
7           ~~for the credit allowed under section 57-02-08.9 for taxable year 2026; and~~
- 8           b. ~~Provide to each county auditor:~~
- 9               (1) ~~A copy of each approved application under subdivision a which identifies a~~  
10              ~~primary residence taxed under chapter 57-55 located in the county; and~~
- 11              (2) ~~The sum of the credits allowed under section 57-02-08.9 for primary~~  
12              ~~residences taxed under chapter 57-55 in the county for taxable year 2026.~~
- 13       3. a. ~~For taxable year 2025:~~
- 14           (1) ~~The county auditor shall apply the credit under section 57-02-08.9 to each~~  
15           ~~primary residence taxed as real estate under this title and identified by the~~  
16           ~~tax commissioner as a qualifying primary residence on the corresponding~~  
17           ~~property tax statement.~~
- 18           (2) ~~The county auditor shall consider an application received under section~~  
19           ~~57-02-08.9 for a primary residence taxed as a mobile home under chapter~~  
20           ~~57-55 and identified by the tax commissioner as a qualifying primary~~  
21           ~~residence under subdivisions b and c of subsection 1 as an application for~~  
22           ~~an abatement and refund of taxes in the amount of the credit allowed. The~~  
23           ~~county auditor shall present the application for abatement and refund of~~  
24           ~~taxes to the board of county commissioners at its next regular meeting. The~~  
25           ~~county commissioners shall approve the applications filed under this~~  
26           ~~paragraph as soon as practicable and refunds must be issued without delay~~  
27           ~~according to the procedures in section 57-23-09. The application, notice,~~  
28           ~~and hearing requirements and procedures under chapter 57-23 and~~  
29           ~~sections 57-55-04.1 and 57-55-12 do not apply to an application for~~  
30           ~~abatement and refund filed under this paragraph.~~



- 1           b. ~~For taxable year 2026, the~~The county auditor shall apply the credit under section  
2               57-02-08.9 to each primary residence taxed as a mobile home under chapter  
3               57-55 and identified by the tax commissioner as a qualifying primary  
4               residence~~parcel of primary residential property on the corresponding property tax~~  
5               statement or mobile home tax statement.
- 6       4-2. By January 15, 2026~~fifteenth of each year~~, the county auditor shall certify to the tax  
7               commissioner the sum of the credits ~~approved by the tax commissioner under~~  
8               ~~subdivisions b and c of subsection 1 and subsection 2 which~~that were applied against  
9               property taxes owed on primary residences in the county ~~as provided in~~  
10              ~~subsection 3~~for:
- 11           a. The preceding taxable year for primary residential property taxed as real estate  
12              under this title.
- 13           b. The current taxable year for primary residential property taxed as a mobile home  
14              under chapter 57-55.
- 15       5-3. By May 31, 2026~~thirty-first of each year~~, the tax commissioner shall review ~~a sampling~~  
16              ~~of information provided by the county auditor to verify the accuracy of the application~~  
17              ~~of the credit and~~ certify to the state treasurer for payment to each county the  
18              aggregate dollar amount of credits ~~applied against property taxes owed on primary~~  
19              ~~residences in the county as provided~~certified by the counties in subsection 32.
- 20       6-4. Within fourteen days of receiving the payment from the state treasurer, ~~but no later~~  
21              ~~than June thirtieth of each year~~, the county treasurer shall apportion and distribute the  
22              payment to the county and to the taxing districts of the county on the same basis as  
23              property taxes and mobile home taxes were apportioned and distributed for the  
24              taxable year in which the taxes were levied.
- 25       7-5. Supplemental certifications by the county auditor and the tax commissioner and  
26              supplemental payments by the state treasurer may be made after the dates prescribed  
27              in this section to make corrections necessary because of errors.
- 28       8-6. The county auditors shall provide information requested by the tax commissioner to  
29              effectuate this section.
- 30       9-7. The tax commissioner shall prescribe, design, and make available all forms necessary  
31              to effectuate this section.

1       **SECTION 14.** A new section to chapter 57-02 of the North Dakota Century Code is created  
2 and enacted as follows:

3       **Primary residence certification - Eligibility for primary residential property**  
4 **classification - Application.**

- 5       1. To be eligible for a primary residential property classification under this chapter, a  
6 primary residence must be certified by the county director of tax equalization as  
7 provided in this section.
- 8       2. A dwelling does not lose its character as a primary residence if the owner of the  
9 dwelling does not reside in the primary residence because the individual is confined in  
10 a nursing home, hospital, or other care facility, for as long as that confinement lasts  
11 and the portion of the primary residence previously occupied by the individual is not  
12 rented to another person.
- 13       3. To be certified as a primary residence and eligible for the primary residential property  
14 classification under this chapter, an owner shall sign and file with the tax  
15 commissioner an application containing a verified statement of facts establishing the  
16 owner's property meets the eligibility requirements to be considered a primary  
17 residence under this section as of the date of the application on a form and in the  
18 manner prescribed by the tax commissioner.
- 19       a. An application for primary residence certification must be filed by ~~February~~April  
20 first of each year to request a primary residence certification for:
- 21               (1) The taxable year during which the application is filed for a primary residence  
22 taxed as real estate under this title.
- 23               (2) The taxable year succeeding the taxable year during which the application  
24 is filed for a primary residence taxed as a mobile home under chapter  
25 57-55.
- 26       b. As soon as practicable after receiving the applications, no later than ~~February~~  
27 ~~twenty-eighth~~May thirty-first of each year, the tax commissioner shall:
- 28               (1) Review the applications received under this subsection and determine  
29 which applicants qualify for the primary residence certification; and



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

1 subject to subsection 2 and paragraph 2, as of the assessment date of the  
2 taxable year, is:

3 (a) Owned by one or more individuals, either directly or through a  
4 beneficial interest in a qualifying trust;

5 (b) Designed or adapted for human residence;

6 (c) Used as a residence; and

7 (d) Occupied as a primary place of residence by an owner, an individual  
8 who has a life estate in the property, or, for property owned through a  
9 beneficial interest in a qualifying trust, by a trustor or beneficiary of the  
10 trust who qualifies for the certification.

