

Introduced by

Senators Clemens, Lemm

Representatives Marschall, Schauer

1 A BILL for an Act to create and enact a new section to chapter 57-02 of the North Dakota  
2 Century Code, relating to a property tax reduction for over-assessed property; and to provide an  
3 effective date.

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

5 **SECTION 1.** A new section to chapter 57-02 of the North Dakota Century Code is created  
6 and enacted as follows:

7 **Property tax reduction for over-assessed property.**

- 8 1. The seller of property sold in an arm's-length transaction for a price that is less than  
9 the true and full value of the property as determined in that property's most recent  
10 preceding assessment is entitled to a reduction against future property tax liability.  
11 2. The reduction is equal to the tax imposed on the amount of the property's true and full  
12 value which exceeded the sale price of the property.  
13 3. The seller of the property is responsible for providing the assessor with the  
14 documentation necessary to determine the sale price of the property for purposes of  
15 determining the reduction under this section.  
16 4. The assessor shall issue the seller a certificate identifying the amount of the reduction  
17 the seller may claim against future property tax liability.  
18 5. To claim a reduction under this section, an applicant must file with the assessor, by  
19 August first of the year for which a reduction is claimed, the certificate issued by the  
20 assessor under subsection 4.  
21 6. The assessor shall attach the certificate to the assessment sheet and show the  
22 reduction on the assessment sheet.

1        7. If the amount of the reduction certificate exceeds the taxpayer's liability for the taxable  
2            year, the assessor shall issue the taxpayer a new reduction certificate for the amount  
3            which exceeds the taxpayer's liability.

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

6        **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
7        December 31, 2020.