2026 JOINT POLICY

SB 2405

2026 JOINT STANDING COMMITTEE MINUTES

Policy Committee
Pioneer Room, State Capitol

SB 2405
9/2/2026

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 order of application of the primary residence credit and discount for early payment of tax; and to provide an effective date.

10:33 a.m. Chairman Klein called the meeting to order.

Members present: Co-Chairman Klein, Senators Axtman, Braunberger, Cory, Dever, Roers, Rummel, Weber, Co-Chairman Ruby, Representatives Anderson, Beltz, Foss, Frelich, Heinert, Karls, Porter, Rohr, and Warrey.

Discussion Topics:

- Credit line clarity
- Full available credit
- Reimbursement schedule
- Discount schedule
- Discount qualification

10:37 a.m. Senator Rummel introduced a possible proposed amendment that would clarify the primary residence tax credit without applying the discount.

10:47 a.m. Brian Kroshus, ND State Tax Commissioner, presented neutral testimony #45649.

Additional written testimony:
Cindy Worrel, Lamoure County Treasurer, submitted testimony in opposition #45606.
Erica Johnsrud, McKenzie County Auditor/Treasurer submitted testimony in favor #45614.
Darwin Reinhardt, Director, Constituent Services, submitted testimony in opposition #45635.

11:05 a.m. Chairman Klein closed the hearing

Melissa Ingram, Committee Clerk

Dear Legislators,

Referring to NDCC 57-20-09 "the discount must be applied before a primary residence credit under section 57-02-08-9.

This NDCC code in other words is taking the Primary Resident **Credit** and now making it a ***payment*** per special session back in January. By making this now a ***"payment***" it will affect numerous issues as well as a heavy burden on programing reconstruction. Will this lead to changing how *Homestead* ***Credit*** or *Veterans* ***Credi****t* are paid? **Credit** comes off the taxable amount not the payment for Homestead and Vets credit otherwise it would read payment not credit. As far as what was discussed regarding the January session, this 5% is not kept by the county. The PRC is a credit not a payment. The county only collects what the primary credit can cover on the gross taxable. If gross tax on statement is 475 – 500 = 0 due, the county only will get 475 from the gross taxable amount just like Homestead and Vets credits are collected. I feel there was information in the January session that was missed or misunderstood.

If this now becomes a ***paymen***t there are so many issues to address such as:

1. What happens if there is change to the tax statement such as increase or decrease due to assessing and/or abatements/additions? There will be a lot of adjusting to due.
2. What if a tax payer doesn't pay by February 15 and takes advantage of the 2 payment options of March 1 and Oct 15. Or if the payment is made after the February 15th deadline, where they would lose this discount. Would I still allow the discount and adjust the statement payment? There are many ways a tax payer could pay or maybe not pay for a year or so, or if they make payments each month?
3. When the primary resident credit money is dispersed to the counties.

The whole idea behind the 5% discount is to encourage early payment so that tax operated Entity has the operating money up front and able to use and with the 3% cap this money is crucial for a tight budget and would make it hard to operate when money comes throughout the year and not guaranteed what part of year.

I do know there has been a lot of meetings with county software programmers like Counties Providing Technology, Tyler etc. as well as Association of Counties. They have been expressing concern on how this change from a **credit** to a ***payment*** after the 5% discount can and will cause complicating issues.

Respectfully,

Cindy Worrel

Lamoure County Treasurer

701-883-6090

cworrel@nd.gov

Written Testimony for the
Joint Policy Committee
September 2, 2026
Erica Johnsrud, McKenzie County Auditor/Treasurer

RE: SUPPORT for SB 2405

Good morning, Chairs Klein and Ruby, and members of the Joint Policy Committee. My name is Erica Johnsrud and I have the honor of serving as the Auditor/Treasurer for McKenzie County. I stand in support of SB 2405.

I apologize I am not able to join you in person today but hope this testimony will help outline some of the issues resulting from the passage of HB 1626 during the January 2026 Special Legislative Session. Property taxes are an intricate and difficult subject, with many moving parts. That alone makes it extremely challenging to properly understand and vet proposals during condensed timeframes, such as the past and current special sessions. Taxes also bring forward many emotions and policy decisions, adding an additional layer of complexity to an already multifaceted topic.