11 (2) For purposes of the term:

12 (a) An individual may not have more than one primary residence.

13 (b) A primary residence includes a primary residence taxed under  
14 chapter 57-55.

15 c. "Qualifying trust" means a trust:

16 (1) In which the agreement, will, or court order creating the trust, an instrument  
17 transferring property to the trust, or any other agreement that is binding on  
18 the trustee provides that the trustor of the trust or a beneficiary of the trust  
19 has the right to use and occupy as the trustor's or beneficiary's primary  
20 residence rent free and without charge except for taxes and other costs and  
21 expenses specified in the instrument or court order;

22 (a) For life;

23 (b) For the lesser of life or a term of years; or

24 (c) Until the date the trust is revoked or terminated by an instrument or  
25 court order that describes the property with sufficient certainty to  
26 identify it and is recorded in the real property records of the county in  
27 which the property is located; and

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

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



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

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

6         **SECTION 15. AMENDMENT.** Section 57-02-27 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8         **57-02-27. Property to be valued at a percentage of assessed value - Classification of**  
9 **property - Limitation on valuation of annexed agricultural lands.**

- 10       1. All property subject to taxation based on the value thereof must be valued as follows:
- 11       4- a. All primary residential property and nonprimary residential property to be valued  
12                 at nine percent of assessed value. If any property is used for both residential and  
13                 nonresidential purposes, the valuation must be prorated accordingly.
- 14       2- b. All agricultural property to be valued at ten percent of assessed value as  
15                 determined pursuant to section 57-02-27.2.
- 16       3- c. All commercial property to be valued at ten percent of assessed value.
- 17       4- d. All centrally assessed property to be valued at ten percent of assessed value  
18                 except as provided in section 57-06-14.1.
- 19       2. The ~~resulting~~ amounts ~~must be known as~~ resulting from the calculation under  
20                 subsection 1 are the taxable valuation.
- 21       3. In determining the assessed value of real and personal property, except agricultural  
22                 property, the assessor may not adopt a lower or different standard of value because  
23                 the same is to serve as a basis of taxation, nor may the assessor adopt as a criterion  
24                 of value the price at which said property would sell at auction, or at forced sale, or in  
25                 the aggregate with all the property in the town or district, but the assessor shall value  
26                 each article or description by itself, and at such sum or price as the assessor believes  
27                 the same to be fairly worth in money. In assessing any tract or lot of real property,  
28                 there must be determined the value of the land, exclusive of improvements, and the  
29                 value of all taxable improvements and structures thereon, and the aggregate value of  
30                 the property, including all taxable structures and other improvements, excluding the  
31                 value of crops growing upon cultivated lands. In valuing any real property upon which

there is a coal or other mine, or stone or other quarry, the same must be valued at such a price as such property, including the mine or quarry, would sell for at a fair voluntary sale for cash. Agricultural lands within the corporate limits of a city which are not platted constitute agricultural property and must be so classified and valued for ad valorem property tax purposes until such lands are put to another use. Agricultural lands, whether within the corporate limits of a city or not, which were platted and assessed as agricultural property prior to March 30, 1981, must be assessed as agricultural property for ad valorem property tax purposes until put to another use. Such valuation must be uniform with the valuation of adjoining unannexed agricultural land.

**SECTION 16. AMENDMENT.** Section 57-02-27.1 of the North Dakota Century Code is amended and reenacted as follows:

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

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

**SECTION 17. AMENDMENT.** Section 57-02-53 of the North Dakota Century Code is amended and reenacted as follows:

**57-02-53. Assessment increase notice to property owner.**

1. a. ~~When any assessor has increased the true and full valuation of any lot or tract of land and improvements to an amount that is an increase of three thousand dollars or more and ten percent or more from the amount of the previous year's assessment, the~~ An assessor shall deliver written notice of the amount of increase and the amount of the previous true and full value of each parcel of taxable property for the current year's assessment to the property owner at the expense of the assessment district for which



1       ~~the assessor is employed and previous year, including improvements, which have~~  
2       ~~been assessed by the assessor.~~

3       2.   Delivery of written notice to a property owner under this ~~subdivision~~section must be  
4       completed at least fifteen days before the meeting of the local board of equalization.

5       ~~b.   If written notice by the assessor was not required under subdivision a and action~~  
6       ~~by the township, city, or county board of equalization or order of the state board~~  
7       ~~of equalization has increased the true and full valuation of any lot or tract of land~~  
8       ~~and improvements to an amount that results in a cumulative increase of three~~  
9       ~~thousand dollars or more and ten percent or more from the amount of the~~  
10       ~~previous year's assessment, written notice of the amount of increase and the~~  
11       ~~amount of the previous year's assessment must be delivered to the property~~  
12       ~~owner. The written notice under this subdivision must be mailed or delivered at~~  
13       ~~the expense of the township, city, or county that made the assessment increase~~  
14       ~~or at the expense of the township, city, or county that was ordered to make the~~  
15       ~~increase by the state board of equalization. Delivery of written notice to a~~  
16       ~~property owner under this subdivision must be completed within fifteen days after~~  
17       ~~the meeting of the township, city, or county board of equalization that made or~~  
18       ~~ordered the assessment increase and within thirty days after the meeting of the~~  
19       ~~state board of equalization, if the state board of equalization ordered the~~  
20       ~~assessment increase.~~

