

2025 SENATE FINANCE AND TAXATION

SB 2201

2025 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2201
1/20/2025

Relating to the primary residence credit; to provide for application; to provide a retroactive effective date; to provide an expiration date; and to declare an emergency.

9:00 a.m. Chairman Weber opened the meeting.

Members present: Chairman Weber, Vice Chairman Rummel, Senator Marcellais, Senator Patten, Senator Powers, Senator Walen

Discussion Topics:

- Details regarding retroactive refunds
- Disbursement methods of refund

9:02 a.m. Senator Weber, District 21, introduced SB 2201 and testified in favor.

9:07 a.m. Linda Svihovec, Research Analyst, NDACo, testified in favor.

9:10 a.m. Michele Doyle testified in favor.

9:12 a.m. Vice Chairman Rummel closed the hearing.

9:19 a.m. Shelli Meyers, State Supervisor of Assessments, answered committee questions.

9:32 a.m. Chairman Weber recessed the meeting.

Chance Anderson, Committee Clerk

2025 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2201 a.m.
1/21/2025

Relating to the primary residence credit; to provide for application; to provide a retroactive effective date; to provide an expiration date; and to declare an emergency.

9:00 a.m. Chairman Weber called the meeting to order.

Members present: Chairman Weber, Vice Chairman Rummel, Senator Marcellais, Senator Patten, Senator Powers, Senator Walen

Discussion Topics:

- Qualifications for primary tax credit
- HB 1166 definition of ownership compared to SB 2201

9:12 a.m. Chairman Weber closed the hearing.

Chance Anderson, Committee Clerk

2025 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2201 PM
1/21/2025

Relating to the primary residence credit; to provide for application; to provide a retroactive effective date; to provide an expiration date; and to declare an emergency.

2:15 p.m. Chairman Weber convened the meeting.

Members present: Chairman Weber, Vice Chairman Rummel, Senator Marcellais, Senator Patten, Senator Powers, Senator Walen

Discussion Topics:

- Committee Action

2:15 p.m. Senator Walen moved a Do Pass on Amendment LC#25.0308.04001.

2:15 p.m. Senator Patten seconded the motion.

Senators	Vote
Senator Mark F. Weber	Y
Senator Dean Rummel	Y
Senator Richard Marcellais	Y
Senator Dale Patten	Y
Senator Michelle Powers	Y
Senator Chuck Walen	Y

Motion passed 6-0-0.

2:16 p.m. Senator Walen moved a Do Pass and be Rereferred to Appropriations as Amended.

2:16 p.m. Senator Patten seconded the motion.

Senators	Vote
Senator Mark F. Weber	Y
Senator Dean Rummel	Y
Senator Richard Marcellais	Y
Senator Dale Patten	Y
Senator Michelle Powers	Y
Senator Chuck Walen	Y

Motion passed 6-0-0.

Chairman Weber will carry the bill.

Senate Finance and Taxation Committee
SB 2201
January 21, 2025
Page 2

2:19 p.m. Chairman Weber closed the hearing.

Chance Anderson, Committee Clerk

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2201

Introduced by

Senators Weber, Bekkedahl, Hogue

Representatives Headland, Lefor, Vigesaa

JPB *1-21-25*
1 of 4

1 A BILL for an Act to amend and reenact section 57-02-08.9 of the North Dakota Century Code,
2 relating to the primary residence credit; to provide for application; to provide a retroactive
3 effective date; to provide an expiration date; and to declare an emergency.