The intent of SB 2405 bill is to revert the law back to the status prior to the passage of HB 1626 in January 2026. Why is this needed? While changing where the discount for early payment of property taxes seems like a minor adjustment, it has created programming challenges for the county vendors. Simply, HB 1626 changed the application of the Primary Residence Credit (PRC) from a **CREDIT** to a **PAYMENT.** Payments are treated very differently during application to property parcels than credits. Payments are subject to possible discounts, as well as penalty and interest, and are tied to a specific point in time when the transaction is processed/received. Credits are simply subtracted off the top and easy to calculate with certainty regardless of the date of receipt of the funds once tax statements are generated, i.e. not time specific.

Prior to January 2026, the PRC was treated as a credit, very similar to how the Homestead Credit (HC) and Disabled Veteran Credit (DVC) are applied to property taxes. The only exception is that the PRC is being shown on the tax statement, whereas the HC and DVC may not be as those programs reduce the taxable value. But the dollars received for these three programs are all treated in the same fashion by county programs and apportioned out to the various taxing districts once the funds have been received at the County level.

The issue really came to light with the application of PRC to mobile homes and the retroactive ability of trust properties to qualify. As you all know, mobile home tax years are the same as the calendar year (2026 mobile home taxes are payable in 2026), whereas real property tax years are one year behind (2025 real property taxes are payable in 2026). As a result, mobile home and trust properties that applied for and received the PRC previously were directly provided refunds from the County offices once the PRC payment had been received. I want to take a moment and remind you this refund issue has been solved due to other provisions within HB 1176 when it was passed during the 2025 Legislative Session – no refunds will be issued moving forward.

However, these refunds caused some additional questions to be raised about the 5% discount, amounts paid, and amounts refunded. A reminder that during this refund time, the PRC amount was $500. Some believed that if your tax bill was $500 you should receive a refund of $500, <u>even if</u> you paid prior to February 15, resulting in a true tax payment of $475. Guidance to counties on this topic was varied, which resulted in counties differing in their interpretation and distribution methods. The issue was further complicated as counties are required to certify the amount of PRC utilized on all county parcels by January 15 of each year

(NDCC 57-02-08.10) – this is our certification to the State Tax Commissioner for the amount of PRC within the County and is essentially the amount of funds we receive from the State to be apportioned later in the spring (March 28, 2025, and April 15, 2026) to all taxing districts for the property taxes paid by the ND Legacy Fund. This caused additional true-up and return payments – further complicating the issue.

Based on questions raised and the interpretation of the refunds, HB 1626 was introduced at the January 2026 Special Session and subsequently passed. At that time, I didn't fully understand the implications of the change, which have since been identified by our tax software vendors when trying to program and implement the required adjustments. And in a short time frame, as special sessions typically are, there wasn't enough time to fully understand or digest any unintended consequences.

My ask to you to for this Special Session is to revert the law back to the way it was prior to January 2026 – the 5% discount is applied to the NET CONSOLIDATED TAX due on the parcel, which is the total taxes levied upon the parcel minus the PRC. Then take up the topic of any potential or future changes to the discount calculation during the next regular Session, now just a few short months away, which would allow for any proposals to be fully vetted with the software programmers in a thoughtful manner to ensure the policies and priorities of the Legislature are understood and possible to achieve. Property taxes would then be calculated in the same fashion as they were for this current year – clearly and with certainty. Every person entitled to the full $1600 PRC would see that amount directly subtracted from their total taxes due and receive a discount on the remaining balance should they opt to pay prior to February 15. My certification in January 2027 to the Tax Commissioner will be nearly absolute, as it will not depend on whether or not a PAYMENT was received by a date into the future.