21       ~~e.3.~~   The tax commissioner shall prescribe suitable forms for written notices under this  
22       ~~subsection~~section. The written notice under ~~subdivision a~~this section must ~~show~~  
23       ~~the~~contain:

24       a.   The true and full value of the parcel of taxable property, including improvements,  
25       that the assessor determined for the current year and for the previous year ~~and~~  
26       ~~must also show the.~~

27       b.   The date prescribed by law, time, and location for the meeting of the local board  
28       of equalization of the assessment district in which the parcel of taxable property  
29       is located and the meeting date, time, and location of the county board of  
30       equalization ~~hearing of each taxing district.~~

1     ~~d.4.~~   Delivery of written notice under this section must be by personal delivery to the  
2           property owner, mail addressed to the property owner at the property owner's  
3           last-known address, or electronic mail to the property owner directed with verification  
4           of receipt to an electronic mail address at which the property owner has consented to  
5           receive notice.

6     ~~2.~~   The form of notice prescribed by the tax commissioner must require a statement to  
7           inform the taxpayer that an assessment increase may mean property taxes on the  
8           parcel will increase. The notice may contain an estimate of a tax increase resulting  
9           from the assessment increase.

10    **SECTION 18. AMENDMENT.** Section 57-09-04 of the North Dakota Century Code is  
11    amended and reenacted as follows:

12    **57-09-04. Duties of board ~~Limitation on increase~~ Notice.**

13    The township board of equalization shall ascertain whether all taxable property in its  
14    township has been properly placed upon the assessment list and duly valued by the assessor.  
15    In case any real property has been omitted by inadvertence or otherwise, the board shall place  
16    the same upon the list with the true value thereof. The board shall proceed to correct the  
17    assessment so that each tract or lot of real property is entered on the assessment list at the true  
18    value thereof. ~~The board may not increase the valuation returned by the assessor to an amount~~  
19    ~~that results in a cumulative increase of more than fifteen percent from the amount of the~~  
20    ~~previous year's assessment without giving the owner or the owner's agent reasonable notice~~  
21    ~~and opportunity to be heard regarding the intention of the board to increase it.~~ All complaints  
22    and grievances of residents of the township must be heard and decided by the board and it may  
23    make corrections as appear to be just. Complaints by nonresidents with reference to the  
24    assessment of any real property and complaints by others with reference to any assessment  
25    made after the meeting of the township board of equalization must be heard and determined by  
26    the county board of equalization. ~~The board must comply with any requirement for notice of an~~  
27    ~~assessment increase under section 57-02-53.~~

28    **SECTION 19. AMENDMENT.** Section 57-11-03 of the North Dakota Century Code is  
29    amended and reenacted as follows:



1       **57-11-03. Duties of board ~~—Limitation on increase—~~ Notice.**

2       At its meeting, the board of equalization shall proceed to equalize and correct the  
3       assessment roll. It may change the valuation and assessment of any real property upon the roll  
4       by increasing or diminishing the true and full valuation thereof as is reasonable and just to  
5       render taxation uniform, ~~except that the board may not increase the valuation of any property~~  
6       ~~returned by the assessor to an amount that results in a cumulative increase of more than fifteen~~  
7       ~~percent from the amount of the previous year's assessment without first giving the owner or the~~  
8       ~~owner's agent reasonable notice and opportunity to be heard regarding the intention of the~~  
9       ~~board to increase it.~~ All complaints and grievances of residents of the city must be heard and  
10      decided by the board and it may make corrections as appear to be just. Complaints by  
11      nonresidents with reference to the assessment of any real property and complaints by others  
12      with reference to any assessment made after the meeting of the city board of equalization must  
13      be heard and determined by the county board of equalization. ~~The board shall comply with any~~  
14      ~~requirement for notice of an assessment increase under section 57-02-53.~~

15      **SECTION 20. AMENDMENT.** Section 57-12-06 of the North Dakota Century Code is  
16      amended and reenacted as follows:

17      **57-12-06. County board of equalization - Equalizing between assessment districts**  
18      **and between properties ~~—Limitation on increase—~~ Notice.**

- 19      1. The rules prescribed in section 57-12-05 apply when the board of county  
20      commissioners is equalizing assessments between the several assessment and  
21      taxing districts in the county provided that in such case, except as otherwise provided  
22      in subsection 2, the board may raise or lower the valuation of classes of property only  
23      so as to equalize the assessments as between districts. ~~If the board orders an~~  
24      ~~increase under this subsection, the board must comply with any requirement for notice~~  
25      ~~of an assessment increase under section 57-02-53.~~
- 26      2. Notwithstanding any other provision of this section:
- 27          a. The county board of equalization after notice to the local board of equalization  
28          may reduce the assessment on any separate piece or parcel of real estate even  
29          though such property was assessed in a city or township having a local board of  
30          equalization. The county board of equalization may not reduce any such  
31          assessment unless the owner of the property or the person to whom it was