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

5 **SECTION 1. AMENDMENT.** Section 57-02-08.9 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **57-02-08.9. Primary residence credit - Qualification - Application. (Effective for the**
8 **first two taxable years beginning after December 31, 2023)**

- 9 1. ~~An individual~~A taxpayer is entitled to a credit of five hundred dollars against the
10 property tax due on the ~~individual's~~taxpayer's primary residence as provided in this
11 section. The credit may not exceed the amount of property tax due. The credit must be
12 applied to reduce the property tax owed on the ~~individual's~~taxpayer's primary
13 residence after other exemptions or credits under this chapter have been applied.
- 14 2. For purposes of this section, ~~"primary:~~
15 a. "Owned" means an individual holds a present ownership interest, including
16 ownership in fee simple, holds a present life estate or other terminable present
17 ownership interest, holds a beneficial interest in a qualifying trust~~in which the~~
18 ~~property is held, has an ownership interest in the corporation or passthrough~~
19 ~~entity that owns the property,~~ or is a purchaser under a contract for deed. The
20 term does not include a mere right of occupancy or a tenancy under a lease.

AB 2 of 4

- 1 b. (1) "Primary residence" means a dwelling in this state ~~owned and occupied by~~
2 an individual as that individual's primary place of residence and includes
3 residences taxed under chapter 57-55, including the land, appurtenances,
4 and improvements used in the residential occupancy of the dwelling, that,
5 subject to paragraph 2 and subsection 3, is:
- 6 (a) Owned by one or more individuals, directly, through a beneficial
7 interest in a qualifying trust, ~~or through an ownership interest in a~~
8 ~~corporation or passthrough entity;~~
- 9 (b) Designed or adapted for human residence;
- 10 (c) Used as a residence; and
- 11 (d) Occupied as a primary place of residence by:
- 12 ~~[1] An individual who holds a present ownership interest, including~~
13 ~~ownership in fee simple;~~
- 14 ~~[2] An an owner, by an individual who has a life estate in the property;~~
- 15 ~~[3] For, or, for property owned through a beneficial interest in a qualifying~~
16 ~~trust, by a trustor or beneficiary of the trust who qualifies for the credit;~~
17 ~~or~~
- 18 ~~[4] For property owned through an ownership interest in a corporation or~~
19 ~~passthrough entity, an individual who holds at least a one-third~~
20 ~~ownership interest in the corporation or passthrough entity and who~~
21 ~~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

JB 304

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 ~~in this state~~ is eligible for
19 the credit under this section if the individual's absence is due to confinement in a
20 nursing home, hospital, or other care facility, for as long as that confinement lasts and
21 the portion of the primary residence previously occupied by the individual is not rented
22 to another individual person.

23 4. Only one credit under this section may be applied against the property taxes levied
24 against any primary residence. ~~A trust, corporation, or passthrough entity~~ may not
25 claim a credit for more than one primary residence under this section.

26 5. An individual whose primary residence is a farm structure exempt from taxation under
27 subsection 15 of section 57-02-08 is not eligible for a credit under this section.

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

30 7. To apply for a credit under this section, an applicant shall sign and file with the tax
31 commissioner, by April first of each year, an application containing a verified statement

Jim 4 of 4

1 of facts establishing the applicant's eligibility as of the date of the claim on a form and
2 in the manner prescribed by the tax commissioner.

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

6 **SECTION 2. RETROACTIVE EFFECTIVE DATE - APPLICATION - EXPIRATION DATE.**

7 This Act is retroactively effective and applies for the first two taxable years beginning after
8 December 31, 2023, and after that date is ineffective. A taxpayer who, regardless of the
9 application requirements and deadlines under section 57-02-08.9, qualifies for a credit under
10 this Act against taxes levied in taxable year 2024 may file an abatement claim to receive a
11 refund of taxes paid equal to the amount of the credit allowed under this Act. Supplemental
12 certifications by the county auditor and the tax commissioner and supplemental payments by
13 the state treasurer shall be made and distributed according to the procedures provided under
14 section 57-02-08.10 and may be made after the dates prescribed in section 57-02-08.10.

15 **SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.