Additional questions will need to be answered should SB 2405 not be passed. To date, those questions have been asked of the State Tax Commissioner, Legislative Management, legislators, and county state's attorneys with no clear consensus on what should be done. If a taxpayer opts to NOT pay their taxes by February 15, what is the amount they owe? What does the taxpayer owe on March 1, which is after the discount date, but before penalty and interest is applied? Is the penalty and interest calculated on the total tax due or just on the portion remaining after the PRC is subtracted? If the discount applies to the total balance, one could logically conclude penalty and interest applies as well, but HB 1626 is silent on this topic? How do I communicate with the taxpayer that information? Where does this leave the counties? If you ask me, it leaves lots of questions and the inability to provide clear answers to the taxpayers or others. Lots of questions and little guidance on how things are to be calculated and implements will almost certainly result in different processes and interpretations across all 53 counties.

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. I am happy to sit down further with each and every one of you to discuss future possible changes to the tax statements, calculations, ideas, inserts, education, etc., as I fully understand this is a topic you hear much about from your taxpayers. I want to work cooperatively to ensure tax statements, payments, calculations, and education are easier to understand but also able to be implemented accurately.

I, respectfully, urge a **DO PASS** recommendation on SB 2405.

Following the 2025 ND Legislature, the NDCC stated in 57-02-08.9. the primary residence must be applied AFTER other exemptions or credits are allowed. I objected in February 2026 about the fact that Burleigh County was not applying the credit as the NDCC read and sent that to the Governor's office for clarification.

Dawn Seay replied stating quote: "I do not know how the credit was applied in different counties, Mr. Reinhardt. It is our understanding per the ND Office of State Tax Commissioner that Burleigh County had full legal authority to apply the credit as they did. As recent legislation is not applied retroactively, I would advise you to accept the decision and move on – or hire legal counsel to make your argument within the judicial system.
I wish I had a better answer for you.
Dawn

