

**FIRST ENGROSSMENT  
with Conference Committee 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~~with 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~~retained by the county for ninety days  
17 following the date of the sale. After the ninety-day retention period, any excess  
18 proceeds must be distributed:

19 a. To the owner of the record title of the real estate listed in the notice of foreclosure  
20 of tax lien if the owner of record submitted an undisputed claim for the excess  
21 proceeds within the ninety-day retention period;

22 b. To the clerk of the district court in the county in which all or a majority of the  
23 property is located if a disputed claim or multiple claims for the excess proceeds  
24 were submitted within the ninety-day retention period; or

- 1           c. To the unclaimed property administrator under chapter 47-30.1 if a claim for the  
2           excess proceeds was not submitted within the ninety-day retention period.
- 3           2. If the property is sold under a contract, the county treasurer shall issue tax receipts,  
4           beginning with the earliest year for which taxes or special assessments are delinquent,  
5           ~~without~~with penalty and interest, and all subsequent payments made on the contract  
6           must be applied to the earliest remaining unpaid taxes or special assessments. Any  
7           payment under the contract after all taxes ~~and~~, special assessments, penalties,  
8           interest, and costs associated with selling the property are paid must be credited to the  
9           ~~county general fund~~retained by the county for ninety days following the date of the  
10          sale. After the ninety-day retention period, any excess proceeds must be distributed in  
11          the manner provided in subsection 1.
- 12          3. If the property is sold for less than the total amount of the taxes due, the treasurer  
13          shall write tax receipts beginning with the earliest year and for as many subsequent  
14          years as the proceeds realized from the sale will satisfy, and the remainder of any  
15          unpaid general taxes or special assessments must be canceled by the board of county  
16          commissioners.
- 17          4. A city or county that acquires a tax deed to property shall make reasonable efforts to  
18          sell the property for the amount necessary to satisfy the outstanding taxes, penalties,  
19          and interest owed on the property and shall distribute any remaining sale proceeds in  
20          the manner provided in this chapter.