**REPORT OF STANDING COMMITTEE
SB 2201**

Finance and Taxation Committee (Sen. Weber, Chairman) recommends **AMENDMENTS** ([25.0308.04001](#)) and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2201 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

2025 SENATE APPROPRIATIONS

SB 2201

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2201
1/24/2025

A BILL for an Act to amend and reenact section 57-02-08.9 of the North Dakota Century Code, relating to the primary residence credit; to provide for application; to provide a retroactive effective date; to provide an expiration date; and to declare an emergency.

10:45 a.m. Chairman Bekkedahl called the meeting to order.

Members Present: Chairman Bekkedahl, Vice-Chairman Erbele, and Senators Burckhard, Cleary, Conley, Davison, Dever, Dwyer, Magrum, Mathern, Meyer, Schaible, Sickler, Sorvaag, Thomas, Wanzek.

Discussion Topics:

- Primary Residence Credit

10:46 a.m. Senator Weber introduced the bill.

10:54 a.m. Senator Sorvaag moved a Do Pass on Engrossed SB 2201.

10:54 a.m. Senator Meyer seconded the motion.

Roll Call Vote:

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 16-0-0.

Senator Weber will carry the bill.

10:56 a.m. Chairman Bekkedahl adjourned the meeting.

Elizabeth Reiten, Committee Clerk

**REPORT OF STANDING COMMITTEE
ENGROSSED SB 2201 ([25.0308.05000](#))**

Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **DO PASS** (16 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2201 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

2025 HOUSE FINANCE AND TAXATION

SB 2201

2025 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Room JW327E, State Capitol

SB 2201
2/3/2025

Relating to the primary residence credit; to provide for application; to provide a retroactive effective date; to provide an expiration date; and to declare an emergency.

9:01 a.m. Chairman Headland opened the hearing.

Members Present: Chairman Headland, Vice Chairman Hagert, Representatives Anderson, Dockter, Dressler, Foss, Grueneich, Ista, Motschenbacher, Nehring, Olson, Porter, Steiner, Toman

Discussion Topics:

- Qualifications for tax credit
- Homes held in trust

9:02 a.m. Senator Mark Weber introduced the bill.

9:06 a.m. Senator Judy Lee, District 13, proposed an amendment to include cooperative ownership in the tax credit, testimony #33725.

9:14 a.m. Linda Svihovec, ND Association of Counties, testified in favor.

Additional written testimony:

Erica Johnsrud, Auditor/Treasurer, McKenzie County submitted testimony in opposition #33568.

9:16 a.m. Chairman Headlans closed the hearing.

Janae Pinks, Committee Clerk

Written Testimony for the
House Finance and Tax

February 3, 2025

Erica Johnsrud, McKenzie County Auditor/Treasurer



RE: OPPOSITION for SB 2201

Good morning, Chairman Headland, and members of the House Finance and Tax Committee. My name is Erica Johnsrud and I have the honor of serving as the Auditor/Treasurer for McKenzie County. I stand in opposition of SB 2201, specifically Section 2.

The intent of this bill is to correct an issue identified in the Interim for the Primary Residence Credit for those citizens who hold their primary residence in a trust and were denied the credit due to current language in the statute referring to "individuals." I want to be clear that I fully support the ability of those who hold property in a trust to have the ability to apply for and receive the Primary Residence Credit.

My opposition is to Section 2 of the bill which outlines with the retroactive application process. Page 3, line 27 states "A taxpayer, regardless of the application requirements and deadlines... may file an abatement claim to receive a refund..." (emphasis added). This opens the application and retroactive application to apply to **any** primary resident who failed previously to apply, not just to those who applied but were denied the credit due to their property being held in a trust.

Abatement applications require significant administrative work to complete. In a county, such as McKenzie, where the application percentage was low (around 25%) compared to what was expected, we could be inundated with applications by any person who simply didn't apply, not just those trusts who would now be eligible, several of whom did apply for the credit during the original window and were denied.