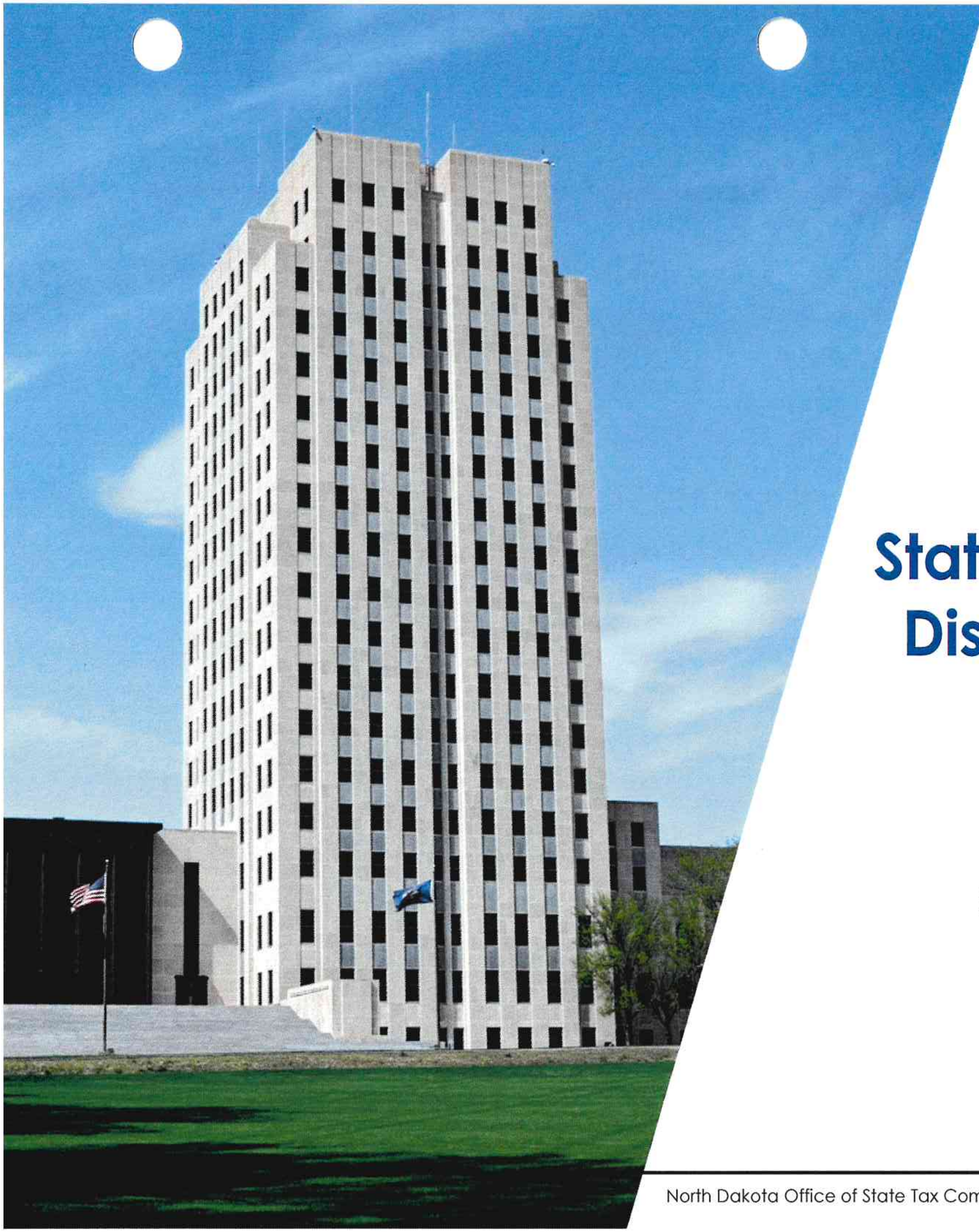
Dawn Seay

Director, Constituent Services
701.328.2207 | governor.nd.gov

SB 2405 destroys the intent of applying the law! Anybody that has the fortitude to pay their tax prior to February 15^{th} should be commended and not admonished!

I understand the NDACo is pushing for this change due to extra clerical duties, but that should not be difficult to overcome.

#45649



Property Tax Statement- Early Pay Discount Overview

September 2, 2026

North Dakota Office of State Tax Commissioner

PROPERTY TAX STATEMENT STATUTORY REQUIREMENTS

2026 Any County Real Estate Tax Statement

☐ *Check here to request receipt*
(No receipt will be sent unless requested)

Parcel Number: 0110-001-001
Statement Number: 10000

Bar Code
00110-001-001

Consolidated Tax	3,620.16
Less 5% discount **if paid by February 15, 2027**	(181.01)
	3,439.15
Primary Residence Credit	(1,600.00)
Net Tax Owed After Tax Relief	2,020.16
Plus: Special Assessments	77.92
Total Tax Due	2,098.08
Amount due by February 15, 2027	**1,917.07**

N.D.C.C 57-20-09

Or pay in two installments (with no discount):

Payment 1: Pay my March 1, 2027	1,088.00
Payment 2: Pay by October 16, 2027	1,010.08

MAKE CHECK PAYABLE TO:
Some County Treasurer
PO Box 1
Anytown, ND 58501-0000

N.D.C.C 57-20-07.1(1)

NAME
ADDRESS
BISMARCK ND 58501-0000

MP #

Detach and return with payment

2026 Any County Real Estate Tax Statement

Parcel Number 0110-001-001
Jurisdiction 010101

Owner NAME
Physical Location ADDRESS BISMARCK, ND 58501

Legal Description
Addition Name:
BLK #
Addition: Block: Lot:

N.D.C.C 57-20-07.1(1)(b)

N.D.C.C 57-20-07.1(1)(c)

	2024	2025	2026
Legislative Tax Relief	2,365.16	2,524.13	2,689.94

N.D.C.C 57-20-07.1(1)(a)

Tax distribution (3-year comparison):	**2024**	**2025**	**2025**
True and Full Value	381,200	403,700	432,900
Taxable Value	17,155	18,167	19,481
Less: Homestead Credit	0	0	0
Disabled Veterans Credit	0	0	0
Net Taxable Value	17,155	18,167	19,481
Total Mill Levy	168.65	175.34	174.90
Taxes by District (in dollars):			
Burleigh County	591.34	752.30	768.64
Hay Creek Township	171.54	176.58	214.10
Bismarck School	1,838.83	1,947.33	2,088.16
Voter Approved School Bonds	156.22	198.64	212.88
Bismarck Rural Fire District	[illegible]	[illegible]	[illegible]
Soil Conservation District	8.40	10.00	16.92
Garrison Diversion	17.16	18.16	19.48
Water Resource District	25.74	26.70	27.26
State Medical Center	17.16	18.16	19.48
Consolidated Tax	3,049.41	3,381.05	3,620.16
***Primary Residence Credit**		(500.00)	(1,600.00)
Net Tax Owed	3,049.41	2,884.05	2,020.16
Net Effective Tax Rate	0.80%	0.84%	0.84%