- 1           assessed first appeals to the county board of equalization, either by appearing  
2           personally or by a representative before the board or by mail or other  
3           communication to the board, in which the owner's reasons for asking for the  
4           reduction are made known to the board. The proceedings of the board shall show  
5           the manner in which the appeal was made known to the board and the reasons  
6           for granting any reduction in any such assessment.
- 7           b. The county board of equalization after notice to the local board of equalization  
8           may increase the assessment on any separate piece or parcel of real property  
9           even though such property was assessed in a city or township having a local  
10          board of equalization. ~~The county board of equalization may not increase the~~  
11          ~~valuation returned by the assessor or the local board of equalization to an~~  
12          ~~amount that results in a cumulative increase of more than fifteen percent from the~~  
13          ~~amount of the previous year's assessment without giving the owner or the~~  
14          ~~owner's agent notice by mail to the owner of the property that such person may~~  
15          ~~appear before the board on the date designated in the notice, which date must be~~  
16          ~~at least five days after the mailing of the notice. The county auditor as clerk of the~~  
17          ~~board shall send such notice to the person or persons concerned. If the board~~  
18          ~~orders an increase under this subdivision, the board must comply with any~~  
19          ~~requirement for notice of an assessment increase under section 57-02-53.~~
- 20          c. If the county board of equalization during the course of its equalization sessions  
21          determines that any property of any person has been listed and assessed in the  
22          wrong classification, it shall direct the county auditor to correct the listing so as to  
23          include such assessment in the correct classification.
- 24          3. The owner of any separate piece or parcel of real estate that has been assessed may  
25          appeal the assessment thereon to the state board of equalization as provided in  
26          section 57-13-04; provided, however, that such owner has first appealed the  
27          assessment to the local equalization board of the taxing district in which the property  
28          was assessed and to the county board of equalization of the county in which the  
29          property was assessed. Notwithstanding this requirement, an owner of property which  
30          has been subjected to a new assessment authorized under section 57-14-08 may



1           appeal the new assessment to the state board of equalization in the manner provided  
2           for in section 57-14-08.

3           **SECTION 21. AMENDMENT.** Section 57-15-02.2 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5           **57-15-02.2. ~~Estimated property tax and budget~~Budget hearing notice.**

- 6           1. On or before August tenth of each year, the governing body of a taxing district shall  
7           provide to the county auditor in each county in which the taxing district has taxable  
8           property ~~a preliminary budget statement and~~ the date, time, and location of the taxing  
9           district's public hearing on its property tax levy, which may be no earlier than  
10          September seventh. A taxing district that fails to provide the information required under  
11          this subsection on or before August tenth may not impose a property tax levy in a  
12          greater amount of dollars than was imposed by the taxing district in the prior year.
- 13          2. By August thirty-first of each year, the county treasurer shall provide a written notice to  
14          the owner of each parcel of taxable property ~~with a total estimated property tax of at~~  
15          ~~least one hundred dollars.~~ The text of the notice must contain:
- 16           a. The date, time, and location of the public budget hearing for each of the taxing  
17           districts in which the property owner's parcel is located, ~~which anticipate levying~~  
18           ~~in excess of one hundred thousand dollars in the current year,~~ and the location at  
19           which the taxing district's budget is available for review; and
- 20           b. The ~~true and full value of the property based on the best information available;~~
- 21           c. ~~A column showing the actual property tax levy in dollars against the parcel by the~~  
22           ~~taxing district that levied taxes against the parcel in the immediately preceding~~  
23           ~~taxable year and a column showing the estimated property tax levy in dollars~~  
24           ~~against the parcel by the taxing district levying tax in the taxable year for which~~  
25           ~~the notice applies based on the preliminary budget statements of all taxing~~  
26           ~~jurisdictions;~~
- 27           d. A column indicating the difference between the taxing district's total levy from the  
28           previous year and the taxing district's estimated levy with the word "INCREASE"  
29           ~~printed in boldface type if the proposed tax levy is larger in dollars than the levy in~~  
30           ~~dollars in the previous year;~~

- 1 e. ~~Information identifying the estimated property tax savings that will be provided~~  
2 ~~pursuant to section 57-20-07.1 based on the best information available;~~
- 3 f. A statement that there will be an opportunity for citizens to present oral or written  
4 comments regarding each taxing district's property tax levy; and
- 5 g. ~~The actual amount of the special assessment installment payable against the~~  
6 ~~parcel in the immediately preceding taxable year.~~
- 7 3. Delivery of written notice under this section must be by personal delivery to the  
8 property owner, mail addressed to the property owner at the property owner's  
9 last-known address, or electronic mail to the property owner directed with verification  
10 of receipt to an electronic mail address at which the property owner has consented to  
11 receive notice. If a parcel of taxable property is owned by more than one owner, notice  
12 must be sent to only one owner of the property. Failure of an owner to receive a notice  
13 under this section will not relieve the owner of property tax liability or modify the  
14 qualifying date under section 57-20-09 for which an owner may receive a discount for  
15 early payment of tax.
- 16 4. The tax commissioner shall prescribe suitable forms for written notices under this  
17 section.
- 18 5. The direct cost of providing taxpayer notices under this section may be allocated in a  
19 manner proportionate to the number of notices mailed on behalf of each taxing district  
20 that intends to levy in excess of one hundred thousand dollars in property taxes in the  
21 current year.

