Sixty-ninth
Legislative Assembly
of North Dakota

BILL NO.

Introduced by

Senator Rummel

A BILL for an Act to amend and reenact subsection 1 of section 57-02-08.9, section 57-20-09, and subsection 1 of section 57-55-03 of the North Dakota Century Code, relating to the primary residence credit and order of application of the primary residence credit and discount for early payment of tax; to provide an appropriation; to provide for a transfer; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 1 of section 57-02-08.9 of the North Dakota Century Code is amended and reenacted as follows:

1. A taxpayer is entitled to a credit against the property tax due on the taxpayer's parcel of primary residential property as provided in this section. The credit:
   a. Is limited to one thousand six hundred eighty dollars.
   b. May not reduce the liability for special assessments levied upon any property.
   c. May not exceed the amount of property tax due against the parcel of primary residential property.
   d. Must be applied to reduce the property tax owed on the parcel of primary residential property after other exemptions~~,~~ or credits~~, or discounts~~ under this chapter have been applied.

SECTION 2. AMENDMENT. Section 57-20-09 of the North Dakota Century Code is amended and reenacted as follows:

57-20-09. Discount for early payment of tax.

Except as provided in section 57-20-21.1, the county treasurer shall allow a five percent discount to all taxpayers who shall pay all of the real estate taxes levied on any tract or parcel of real property in any one year in full on or before February fifteenth ~~prior to~~before the date of delinquency. The discount applies to all general real estate taxes levied for state, county, city, township, school district, fire district, park district, and any other taxing districts but does not apply to personal property taxes or special assessment installments. ~~The discount must be applied before a primary residence credit under section 57-02-08.9 is applied.~~ If the board of county commissioners, by resolution, determines that an emergency exists in the county by virtue of weather or other catastrophe, it may extend the discount period for an additional thirty days.

SECTION 3. AMENDMENT. Subsection 1 of section 57-55-03 of the North Dakota Century Code is amended and reenacted as follows:

1. a. The tax imposed in this chapter is due and payable on January tenth of each year or ten days after the mobile home is purchased or first moved into this state. If the tax due for the entire year is paid in full by February fifteenth, the county treasurer shall allow a five percent discount. ~~The discount must be applied before a primary residence credit under section 57-02-08.9 is applied.~~

   b. If the tax imposed by this chapter is paid in full within thirty days after the mobile home is purchased or moved into this state, the county treasurer shall allow a five percent discount. However, if the tax is not paid within forty days it is subject to a penalty and interest. The penalty is one percent of the tax. The interest is one-half percent of the tax for each full and fractional month of delay.

SECTION 4. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO LEGACY PROPERTY TAX RELIEF FUND - APPROPRIATION - LEGACY PROPERTY TAX RELIEF FUND - TAX COMMISSIONER - PRIMARY RESIDENCE CREDIT - DEFICIENCY APPROPRIATION REQUEST.

1. The office of management and budget shall transfer the sum of $13,000,000 from the strategic investment and improvements fund to the legacy property tax relief fund during the period beginning with the effective date of this Act and ending June 30, 2027.

2. There is appropriated out of any moneys in the legacy property tax relief fund, not otherwise appropriated, the sum of $13,000,000, or so much of the sum as may be necessary, to the tax commissioner for the state reimbursement under the primary residence credit for the period beginning with the effective date of this Act and ending June 30, 2027. If the tax commissioner anticipates expenditures for the primary

residence credit will exceed the total amount appropriated under this section and under section 29 of chapter 555 of the 2025 Session Laws, the tax commissioner may use unspent funding appropriated in the homestead tax credit line item or the disabled veterans' tax credit line item in chapter 6 of the 2025 Session Laws to provide any additional funding needed for the primary residence credit and shall request a deficiency appropriation from the seventieth legislative assembly for any remaining amount needed for the primary residence credit. The tax commissioner shall report to the office of management and budget and the legislative council any amounts used from the homestead tax credit and disabled veterans' tax credit line items for the primary residence credit.

SECTION 5. EFFECTIVE DATE. Section 1 of this Act is effective for taxable years beginning after December 31, 2025, for ad valorem property taxes, and for taxable years beginning after December 31, 2026, for mobile home taxes. Section 2 of this Act is effective for taxable years beginning after December 31, 2025. Section 3 of this Act is effective for taxable years beginning after December 31, 2026. The remainder of this Act becomes effective upon its filing with the secretary of state.