N.D.C.C 57-20-07.1(1)(b)(1) & 57-20-07.1(1)(b)(2)

N.D.C.C 57-20-07.1(1)(d)(1)

Statement No: 10000

2026 TAX BREAKDOWN

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Special Assessments	
Principal	77.92
Interest	0.00
Installment payment due	77.92
Remaining balance due	0.00

N.D.C.C 40-24-16 & 57-20-07.1

See Important Information on Back
Please keep this portion for your records.
No receipt will be sent unless requested.

FOR ASSISTANCE CONTACT:
Office: Any County Treasurer
123 Main St
Anytown, ND 58000
Phone: 701-867-5309
Website: www.tax.com

***100% of this year's Primary Residence Credit funding was generated from the North Dakota Legacy Fund.**

N.D.C.C 57-20-07.1(1)(d)(2)

PROPERTY TAX STATEMENT- ADDITIONAL PROVISIONS

2026 Any County Real Estate Tax Statement

☐ *Checkhere torequest receipt*
(No receipt will be sent unless requested)

Parcel Number: 0110-001-001
Statement Number: 10000

NAME
ADDRESS
BISMARCK ND 58501-0000

MP#

** Bar Code**

00110-001-001

Consolidated Tax	3,620.16
Less: 5% discount **if paid by February 15, 2027**	(181.01)
	3,439.15
Primary Residence Credit	(1,600.00)
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Detach and return with payment

2026 Any County Real Estate Tax Statement

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0110-001-001

Jurisdiction
010101

Owner
NAME

Physical Location
ADDRESS
BISMARCK, ND 58501

Legal Description
Addition Name:
BLK #
Addition: Block: Lot:

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Bismarck School	1,838.83	1,947.33	2,088.16
Voter Approved School Bonds	156.22	198.64	212.88
Bismarck Rural Fire District	223.02	236.18	253.24
Soil Conservation District	8.40	10.00	16.92
Garrison Diversion	17.16	18.16	19.48
Water Resource District	25.74	26.70	27.26
State Medical Center	17.16	18.16	19.48
Consolidated Tax	**3,049.41**	**3,384.05**	**3,620.16**
***Primary Residence Credit**		**(500.00)**	**(1,600.00)**
Net Tax Owed	**3,049.41**	**2,884.05**	**2,020.16**
Net Effective Tax Rate	0.80%	0.84%	0.84%

Statement No: 10000

2026 TAX BREAKDOWN	
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See Important Information on Back
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FOR ASSISTANCE CONTACT:
Office: Any County Treasurer
123 Main St
Anytown, ND 58000
Phone: 701-867-5309
Website: www.tax.com

***100% of this year's Primary Residence Credit funding was generated from the North Dakota Legacy Fund.**

Required in statute

Necessary for effective administration

DISCOUNT FOR EARLY PAYMENT OF TAX

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 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.

2026 TAX BREAKDOWN	
Consolidated Tax	3,620.16
Less: 5% discount **if paid by February 15, 2027**	(181.01)
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Primary Residence Credit	(1,600.00)
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Special Assessments	
Principal	77.92
Interest	0.00
Installment payment due	77.92
Remaining balance due	0.00

THANK YOU

Questions?

NORTH DAKOTA

2026 JOINT STANDING COMMITTEE MINUTES

Policy Committee
Pioneer Room, State Capitol

SB 2405
9/2/2026

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 order of application of the primary residence credit and discount for early payment of tax; and to provide an effective date.

1:38 p.m. Chairman Klein opened the hearing.

Members present: Co-Chairman Klein, Senators Axtman, Braunberger, Cory, Dever, Roers, Rummel, Weber, Co-Chairman Ruby, Representatives Anderson, Beltz, Foss, Frelich, Heinert, Karls, Porter, Rohr, and Warrey.

