

**Sixty-seventh Legislative Assembly of North Dakota  
In Regular Session Commencing Tuesday, January 5, 2021**

HOUSE BILL NO. 1199  
(Representatives K. Koppelman, Ista, Jones, B. Koppelman, Paur, Satrom, Steiner)  
(Senators Clemens, Luick, Wobbema)

AN ACT to amend and reenact section 57-28-20 of the North Dakota Century Code, relating to the disposition of proceeds from tax lien foreclosures.

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

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

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

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

1. The county treasurer shall issue a regular tax receipt in the name of the county, beginning with the earliest year for which the taxes are delinquent. Tax receipts must be written for the ~~original~~ amount of the tax, ~~without~~with penalty and interest. If the property was sold for an amount sufficient to cover all outstanding taxes ~~and~~, special assessments, ~~penalties, interest, and costs associated with selling the property~~, tax receipts must be written for all such years, and any remaining amount must be ~~credited to the general fund of the county~~retained by the county for ninety days following the date of the sale. After the ninety-day retention period, any excess proceeds must be distributed:
  - a. To the owner of the record title of the real estate listed in the notice of foreclosure of tax lien if the owner of record submitted an undisputed claim for the excess proceeds within the ninety-day retention period;
  - b. To the clerk of the district court in the county in which all or a majority of the property is located if a disputed claim or multiple claims for the excess proceeds were submitted within the ninety-day retention period; or
  - c. To the unclaimed property administrator under chapter 47-30.1 if a claim for the excess proceeds was not submitted within the ninety-day retention period.
2. If the property is sold under a contract, the county treasurer shall issue tax receipts, beginning with the earliest year for which taxes or special assessments are delinquent, ~~without~~with penalty and interest, and all subsequent payments made on the contract must be applied to the earliest remaining unpaid taxes or special assessments. Any payment under the contract after all taxes ~~and~~, special assessments, ~~penalties, interest, and costs associated with selling the property~~ are paid must be ~~credited to the county general fund~~retained by the county for ninety days following the date of the sale. After the ninety-day retention period, any excess proceeds must be distributed in the manner provided in subsection 1.
3. If the property is sold for less than the total amount of the taxes due, the treasurer shall write tax receipts beginning with the earliest year and for as many subsequent years as the proceeds realized from the sale will satisfy, and the remainder of any unpaid general taxes or special assessments must be canceled by the board of county commissioners.
4. A city or county that acquires a tax deed to property shall make reasonable efforts to sell the property for the amount necessary to satisfy the outstanding taxes, penalties, and interest

owed on the property and shall distribute any remaining sale proceeds in the manner provided in this chapter.

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Chief Clerk of the House

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Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-seventh Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1199.

House Vote:      Yeas 94              Nays 0              Absent 0

Senate Vote:      Yeas 47              Nays 0              Absent 0

\_\_\_\_\_  
Chief Clerk of the House

Received by the Governor at \_\_\_\_\_ M. on \_\_\_\_\_, 2021.

Approved at \_\_\_\_\_ M. on \_\_\_\_\_, 2021.

\_\_\_\_\_  
Governor

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 2021,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State