Sixty-third Legislative Assembly of North Dakota

## **HOUSE BILL NO. 1396**

Introduced by

Representatives K. Koppelman, Bellew, B. Koppelman, Looysen, Schmidt, Silbernagel, Toman, Trottier

Senators Andrist, Berry, Mathern, Wanzek

- 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 reassessment of property that has been sold for less than its most
- 3 recently assessed true and full value; and to provide an 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 Reassessment based on sales price.
- 8 Property that has been sold in an arm's-length transaction for a price less than the true and
- 9 full value of that property as determined in its most recent preceding assessment must be
- 10 reassessed by the first assessment date following the sale at a true and full valuation not
- 11 exceeding the sales price. This section does not apply to property that has changed property
- 12 <u>classifications or property that has been divided or partitioned since its previous assessment.</u>
- 13 For purposes of this section, the sales price of the property must be reduced by the amount of
- any special assessments, mortgage points, or other costs traditionally borne by the purchaser
- which were paid by the seller as part of the transaction. The purchaser of the property is
- 16 responsible for providing the assessor with the documentation necessary to determine the sales
- 17 price of the property for purposes of this section.
- 18 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
- 19 December 31, 2012.