

HOUSE BILL NO. 1267

Introduced by

Representatives Dockter, D. Anderson, Bosch, Headland, Nathe

Senator Weber

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, ~~with~~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 retained by the county for ninety days following the date of the sale. ~~After the~~
17 ~~ninety-day retention period, any excess proceeds must be distributed:~~
- 18 a. ~~To the owner of the record title of the real estate listed in the notice of foreclosure~~
19 ~~of tax lien if the owner of record submitted an undisputed claim for the excess~~
20 ~~proceeds within the ninety-day retention period;~~
- 21 b. ~~To the clerk of the district court in the county in which all or a majority of the~~
22 ~~property is located if a disputed claim or multiple claims for the excess proceeds~~
23 ~~were submitted within the ninety-day retention period; or~~

- 1 e. ~~To the unclaimed property administrator under chapter 47-30.2 if a claim for the~~
2 ~~excess proceeds was not submitted within the ninety-day retention period~~credited
3 ~~to the general fund of the county.~~
- 4 2. If the property is sold under a contract, the county treasurer shall issue tax receipts,
5 beginning with the earliest year for which taxes or special assessments are delinquent,
6 ~~with~~without penalty and interest, and all subsequent payments made on the contract
7 must be applied to the earliest remaining unpaid taxes or special assessments. Any
8 payment under the contract after all taxes, and special assessments, ~~penalties,~~
9 ~~interest, and costs associated with selling the property~~ are paid must be ~~retained by~~
10 ~~the county for ninety days following the date of the sale. After the ninety-day retention-~~
11 ~~period, any excess proceeds must be distributed in the manner provided in~~
12 ~~subsection 1~~credited to the county general fund.
- 13 3. If the property is sold for less than the total amount of the taxes due, the treasurer
14 shall write tax receipts beginning with the earliest year and for as many subsequent
15 years as the proceeds realized from the sale will satisfy, and the remainder of any
16 unpaid general taxes or special assessments must be canceled by the board of county
17 commissioners.
- 18 4. ~~A city or county that acquires a tax deed to property shall make reasonable efforts to~~
19 ~~sell the property for the amount necessary to satisfy the outstanding taxes, penalties,~~
20 ~~and interest owed on the property and shall distribute any remaining sale proceeds in~~
21 ~~the manner provided in this chapter.~~