22 **SECTION 22.** A new section to chapter 57-15 of the North Dakota Century Code is created  
23 and enacted as follows:

24 **Limitation on levies by taxing districts without voter approval.**

- 25 1. a. Notwithstanding that a taxing district may have unused or excess levy authority  
26 under any other provision of law, this section supersedes and limits that authority.  
27 This section may not be interpreted as authority to increase any property tax levy  
28 authority otherwise provided by law and must be applied to limit any property tax  
29 levy authority to which a taxing district may otherwise be entitled. Property taxes  
30 levied in dollars by a taxing district may not exceed the greater of the base year



- 1           levy increased by the allowable percentage limit or the adjusted year levy  
2           increased by the allowable percentage limit.
- 3           b. Excluding any negative excess percentage increase, a taxing district may carry  
4           forward an excess percentage increase to be used in any of the five succeeding  
5           taxable years. An excess percentage increase may be used only once to  
6           increase the limitation under subdivision a and may not be carried forward  
7           beyond five taxable years. The oldest unused excess percentage increase must  
8           be applied first.
- 9           2. The limitation under subsection 1 does not apply to:
- 10           a. New or increased property tax levy authority that becomes available to the taxing  
11           district in the current taxable year resulting from:
- 12               (1) A change in state law.
- 13               (2) Approval by the electors of the taxing district.
- 14           b. Property tax levy authority increased above zero mills in the current taxable year  
15           by the governing board of the taxing district, provided the levy authority was not  
16           previously used.
- 17           c. Any irrevocable tax to pay bonded indebtedness levied under section 16 of  
18           article X of the Constitution of North Dakota.
- 19           d. The one-mill levy for the state medical center authorized by section 10 of article X  
20           of the Constitution of North Dakota.
- 21           e. The levy, not to exceed one mill, for the Garrison Diversion Conservancy District,  
22           authorized by section 57-15-26.8.
- 23           f. Taxes or special assessments levied to pay the principal and interest on any  
24           obligations of any political subdivision, including taxes levied for deficiencies in  
25           special assessment and improvement district funds and revenue bond and  
26           reserve funds.
- 27           g. Taxes levied to pay bonds, evidences of indebtedness, or obligations of any  
28           political subdivision, including taxes levied to pay evidences of indebtedness  
29           under chapter 57-47.
- 30           h. Taxes levied pursuant to law for the proportion of the cost to any taxing district for  
31           a special improvement project by general taxation.

1        h.i. Taxes levied under sections 40-24-10, 40-43-01, 57-15-28, 57-15-41, and  
2        57-15-48 and chapter 61-16.1.

3        i. Taxes levied, up to eighteen mills, under section 57-15-20.

4        3. A

5        a. Except as provided in subdivision b, a majority of the qualified electors in a taxing  
6        district voting on the question at a statewide general election may approve a  
7        ballot measure to authorize the taxing district to impose a property tax levy  
8        exceeding the limitation under subsection 1 for four taxable years at a time,  
9        beginning with the taxable year after the general election during which the ballot  
10       measure was approved. The ballot measure must state the proposed percentage  
11       increase and the proposed dollar amount increase exceeding the limitation under  
12       subsection 1. The procedure under this subsection applies only to authorization  
13       of a property tax levy exceeding the limitation under subsection 1.

14       b. A majority of the qualified electors in a township voting on the question at an  
15       annual township meeting may approve a property tax levy exceeding the  
16       limitation under subsection 1 for four taxable years at a time, beginning with the  
17       taxable year during which the annual township meeting vote under this  
18       subdivision is held. The notice and voting procedures applicable to the approval  
19       of a township tax levy under section 57-15-19 and approval of increased  
20       township general fund levy authority under section 57-15-20 apply to the vote  
21       under this subsection. The electors of the township voting on the question must  
22       be notified of the proposed percentage increase and the proposed dollar amount  
23       increase exceeding the limitation under subsection 1 before the vote.

24       4. For taxable year 2025, a city may levy an amount equal to the amount levied in dollars  
25       in the preceding taxable year under sections 40-05-19 and 57-15-42 as part of the  
26       levy under section 57-15-08 without including the dollars levied for this purpose as  
27       part of the limitation under subsection 1.

28       5. A city or county may not supersede or modify the application of this section under  
29       home rule authority.

30       6. For purposes of this section:



- 1           a. "Adjusted year levy" means amount of property tax levied in dollars by the taxing  
2           district in the preceding taxable year adjusted as follows:
- 3           (1) When property and improvements to property which were not taxable in the  
4           preceding taxable year are taxable in the current year, the amount levied in  
5           dollars in the preceding taxable year by the taxing district must be increased  
6           to reflect the taxes that would have been imposed against the additional  
7           taxable valuation attributable to that property at the mill rate applied to all  
8           property in the preceding taxable year, excluding the mill rate associated  
9           with:
- 10           (a) Any irrepealable tax levied to pay bonded indebtedness levied under  
11           section 16 of article X of the Constitution of North Dakota.
- 12           (b) A tax levied for the one-mill levy for the state medical center  
13           authorized by section 10 of article X of the Constitution of North  
14           Dakota.
- 15           (2) When a property tax exemption existed in the preceding taxable year which  
16           has been reduced or no longer exists for the current taxable year, the  
17           amount levied in dollars in the preceding taxable year by the taxing district  
18           must be increased to reflect the taxes that would have been imposed  
19           against the portion of the taxable valuation of the property which is no  
20           longer exempt at the mill rate applied to all property in the preceding taxable  
21           year, excluding the mill rate associated with:
- 22           (a) Any irrepealable tax levied to pay bonded indebtedness levied under  
23           section 16 of article X of the Constitution of North Dakota.
- 24           (b) A tax levied for the one-mill levy for the state medical center  
25           authorized by section 10 of article X of the Constitution of North  
26           Dakota.
- 27           (3) When property that was taxable in the preceding taxable year is not taxable  
28           for the current taxable year, the amount levied in dollars in the preceding  
29           taxable year by the taxing district must be reduced by the amount of taxes  
30           that were imposed against the taxable valuation of that property in the  
31           preceding taxable year.