Discussion Topics:
- Full benefit of credit
- Full discount availability
- Refund timeline
- 2025 HB 1176
- Committee action

1:38 p.m. Representative Rummel introduced amendment LC# 25.1447.02002, testimony #45654 in favor.

1:48 p.m. Linda Svihovec, North Dakota Association of Counties, answered committee questions about proposed amendment.

1:57 p.m. Representative Headland answered questions for committee in support of amendment.

2:13 p.m. Brian Kroshus, North Dakota Tax Commissioner, responded to committee questions.

2:29 p.m. Chairman Klein recessed the meeting.

3:30 p.m. Chairman Klein reconvened the meeting.

3:30 p.m. Representative Porter updated committee on possible amendments.

3:32 p.m. Senator Rummel moved to adopt the amendment LC# 25.1447.02002.
3:33 p.m. Senator Weber seconded the motion.

3:33 p.m. Roll Call Vote

Representatives	
Representative Matt Ruby	N
Representative Dick Anderson	N
Representative Mike Beltz	Y
Representative Austin Foss	Y
Representative Kathy Frelich	N
Representative Pat Heinert	N
Representative Karen Karls	N
Representative Todd Porter	N
Representative Karen Rohr	N
Representative Jonathan Warrey	Y

Motion Failed 3-7-0

3:33 p.m. Roll Call Vote

Senators	
Senator Jerry Klein	Y
Senator Michelle Axtman	Y
Senator Ryan Braunberger	Y
Senator Claire Cory	Y
Senator Dick Dever	Y
Senator Kristin Roers	N
Senator Dean Rummel	Y
Senator Mark Weber	Y

Motion Passed 7-1-0

3:34 p.m. Senator Rummel moved a Do Pass.
3:34 p.m. Senator Weber seconded the motion.

3:34 p.m. Roll Call Vote

Representatives	
Representative Matt Ruby	N
Representative Dick Anderson	N
Representative Mike Beltz	N
Representative Austin Foss	N
Representative Kathy Frelich	N
Representative Pat Heinert	N
Representative Karen Karls	N
Representative Todd Porter	N
Representative Karen Rohr	N
Representative Jonathan Warrey	N

Motion Failed 0-10-0

3:34 p.m. Roll Call Vote

Senators	
Senator Jerry Klein	Y
Senator Michelle Axtman	N
Senator Ryan Braunberger	N
Senator Claire Cory	N
Senator Dick Dever	Y
Senator Kristin Roers	N

Senator Dean Rummel	Y
Senator Mark Weber	Y

Motion failed 4-4-0

3:36 p.m. Representative Porter moved a Do Not Pass.
3:36 p.m. Representative Rohr seconded the motion.

3:36 p.m. Roll Call Vote

Representatives	
Representative Matt Ruby	Y
Representative Dick Anderson	Y
Representative Mike Beltz	Y
Representative Austin Foss	Y
Representative Kathy Frelich	Y
Representative Pat Heinert	Y
Representative Karen Karls	Y
Representative Todd Porter	Y
Representative Karen Rohr	Y
Representative Jonathan Warrey	Y

Motion Passed 10-0-0.

3:36 p.m. Roll Call Vote

Senators	
Senator Jerry Klein	N
Senator Michelle Axtman	Y
Senator Ryan Braunberger	Y
Senator Claire Cory	Y
Senator Dick Dever	N
Senator Kristin Roers	Y
Senator Dean Rummel	N
Senator Mark Weber	N

Motion Failed 4-4-0.

3:37 p.m. Senator Roers moved a Without Committee Recommendation.
3:37 p.m. Senator Axtman seconded the move.

3:37 p.m. Roll Call Vote

Representatives	
Representative Matt Ruby	Y
Representative Dick Anderson	Y
Representative Mike Beltz	Y
Representative Austin Foss	Y
Representative Kathy Frelich	Y
Representative Pat Heinert	Y
Representative Karen Karls	Y
Representative Todd Porter	N
Representative Karen Rohr	Y
Representative Jonathan Warrey	Y

Motion Passed 9-1-0.