The State Tax Commissioner's Office did a great job of getting the word out to the public about the hard deadline for the Primary Residence Credit – radio, print, television, mailers, and social media were all utilized. My understanding during the 2023 Legislative Session was that the application deadline was firm, no exceptions. I agree that those who were denied the credit due to property in trust should have the ability to apply for and receive the credit.

I ask you to consider the following revisions to Section 2 of SB 2201 – to limit the retroactive abatement application to only those with a primary residence held in trust that were previously ineligible and to set a separate hard deadline, such as May 1, 2025, in which only these taxpayers have the ability to retroactively apply. These changes would allow for more timely processing of any retroactive abatement applications received and allow for a one-time exchange of information

between the counties, Tax Commissioner's Office, and State Treasurer for the upload of data and distribution of the refunds rather than on-going back and forth over a period of many months, possibly years, for these abatements to be submitted as they are received, which may be one or two at a time.

Property tax reform is a difficult topic in which to please everyone. I want to express my gratitude to the Legislative Assembly for all their hard work on property tax reform. However, I urge a **DO NOT PASS** recommendation on SB 2201 in the current form and again urge the committee to take a closer look at placing limitations on the retroactive application process rather than allowing any taxpayer to apply.

25.0308.06000

PROPOSED AMENDMENTS TO

Sixty-ninth
Legislative Assembly
of North Dakota

REENGROSSED SENATE BILL NO. 2201

Introduced by

Senators Weber, Bekkedahl, Hogue

Representatives Headland, Lefor, Vigesaa

A BILL for an Act to amend and reenact section 57-02-08.9 of the North Dakota Century Code, relating to the primary residence credit; to provide for application; to provide a retroactive effective date; to provide an expiration date; and to declare an emergency.

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

2 **SECTION 1. AMENDMENT.** Section 57-02-08.9 of the North Dakota Century Code is
3 amended and reenacted as follows:

4 **57-02-08.9. Primary residence credit - Qualification - Application. (Effective for the**
5 **first two taxable years beginning after December 31, 2023)**

6 1. ~~An individual~~A taxpayer is entitled to a credit of five hundred dollars against the
7 property tax due on the ~~individual's~~taxpayer's primary residence as provided in
8 this section. The credit may not exceed the amount of property tax due. The
9 credit must be applied to reduce the property tax owed on the
10 ~~individual's~~taxpayer's primary residence after other exemptions or credits under
11 this chapter have been applied.

12 2. For purposes of this section, "primary:

13 a. "Owned" means an individual holds a present ownership interest,
14 including ownership in fee simple, holds a present life estate or other
15 terminable present ownership interest, holds a beneficial interest in a
16 qualifying trust, ~~has an ownership interest in a cooperative entity that~~
17 owns the property, or is a purchaser under a contract for deed. The term
18 does not include a mere right of occupancy or a tenancy under a lease.

19 b. (1) "Primary residence" means a dwelling in this state owned and
20 occupied by an individual as that individual's primary place of
21 residence and includes residences taxed under chapter 57-55.

1 including the land, appurtenances and improvements used in the
2 residential occupancy of the dwelling, that, subject to paragraph 2
3 and subsection 3, is:

- 4 (a) Owned by one or more individuals, either directly, or
5 through a beneficial interest in a qualifying trust, or through
6 an ownership interest in a cooperative entity;
7 (b) Designed or adapted for human residence;
8 (c) Used as a residence; and
9 (d) Occupied as a primary place of residence by an owner, by
10 an individual who has a life estate in the property, by an
11 individual who holds an ownership interest in a cooperative
12 entity, or, for property owned through a beneficial interest
13 in a qualifying trust, by a trustor or beneficiary of the trust
14 who qualifies for the credit.

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

- 17 (a) An individual may not have more than one primary
18 residence.
19 (b) A primary residence includes a primary residence taxed
20 under chapter 57-55.
21 (c) A primary residence includes each unit of a cooperatively
22 owned building occupied as a primary place of residence
23 by an individual with an ownership interest in the
24 cooperative.