1           (4) When a temporary mill levy increase, excluding an increase under this  
2           section, authorized by the electors of the taxing district or mill levy  
3           imposition authority under state law existed in the preceding taxable year  
4           but is no longer applicable or has been reduced, the amount levied in  
5           dollars in the preceding taxable year by the taxing district must be adjusted  
6           to reflect the expired temporary mill levy increase and the eliminated or  
7           reduced mill levy under state law before the percentage increase allowable  
8           under this subsection is applied.

9           b. "Allowable percentage limit" means three percent.

10          c. "Base year levy" means the highest amount of property tax levied in dollars by a  
11          taxing district in the three taxable years immediately preceding the current  
12          taxable year.

13          d. "Excess percentage increase" means the difference, rounded to the nearest  
14          hundredth of a percent, between:

15           (1) The allowable percentage limit; and

16           (2) The difference between the actual amount of property tax levied in dollars  
17           and the greater of the base year levy or the adjusted year levy with the  
18           resulting difference under this paragraph divided by the greater of the base  
19           year levy or adjusted year levy.

20          e. "Proposed percentage increase" means the difference, rounded to the nearest  
21          hundredth of a percent, between:

22           (1) The difference between the amount of property tax in dollars proposed to be  
23           levied by the governing board of the taxing district and the greater of the  
24           base year levy or the adjusted year levy with the resulting difference under  
25           this paragraph divided by the greater of the base year levy or adjusted year  
26           levy; and

27           (2) The allowable percentage limit.

28          f. "Taxing district" means any political subdivision empowered to levy taxes.

29          **SECTION 23. AMENDMENT.** Section 57-15-14.2 of the North Dakota Century Code is  
30          amended and reenacted as follows:



**57-15-14.2. School district levies.**

1. The board of a school district may levy a tax ~~not exceeding the amount in dollars that the school district levied for the prior year, plus twelve percent,~~ up to an amount in dollars that would be generated by a levy of ~~seventy~~sixty mills on the taxable valuation of the district, for ~~any purpose related to the provision of educational services~~the school district's local contribution to the costs of education. The proceeds of this levy must be deposited into the school district's general fund and may be used in accordance with this subsection for any purpose related to the provision of educational services. The proceeds may not be transferred into any other fund.
2. The board of a school district may levy no more than ten mills on the taxable valuation of the district, for any purpose related to the provision of educational services. The proceeds of this levy must be deposited into the school district's general fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
3. The board of a school district may levy no more than twelve mills on the taxable valuation of the district, for miscellaneous purposes and expenses. The proceeds of this levy must be deposited into a special fund known as the miscellaneous fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
- ~~3.4.~~ The board of a school district may levy no more than three mills on the taxable valuation of the district for deposit into a special reserve fund, in accordance with chapter 57-19.
- ~~4.5.~~ The board of a school district may levy no more than the number of mills necessary, on the taxable valuation of the district, for the payment of tuition, in accordance with section 15.1-29-15. The proceeds of this levy must be deposited into a special fund known as the tuition fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
- ~~5.6.~~ The board of a school district may levy no more than five mills on the taxable valuation of the district, pursuant to section 57-15-15.1, for purposes of developing a school safety plan in accordance with section 15.1-09-60. The proceeds of this levy must be



deposited into a special fund known as the school safety plan fund and used in accordance with this subsection.

~~6.7.~~ Nothing in this section limits the board of a school district from levying:

- a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and
- b. Mills necessary to pay principal and interest on the bonded debt of the district, including the mills necessary to pay principal and interest on any bonded debt incurred under section 57-15-17.1 before July 1, 2013.

**SECTION 24. AMENDMENT.** Section 57-20-07.1 of the North Dakota Century Code is amended and reenacted as follows:

**57-20-07.1. County treasurer to mail real estate tax statement - Contents of statement.**

1. On or before December twenty-sixth of each year, the county treasurer shall mail a real estate tax statement to the owner of each parcel of real property at the owner's last-known address. The form of the real estate tax statement to be used in every county must be prescribed and approved for use by the tax commissioner. The statement must be provided in a manner that allows the taxpayer to retain a printed record of the obligation for payment of taxes and special assessments as provided in the statement. If a parcel of real property is owned by more than one individual, the county treasurer shall send only one statement to one of the owners of that property. Additional copies of the tax statement will be sent to the other owners upon their request and the furnishing of their names and addresses to the county treasurer. The tax statement must:

- a. Include a dollar valuation of the true and full value as defined by law of the property and the total mill levy applicable.
- b. Include, or be accompanied by a separate sheet, with three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, the:

(1) The property tax levy in dollars against the parcel by the county and school district and any city or township that levied taxes against the parcel.

(2) The amount of property tax levied as a result of voter approved levy authority, which must be separately stated for each taxing district that levied property tax as a result of voter approved levy authority mills levied by a



school district under section 21-03-15 and subdivision b of subsection 7 of  
section 57-15-14.2.

- c. Provide information identifying the property tax savings provided by the state of North Dakota. The tax statement must include a line item that is entitled "legislative tax relief" and identifies the dollar amount of property tax savings realized by the taxpayer under chapter 50-34 for taxable years before 2019, chapter 50-35 for taxable years after 2018, and chapter 15.1-27.

- (1) For purposes of this subdivision, legislative tax relief under chapter 15.1-27 is determined by multiplying the taxable value for the taxable year for each parcel shown on the tax statement by ~~the number of mills of mill levy reduction grant under chapter 57-64 for the 2012 taxable year plus the number of mills determined by subtracting from the 2012 taxable year mill rate of the school district in which the parcel is located the lesser of one~~ hundred twenty-five mills or the sum of:

- (a) ~~Fifty mills~~ The number of mills of mill levy reduction grant under chapter 57-64 for the 2012 taxable year; or and  
(b) ~~The 2012 taxable year mill rate of the school district minuse~~ excluding sixty mills.

