

**FIRST ENGROSSMENT  
with Senate Amendments  
ENGROSSED HOUSE BILL NO. 1199**

Introduced by

Representatives K. Koppelman, Ista, Jones, B. Koppelman, Paur, Satrom, Steiner

Senators Clemens, Luick, Wobbema

1 A BILL for an Act to amend and reenact section 57-28-20 of the North Dakota Century Code,  
2 relating to the disposition of proceeds from tax lien foreclosures.

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

4 **SECTION 1. AMENDMENT.** Section 57-28-20 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **57-28-20. Disposition of proceeds of sales.**

7 All proceeds from the public or private sale of property under this chapter must be  
8 apportioned as regular tax payments are apportioned among and within taxing districts in which  
9 the property is located, as follows:

10 1. The county treasurer shall issue a regular tax receipt in the name of the county,  
11 beginning with the earliest year for which the taxes are delinquent. Tax receipts must  
12 be written for the ~~original~~ amount of the tax, without penalty and interest. If the  
13 property was sold for an amount sufficient to cover all outstanding taxes ~~and~~, special  
14 assessments, penalties, interest, and costs associated with selling the property, tax  
15 receipts must be written for all such years, and any remaining amount must be  
16 credited to the ~~general fund of the county~~owner of the record title of the real estate  
17 listed in the notice of foreclosure of tax lien, or to the general fund of the county if the  
18 owner of the record title of the real estate did not respond to the notice of foreclosure  
19 of tax lien, unless another claimant receives a court order within thirty days after the  
20 sale requiring the funds be deposited with a court that will determine whether any of  
21 the proceeds should be paid to a lienholder or other party.

22 2. If the property is sold under a contract, the county treasurer shall issue tax receipts,  
23 beginning with the earliest year for which taxes or special assessments are delinquent,  
24 ~~without~~with penalty and interest, and all subsequent payments made on the contract

- 1            must be applied to the earliest remaining unpaid taxes or special assessments. Any  
2            payment under the contract after all taxes and, special assessments, penalties,  
3            interest, and costs associated with selling the property are paid must be credited to the  
4            county general fundowner of the record title of the real estate listed in the notice of  
5            foreclosure of tax lien, or to the general fund of the county if the owner of the record  
6            title of the real estate did not respond to the notice of foreclosure of tax lien, unless  
7            another claimant receives a court order within thirty days after the sale requiring the  
8            funds be deposited with a court that will determine whether any of the proceeds should  
9            be paid to a lienholder or other party.
- 10          3. If the property is sold for less than the total amount of the taxes due, the treasurer  
11          shall write tax receipts beginning with the earliest year and for as many subsequent  
12          years as the proceeds realized from the sale will satisfy, and the remainder of any  
13          unpaid general taxes or special assessments must be canceled by the board of county  
14          commissioners.
- 15          4. A city or county that acquires a tax deed to property shall make reasonable efforts to  
16          sell the property for the amount necessary to satisfy the outstanding taxes, penalties,  
17          and interest owed on the property and shall distribute any remaining sale proceeds in  
18          the manner provided in this chapter.