3:37 p.m. Roll Call Vote

Senators	
Senator Jerry Klein	Y
Senator Michelle Axtman	Y
Senator Ryan Braunberger	Y
Senator Claire Cory	Y
Senator Dick Dever	Y
Senator Kristin Roers	Y
Senator Dean Rummel	Y
Senator Mark Weber	Y

Motion Passed 8-0-0.

Representative Ruby will carry the bill.
Senator Rummel will carry the bill.

3:39 p.m. Chairman Klein adjourned the meeting.

Melissa Ingram, Committee Clerk

REPORT OF STANDING COMMITTEE
SB 2405 (25.1447.02000)

Joint Policy Committee (Sen. Klein, Co-Chairman) recommends the measure **BE PLACED ON THE CALENDAR WITHOUT RECOMMENDATION** (8 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). SB 2405 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

REPORT OF STANDING COMMITTEE
SB 2405 (25.1447.02000)

Joint Policy Committee (Rep. M. Ruby, Co-Chairman) recommends the measure **BE PLACED ON THE CALENDAR WITHOUT RECOMMENDATION** (9 YEAS, 1 NAY, 0 ABSENT OR EXCUSED AND NOT VOTING). SB 2405 was placed on the Fourteenth order on the calendar.

25.1447.02002
Title.

Prepared by the Legislative Council staff for Senator Rummel
September 2, 2026

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2405

Introduced by

Senators Rummel, Patten

Representatives Dockter, Headland

A BILL for an Act to create and enact a new section to chapter 57-23 of the North Dakota Century Code, relating to the calculation of a primary residence credit abatement or refund of tax; to amend and reenact subsection 1 of section 57-02-08.9, ~~section~~sections 57-02-08.10 and 57-20-09, and subsection 1 of section 57-55-03 of the North Dakota Century Code, relating to ~~the order of application of~~ the primary residence credit and discount for early payment of tax; to provide for application; 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 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 57-02-08.10 of the North Dakota Century Code is amended and reenacted as follows:

57-02-08.10. Primary residence credit - Certification - Distribution.

1. The county auditor shall apply the credit under section 57-02-08.9 to each parcel of primary residential property on the corresponding property tax statement or mobile home tax statement.
2. By January fifteenth of each year, the county auditor shall certify to the tax commissioner the sum of the credits that were applied against property taxes owed on primary residences in the county for:
   a. The preceding taxable year for primary residential property taxed as real estate under this title.
   b. The current taxable year for primary residential property taxed as a mobile home under chapter 57-55.
3. By May thirty-first of each year, the tax commissioner shall certify to the state treasurer for payment to each county the aggregate dollar amount of credits certified by the counties in subsection 2.
4. Within fourteen days of receiving the payment from the state treasurer, the county treasurer shall apportion and distribute the payment to the county and to the taxing districts of the county on the same basis as property taxes and mobile home taxes were apportioned and distributed for the taxable year in which the taxes were levied.
5. Supplemental certifications by the county auditor and the tax commissioner and supplemental payments by the state treasurer may be made after the dates prescribed in this section to make corrections necessary because of errors.
6. Funding certified for payment and distributed under this section may not be reduced for the discount for early payment of tax under sections 57-20-09 and 57-55-03, including supplemental certifications and distributions resulting from an abatement or refund of tax granted under chapter 57-23.
7. The county auditors shall provide information requested by the tax commissioner to effectuate this section.

~~7.~~ 8. The tax commissioner shall prescribe, design, and make available all forms necessary to effectuate this section.

SECTION 3. 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 4. A new section to chapter 57-23 of the North Dakota Century Code is created and enacted as follows:

Primary residence credit - Abatement or refund calculation.

An abatement or refund of tax granted under this chapter related to the primary residence credit under section 57-02-08.9 may not be reduced by the discount for early payment of tax under sections 57-20-09 and 57-55-03. Supplemental certifications and distributions may be made as provided in section 57-02-08.10.

SECTION 5. 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 6. APPLICATION. Section 4 of this Act applies to applications for an abatement or refund of taxes levied 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 7. EFFECTIVE DATE. ~~Section~~Sections 1 and 2 of this Act ~~is~~are 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~~3 of this Act is effective for taxable years beginning after December 31, 2025. Section ~~3~~5 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.