25 c. "Qualifying trust" means a trust:

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

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

- 1 (c) Until the date the trust is revoked or terminated by an
2 instrument or court order that describes the property with
3 sufficient certainty to identify it and is recorded in the real
4 property records of the county in which the property is
5 located; and
- 6 (2) That acquires the property in an instrument of title or under a court
7 order that:
- 8 (a) Describes the property with sufficient certainty to identify it
9 and the interest acquired; and
- 10 (b) Is recorded in the real property records of the county in
11 which the property is located.
- 12 d. "Trustor" means an individual who transfers an interest in real or personal
13 property to a qualifying trust, whether during the individual's lifetime or at
14 death, or the individual's spouse.
- 15 3. An individual who does not reside in the primary residence in this state is eligible
16 for the credit under this section if the individual's absence is due to confinement
17 in a nursing home, hospital, or other care facility, for as long as that confinement
18 lasts and the portion of the primary residence previously occupied by the
19 individual is not rented to another ~~individual~~person.
- 20 4. Only one credit under this section may be applied against the property taxes
21 levied against any primary residence except for property held by a cooperative
22 entity. A trust may not claim a credit for more than one primary residence under
23 this section. All credits earned by the individuals residing in property owned by a
24 cooperative entity must be applied against the property taxes levied against the
25 cooperative. The tax commissioner may require a cooperative entity to furnish
26 any documentation needed for the purposes of ensuring compliance with this
27 section.
- 28 5. An individual whose primary residence is a farm structure exempt from taxation
29 under subsection 15 of section 57-02-08 is not eligible for a credit under this
30 section.
- 31 6. The credit may not reduce the liability for special assessments levied upon any
32 property.
- 33 7. To apply for a credit under this section, an applicant shall sign and file with the
34 tax commissioner, by April first of each year, an application containing a verified

1 statement of facts establishing the applicant's eligibility as of the date of the claim
2 on a form and in the manner prescribed by the tax commissioner.

- 3 8. 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 2. RETROACTIVE EFFECTIVE DATE - APPLICATION - EXPIRATION**

7 **DATE.**

8 This Act is retroactively effective and applies for the first two taxable years beginning after
9 December 31, 2023, and after that date is ineffective. A taxpayer who, regardless of the
10 application requirements and deadlines under section 57-02-08.9, qualifies for a credit under
11 this Act against taxes levied in taxable year 2024 may file an abatement claim to receive a
12 refund of taxes paid equal to the amount of the credit allowed under this Act. Supplemental
13 certifications by the county auditor and the tax commissioner and supplemental payments by
14 the state treasurer shall be made and distributed according to the procedures provided under
15 section 57-02-08.10 and may be made after the dates prescribed in section 57-02-08.10.

16 **SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.

2025 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Room JW327E, State Capitol

SB 2201
2/3/2025

Relating to the primary residence credit; to provide for application; to provide a retroactive effective date; to provide an expiration date; and to declare an emergency.

4:01 p.m. Chairman Headland opened the meeting.

Members Present: Chairman Headland, Vice Chairman Hagert, Representatives Anderson, Dockter, Dressler, Foss, Grueneich, Ista, Motschenbacher, Nehring, Olson, Porter, Steiner, Toman

Discussion Topics:

- Committee action

4:02 p.m. Representative Dockter moved to adopt amendment LC #25.0308.06001.

4:02 p.m. Representative J. Olson seconded the motion.

4:03 p.m. Representative Toman resisted the motion.

Representatives	Vote
Representative Craig Headland	Y
Representative Jared Hagert	Y
Representative Dick Anderson	Y
Representative Jason Dockter	Y
Representative Ty Dressler	Y
Representative Jim Grueneich	Y
Representative Mike Motschenbacher	Y
Representative Dennis Nehring	Y
Representative Jeremy Olson	Y
Representative Todd Porter	Y
Representative Vicky Steiner	Y
Representative Nathan Toman	N
Representative Austin Foss	Y
Representative Zachary Ista	Y

4:04 p.m. Motion passed 13-1-0.