- (2) Legislative tax relief under chapter 50-35 is determined by multiplying the taxable value for the taxable year for each parcel shown on the tax statement by the number of mills of relief determined by dividing the amount calculated in subsection 1 of section 50-35-03 for a human service zone by the taxable value of taxable property in the zone for the taxable year.

- d. Provide information identifying the primary residence credit, including information regarding the portion of the credit derived from funding distributed from the legacy fund.

- (1) The statement must include a separate line item identifying the primary residence credit realized by the taxpayer for each taxable year shown.  
(2) The statements must include a separate line item or conspicuous description identifying the portion of the credit derived from funding distributed from the legacy fund.

- 1                   (a) The dollar amount of the primary residence credit derived from  
2                   funding distributed from the legacy fund is calculated as the product of  
3                   the total amount of the primary residence credit realized by the  
4                   taxpayer in a taxable year multiplied by the applicable percent.  
5                   (b) By November first of each year, the tax commissioner shall notify  
6                   each county auditor of the applicable percent to be used for the  
7                   calculation in paragraph a for the current and prior two taxable years.  
8                   (c) For purposes of this paragraph, "applicable percent" means the  
9                   percent, rounded to the nearest hundredth of a percent, calculated as  
10                   the quotient of the amount allocated to the legacy property tax relief  
11                   fund from the legacy earnings fund for the primary residence credit  
12                   pursuant to section 5 of this Act divided by the total amount  
13                   appropriated from the legacy property tax relief fund for the primary  
14                   residence credit, using the allocations and appropriations for the  
15                   relevant tax years.

- 16           2. Failure of an owner to receive a statement will not relieve that owner of liability, nor  
17           extend the discount privilege past the February fifteenth deadline.

18           **SECTION 25. REPEAL.** Sections 21-10-12 and 21-10-13 of the North Dakota Century  
19           Code are repealed.

20           **SECTION 26. LEGISLATIVE INTENT - CONSIDERATION OF FUTURE PROPERTY TAX**  
21           **RELIEF.** It is the intent of the sixty-ninth legislative assembly that the seventieth legislative  
22           assembly consider using any funding available from the legacy property tax relief fund  
23           exceeding the amount needed for the primary residence credit to provide property tax relief to  
24           other property classifications, including agricultural, commercial, centrally assessed, and  
25           nonprimary residential property.

26           **SECTION 27. LEGISLATIVE TAX REFORM AND RELIEF ADVISORY COMMITTEE -**  
27           **PROPERTY TAX REFORM AND RELIEF STUDY - TAX COMMISSIONER REPORT -**  
28           **REPORT TO LEGISLATIVE MANAGEMENT.**

- 29           1. During the 2025-26 interim, the legislative management shall appoint a legislative tax  
30           reform and relief advisory committee.



- 1       2. The committee must consist of three members of the finance and taxation standing  
2       committee of the house of representatives and three members of the finance and  
3       taxation standing committee of the senate, appointed by the respective majority  
4       leaders of the house of representatives and senate. The legislative management shall  
5       designate the chairman of the committee. The committee shall operate according to  
6       the statutes and procedures governing the operation of other legislative management  
7       interim committees.
- 8       3. The committee shall study property tax reform and relief. Based on information  
9       provided by the tax department and input from local taxing districts, the study must  
10      include consideration of:
  - 11      a. Historical property tax relief provided by the legislative assembly.
  - 12      b. The estimated and actual fiscal impact of the property tax relief provided by the  
13      sixty-ninth legislative assembly.
  - 14      c. Information from the tax commissioner and local taxing district representatives  
15      regarding the progress of implementing the primary residence credit and primary  
16      residence certification process.
  - 17      d. Information and analysis from the tax commissioner regarding the impact of the  
18      property tax levy limitation under section 22 of this Act on taxing districts.
- 19      (1) By April 1, 2026, the tax commissioner shall gather and analyze information  
20      from local taxing districts necessary to conduct an analysis of the impact of  
21      the levy limitation, including:
  - 22      (a) Action taken by the taxing districts to implement the levy limitation;
  - 23      (b) Taxing district property value increases, separated by increases on  
24      existing property and new property;
  - 25      (c) The number of taxing districts required to reduce the taxing district's  
26      total levy in dollars to comply with the levy limitation, including the  
27      method used by the taxing district to reduce the total levy in dollars  
28      and which levies were impacted by the total levy reduction; and
  - 29      (d) Suggestions for improvement of the levy limitation.
- 30      (2) The tax commissioner shall provide a summary of the tax commissioner's  
31      findings to the committee no later than June 1, 2026.



- 1 e. The feasibility and desirability of revising the content of the real estate tax  
2 statement to improve transparency in property taxation, which may include a  
3 review of the statutory requirements related to the contents and delivery of the  
4 real estate tax statement, available historical real estate tax statements, and  
5 information regarding any administrative costs associated with updates to the  
6 real estate tax statement.

