

Sixty-ninth  
Legislative Assembly  
of North Dakota

**BILL NO.**

Introduced by

Senator Boschee

1 A BILL for an Act to amend and reenact section 57-02-01.2 and subsection 2 of section  
2 57-02-08.9 of the North Dakota Century Code, relating to primary residence certification for  
3 certain property subject to a real estate transaction; and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Section 57-02-01.2 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **57-02-01.2. Primary residence certification - Eligibility for primary residential property  
8 classification - Application.**

9 1. To be eligible for a primary residential property classification under this chapter, a  
10 primary residence must be certified by the county director of tax equalization as  
11 provided in this section.

12 2. A dwelling does not lose its character as a primary residence if the owner of the  
13 dwelling does not reside in the primary residence because the individual is confined in  
14 a nursing home, hospital, or other care facility, for as long as that confinement lasts  
15 and the portion of the primary residence previously occupied by the individual is not  
16 rented to another person.

17 3. To be certified as a primary residence and eligible for the primary residential property  
18 classification under this chapter, an owner shall sign and file with the tax commissioner  
19 an application containing a verified statement of facts establishing the owner's  
20 property meets the eligibility requirements to be considered a primary residence under  
21 this section as of the date of the application on a form and in the manner prescribed by  
22 the tax commissioner.

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- 1        a. AnExcept as provided in subdivision b, an application for primary residence  
2                certification must be filed by April first of each year to request a primary residence  
3                certification for:  
4                (1) The taxable year during which the application is filed for a primary residence  
5                        taxed as real estate under this title.  
6                (2) The taxable year succeeding the taxable year during which the application  
7                        is filed for a primary residence taxed as a mobile home under chapter  
8                        57-55.  
9        b. For a parcel of property subject to a real estate transaction during the period  
10                beginning after the application deadline under subdivision a and ending  
11                September thirtieth of the same year, an application for primary residence  
12                certification must be filed no later than September thirtieth of the year during  
13                which the real estate transaction occurred to request a primary residence  
14                certification for:  
15                (1) The taxable year during which the application is filed for a primary residence  
16                        taxed as real estate under this title.  
17                (2) The taxable year succeeding the taxable year during which the application  
18                        is filed for a primary residence taxed as a mobile home under chapter  
19                        57-55.  
20        c. A taxpayer may submit more than one application for primary residence  
21                certification if a subsequent application resulted from a real estate transaction as  
22                provided under subdivision b but may not have more than one primary residence  
23                as provided under subsection 6.  
24        d. As soon as practicable after receiving the applications, but no later than May  
25                thirty-first of each year for applications received under subdivision a and no later  
26                than fifteen days after receipt of an application under subdivision b, the tax  
27                commissioner shall:  
28                (1) Review the applications received under this subsection and determine  
29                        which applicants qualify for the primary residence certification; and



- (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, 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 certification.

(2) For purposes of the term:

- (a) An individual may not have more than one primary residence.
- (b) A primary residence includes a primary residence taxed under chapter 57-55.

"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
- (2) That acquires the property in an instrument of title or under a court order that:
  - (a) Describes the property with sufficient certainty to identify it and the interest acquired; and
  - (b) Is recorded in the real property records of the county in which the property is located.

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

**SECTION 2. AMENDMENT.** Subsection 2 of section 57-02-08.9 of the North Dakota Century Code is amended and reenacted as follows:

2. Only one credit under this section may be applied against the property taxes levied against any parcel of primary residential property. A trust may not claim a credit for more than one parcel of primary residential property under this section. ~~If a credit under this section is applied against the property tax due on a parcel of primary residential~~ For a parcel of property subject to a real estate transaction, ~~any~~ the proration of the amount of property tax owed by a buyer or seller ~~must be based on~~ ~~may be~~ calculated after deducting the credit from the amount of property tax owed after application of if the property is anticipated to qualify for the credit under this section or if the credit was applied to the property.

15       **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
16       December 31, 2025.