4:04 p.m. Representative Toman moved a Do Pass as Amended and re-refer to Appropriations.

4:04 p.m. Vice Chairman Hagert seconded the motion.

Representatives	Vote
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Representative Craig Headland	Y
Representative Jared Hagert	Y
Representative Dick Anderson	Y
Representative Jason Dockter	Y
Representative Ty Dressler	Y
Representative Jim Grueneich	Y
Representative Mike Motschenbacher	Y
Representative Dennis Nehring	Y
Representative Jeremy Olson	Y
Representative Todd Porter	Y
Representative Vicky Steiner	Y
Representative Nathan Toman	Y
Representative Austin Foss	Y
Representative Zachary Ista	Y

4:07 p.m. Motion passed 14-0-0.

4:07 p.m. Representative Motschenbacher will carry the bill.

4:07 p.m. Chairman Headland closed the meeting.

Janae Pinks, Committee Clerk

February 3, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
SECOND ENGROSSMENT**

REENGROSSED SENATE BILL NO. 2201

Introduced by

Senators Weber, Bekkedahl, Hogue

Representatives Headland, Lefor, Vigesaa

1 A BILL for an Act to amend and reenact section 57-02-08.9 of the North Dakota Century Code,
2 relating to the primary residence credit; to provide for application; to provide a retroactive
3 effective date; to provide an expiration date; and to declare an emergency.

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

5 **SECTION 1. AMENDMENT.** Section 57-02-08.9 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **57-02-08.9. Primary residence credit - Qualification - Application. (Effective for the**
8 **first two taxable years beginning after December 31, 2023)**

- 9 1. ~~An individual~~ A taxpayer is entitled to a credit of five hundred dollars against the
10 property tax due on the ~~individual's~~ taxpayer's primary residence as provided in this
11 section. The credit may not exceed the amount of property tax due. The credit must be
12 applied to reduce the property tax owed on the ~~individual's~~ taxpayer's primary
13 residence after other exemptions or credits under this chapter have been applied.
- 14 2. For purposes of this section, "~~primary~~":
15 a. "Owned" means an individual holds a present ownership interest, including
16 ownership in fee simple, holds a present life estate or other terminable present
17 ownership interest, holds a beneficial interest in a qualifying trust, or is a
18 purchaser under a contract for deed. The term does not include a mere right of
19 occupancy or a tenancy under a lease.

RS 2/3/25
1 of 4

- 1 b. (1) "Primary residence" means a dwelling in this state owned and occupied by
2 an individual as that individual's primary place of residence and includes
3 residences taxed under chapter 57-55, including the land, appurtenances,
4 and improvements used in the residential occupancy of the dwelling, that,
5 subject to paragraph 2 and subsection 3, is:
6 (a) Owned by one or more individuals, either directly or through a
7 beneficial interest in a qualifying trust;
8 (b) Designed or adapted for human residence;
9 (c) Used as a residence; and
10 (d) Occupied as a primary place of residence by an owner, by an
11 individual who has a life estate in the property, or, for property owned
12 through a beneficial interest in a qualifying trust, by a trustor or
13 beneficiary of the trust who qualifies for the credit.
14 (2) For purposes of the definition of "primary residence" under this subdivision:
15 (a) An individual may not have more than one primary residence.
16 (b) A primary residence includes a primary residence taxed under chapter
17 57-55.
18 c. "Qualifying trust" means a trust:
19 (1) In which the agreement, will, or court order creating the trust, an instrument
20 transferring property to the trust, or any other agreement that is binding on
21 the trustee provides that the trustor of the trust or a beneficiary of the trust
22 has the right to use and occupy as the trustor's or beneficiary's primary
23 residence rent free and without charge except for taxes and other costs and
24 expenses specified in the instrument or court order:
25 (a) For life;
26 (b) For the lesser of life or a term of years; or
27 (c) Until the date the trust is revoked or terminated by an instrument or
28 court order that describes the property with sufficient certainty to
29 identify it and is recorded in the real property records of the county in
30 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 ~~in this state~~ is eligible for
11 the credit under this section if the individual's absence is due to confinement in a
12 nursing home, hospital, or other care facility, for as long as that confinement lasts and
13 the portion of the primary residence previously occupied by the individual is not rented
14 to another ~~individual~~ person.