- 7 4. The committee shall report its findings and recommendations, together with any  
8 legislation required to implement the recommendations, to the seventieth legislative  
9 assembly

10 **SECTION 28. INTEGRATED FORMULA GAP FUNDING PROGRAM - DEFICIENCY**  
11 **APPROPRIATION REQUEST - REPORT.**

- 12 1. Notwithstanding the provisions of chapter 15.1-27, the superintendent of public  
13 instruction shall develop an integrated formula gap funding program, for the biennium  
14 beginning July 1, 2025, and ending June 30, 2027.
- 15 2. To be eligible for gap funding, a school district must have:
  - 16 a. Reduced the school district's general fund and miscellaneous fund levy authority  
17 under subsections 2 and 3 of section 57-15-14.2 to zero mills in the taxable year  
18 ending during the school year due to the property tax levy limitation under  
19 section 22 of this Act;
  - 20 b. Reduced the mills levied for the school district's local contribution to the costs of  
21 education under subsection 1 of section 57-15-14.2 to less than sixty mills in the  
22 taxable year ending during the school year due to the property tax levy limitation  
23 under section 22 of this Act; and
  - 24 c. Levied at least sixty mills for the school district's local contribution to the costs of  
25 education for the taxable year preceding the taxable year ending during the  
26 school year, unless the levy was reduced due to the property tax levy limitation  
27 under section 22 of this Act or the twelve percent general fund levy limit in  
28 subsection 1 of section 57-15-14.2, as it existed on December 31, 2024.
- 29 3. A school district seeking gap funding under this section shall apply, on a form and in  
30 the manner prescribed by the superintendent of public instruction, to request gap  
31 funding. If the superintendent of public instruction determines the applicant meets the



1 criteria under subsection 2, the superintendent of public instruction shall issue gap  
2 funding equal to the amount by which the value of 60 mills in the state aid calculation  
3 deducted in chapter 15.1-27 exceeds the amount the school district levied for the  
4 school district's local contribution to the costs of education under subsection 1 of  
5 section 57-15-14.2 for the taxable year ending during the school year.

6 4. The superintendent of public instruction may use funding provided for integrated  
7 formula payments to provide gap funding to eligible school districts.

8 5. If the superintendent of public instruction anticipates a shortfall in funding for the  
9 integrated formula payments for the 2025-27 biennium, the superintendent shall  
10 request a deficiency appropriation from the seventieth legislative assembly.

11 6. The superintendent of public instruction shall provide at least one report to the budget  
12 section during the 2025-26 interim and a report to the appropriations committees of  
13 the seventieth legislative assembly regarding the status of the program.

14 **SECTION 29. APPROPRIATION - ~~TRANSFER - GENERAL FUND TO LEGACY~~**  
15 **~~PROPERTY TAX RELIEF FUND~~ TAX COMMISSIONER - PRIMARY RESIDENCE CREDIT -**  
16 **DEFICIENCY APPROPRIATION REQUEST - INFORMATION ON PROPERTY TAX**  
17 **STATEMENTS - TAX COMMISSIONER.**

18 1. ~~There is appropriated out of any moneys in the general fund in the state treasury, not~~  
19 ~~otherwise appropriated, the sum of \$74,601,793, which the office of management and~~  
20 ~~budget shall transfer to the legacy property tax relief fund, during the biennium~~  
21 ~~beginning July 1, 2025, and ending June 30, 2027. For legislative council budget~~  
22 ~~status reporting purposes, the transfer under this subsection is considered an ongoing~~  
23 ~~funding item.~~

24 ~~2. There is appropriated out of any moneys in the legacy property tax relief fund, not~~  
25 ~~otherwise appropriated, the sum of \$473,000,000~~\$438,193.757, or so much of the  
26 sum as may be necessary, to the tax commissioner for the state reimbursement under  
27 the primary residence credit for the biennium beginning July 1, 2025, and ending  
28 June 30, 2027. ~~Of the \$473,000,000, \$74,601,793 is from the general fund pursuant to~~  
29 ~~subsection 1, and \$398,398,207 is from the legacy earnings fund~~If the tax  
30 commissioner anticipates a shortfall in the amount appropriated for the 2025-27

1 biennium, the tax commissioner shall request a deficiency appropriation from the  
2 seventieth legislative assembly.

3 ~~3-2.~~ Pursuant to section 57-20-07.1, the tax commissioner shall notify each county auditor  
4 that the applicable percent for taxable years 2025 and 2026 is ~~84.23~~100 percent,  
5 which reflects the portion of the primary residence credit derived from funding  
6 distributed from the legacy fund.

7 ~~SECTION 26. APPROPRIATION - TAX COMMISSIONER - HOMESTEAD TAX CREDIT.~~

8 ~~There is appropriated out of any moneys in the general fund in the state treasury, not otherwise~~  
9 ~~appropriated, the sum of \$5,450,000, or so much of the sum as may be necessary, to the tax~~  
10 ~~commissioner for the purpose of the state reimbursement of the homestead tax credit, for the~~  
11 ~~biennium beginning July 1, 2025, and ending June 30, 2027.~~

12 **SECTION 30. TAX COMMISSIONER - PROPERTY TAX RELIEF PROGRAMS - PUBLIC**  
13 **AWARENESS.** Any tax relief program advertising or public awareness campaigns conducted by  
14 the tax commissioner during the biennium beginning July 1, 2025, and ending June 30, 2027,  
15 must identify the amount of funding being utilized from the earnings of the legacy fund for the  
16 programs.

17 **SECTION 31. EFFECTIVE DATE.**

- 18 1. Sections 8, 9, 10, 22, and ~~2223~~ of this Act are effective for taxable years beginning  
19 after December 31, 2024.
- 20 2. Sections 7, 11, 14, 15, and 16 of this Act are effective for taxable years beginning after  
21 December 31, 2025.
- 22 3. Section 12 of this Act becomes effective on June 1, 2025.
- 23 4. Section 13 of this Act becomes effective on June 1, 2026.

24 **SECTION 32. EMERGENCY.** Sections 10 and 12 of this Act are declared to be an  
25 emergency measure.