15 4. Only one credit under this section may be applied against the property taxes levied
16 against any primary residence. A trust may not claim a credit for more than one
17 primary residence under this section.

18 5. An individual whose primary residence is a farm structure exempt from taxation under
19 subsection 15 of section 57-02-08 is not eligible for a credit under this section.

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

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

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

29 **SECTION 2. RETROACTIVE EFFECTIVE DATE - APPLICATION - EXPIRATION DATE.**

30 This Act is retroactively effective and applies for the first two taxable years beginning after
31 December 31, 2023, and after that date is ineffective. A taxpayer who, regardless of the

85
4.54

Sixty-ninth
Legislative Assembly

1 application requirements and deadlines under section 57-02-08.9, qualifies for a credit under
2 this Act against taxes levied on a primary residence owned through a beneficial interest in a
3 qualifying trust in taxable year 2024, may file an abatement claim no later than May 1, 2025, to
4 receive a refund of taxes paid equal to the amount of the credit allowed under this Act.
5 Supplemental certifications by the county auditor and the tax commissioner and supplemental
6 payments by the state treasurer shall be made and distributed according to the procedures
7 provided under section 57-02-08.10 and may be made after the dates prescribed in section
8 57-02-08.10.

9 **SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.

**REPORT OF STANDING COMMITTEE
REENGROSSED SB 2201**

Finance and Taxation Committee (Rep. Headland, Chairman) recommends **AMENDMENTS** ([25.0308.06001](#)) and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2201 was placed on the Sixth order on the calendar.

2025 HOUSE APPROPRIATIONS

SB 2201

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

SB 2201
2/10/2025

A BILL for an Act to amend and reenact section 57-02-08.9 of the North Dakota Century Code, relating to the primary residence credit; to provide for application; to provide a retroactive effective date; to provide an expiration date; and to declare an emergency.

8:32 a.m. Chairman Vigesaa called the meeting to order.

Members Present: Chairman Vigesaa, Representatives Berg, Bosch, Brandenburg, Fisher, Hanson, Louser, Martinson, Meier, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner

Members Absent: Vice Chairman Kempenich, Representatives Anderson, Mitskog

Discussion Topics:

- Application Process
- Residences in North Dakota
- Tax Commissioner

8:35 a.m. Senator Weber introduced the Bill.

8:44 a.m. Representative Swiontek moved a Do Pass.

8:45 a.m. Representative O'Brien seconded the motion.

8:45 a.m. Roll Call Vote.

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	A
Representative Bert Anderson	A
Representative Mike Berg	Y
Representative Glenn Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	A
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y

Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

8:46 a.m. Motion passes 20-0-3.

8:47 a.m. Representative Louser will carry the Bill.

8:47 a.m. Chairman Vigesaa closed the meeting.

Krystal Eberle for Sierra Schartz, Committee Clerk

REPORT OF STANDING COMMITTEE
REENGROSSED AND AMENDED SB 2201 ([25.0308.07000](#))

Appropriations Committee (Rep. Vigesaa, Chairman) recommends **DO PASS** (20 YEAS, 0 NAYS, 3 ABSENT OR EXCUSED AND NOT VOTING). Reengrossed SB 2201, as amended, was placed on the Fourteenth order on the calendar.