

HOUSE BILL NO. 1295

Introduced by

Representative Maragos

1 A BILL for an Act to amend and reenact section 57-02-08.1 of the North Dakota Century Code,
2 relating to the expansion of the homestead credit exemption for individuals age sixty-five or
3 older; and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Section 57-02-08.1 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **57-02-08.1. Homestead credit.**

- 8 1. a. Any ~~person~~individual sixty-five years of age or older or permanently and totally
9 disabled, in the year in which the tax was levied, with an income that does not
10 exceed the limitations of subdivision c is entitled to receive a reduction in the
11 assessment on the taxable valuation on the ~~person's~~individual's homestead. An
12 exemption under this subsection applies regardless of whether the
13 ~~person~~individual is the head of a family.
- 14 b. The exemption under this subsection continues to apply if the ~~person~~individual
15 does not reside in the homestead and the ~~person's~~individual's absence is due to
16 confinement in a nursing home, hospital, or other care facility, for as long as the
17 portion of the homestead previously occupied by the ~~person~~individual is not
18 rented to another ~~person~~individual.
- 19 c. The exemption under this subsection must be determined according to the
20 following schedule:
- 21 (1) If the ~~person's~~individual's income is not in excess of twenty-two thousand
22 dollars, a reduction of one hundred percent of the taxable valuation of the
23 ~~person's~~individual's homestead up to a maximum reduction of five thousand
24 six hundred twenty-five dollars of taxable valuation.

- 1 (2) If the ~~person's~~individual's income is in excess of twenty-two thousand
2 dollars and not in excess of twenty-six thousand dollars, a reduction of
3 eighty percent of the taxable valuation of the ~~person's~~individual's homestead
4 up to a maximum reduction of four thousand five hundred dollars of taxable
5 valuation.
- 6 (3) If the ~~person's~~individual's income is in excess of twenty-six thousand dollars
7 and not in excess of thirty thousand dollars, a reduction of sixty percent of
8 the taxable valuation of the ~~person's~~individual's homestead up to a
9 maximum reduction of three thousand three hundred seventy-five dollars of
10 taxable valuation.
- 11 (4) If the ~~person's~~individual's income is in excess of thirty thousand dollars and
12 not in excess of thirty-four thousand dollars, a reduction of forty percent of
13 the taxable valuation of the ~~person's~~individual's homestead up to a
14 maximum reduction of two thousand two hundred fifty dollars of taxable
15 valuation.
- 16 (5) If the ~~person's~~individual's income is in excess of thirty-four thousand dollars
17 and not in excess of thirty-eight thousand dollars, a reduction of twenty
18 percent of the taxable valuation of the ~~person's~~individual's homestead up to
19 a maximum reduction of one thousand one hundred twenty-five dollars of
20 taxable valuation.
- 21 (6) If the ~~person's~~individual's income is in excess of thirty-eight thousand dollars
22 and not in excess of forty-two thousand dollars, a reduction of ten percent of
23 the taxable valuation of the ~~person's~~individual's homestead up to a
24 maximum reduction of five hundred sixty-three dollars of taxable valuation.
- 25 d. ~~Persons~~Individuals residing together, as spouses or when one or more is a
26 dependent of another, are entitled to only one exemption between or among
27 them under this subsection. ~~Persons~~Individuals residing together, who are not
28 spouses or dependents, who are co-owners of the property are each entitled to a
29 percentage of a full exemption under this subsection equal to their ownership
30 interests in the property.

- 1 e. ~~This subsection~~Any exemption under this section does not reduce the liability of
2 any ~~person~~individual for special assessments levied upon any property.
- 3 f. Any ~~person~~individual claiming the exemption under this subsection shall sign a
4 verified statement of facts establishing the ~~person's~~individual's eligibility.
- 5 g. ~~A person~~An individual is ineligible for the exemption under this subsection if the
6 value of the assets of the ~~person~~individual and any dependent residing with the
7 ~~person~~individual exceeds five hundred thousand dollars, including the value of
8 any assets divested within the last three years.
- 9 h. The assessor shall attach the statement filed under subdivision f to the
10 assessment sheet and shall show the reduction on the assessment sheet.
- 11 i. An exemption under this subsection terminates at the end of the taxable year of
12 the death of the applicant.
- 13 2. a. Any ~~person~~individual who would qualify for an exemption under subdivisions a
14 and c of subsection 1 except for the fact that the ~~person~~individual rents living
15 quarters is eligible for refund of a portion of the ~~person's~~individual's annual rent
16 deemed by this subsection to constitute the payment of property tax.
- 17 b. For the purpose of this subsection, twenty percent of the annual rent, exclusive of
18 any federal rent subsidy and of charges for any utilities, services, furniture,
19 furnishings, or personal property appliances furnished by the landlord as part of
20 the rental agreement, whether expressly set out in the rental agreement, must be
21 considered as payment made for property tax. When any part of the twenty
22 percent of the annual rent exceeds four percent of the annual income of a
23 qualified applicant, the applicant is entitled to receive a refund from the state
24 general fund for that amount in excess of four percent of the ~~person's~~individual's
25 annual income, but the refund may not be in excess of four hundred dollars. If the
26 calculation for the refund is less than five dollars, a minimum of five dollars must
27 be sent to the qualifying applicant.
- 28 c. ~~Persons~~Individuals who reside together, as spouses or when one or more is a
29 dependent of another, are entitled to only one refund between or among them
30 under this subsection. ~~Persons~~Individuals who reside together in a rental unit,

- 1 who are not spouses or dependents, are each entitled to apply for a refund based
2 on the rent paid by that ~~person~~individual.
- 3 d. Each application for refund under this subsection must be made to the tax
4 commissioner before the first day of June of each year by the ~~person~~individual
5 claiming the refund. The tax commissioner may grant an extension of time to file
6 an application for good cause. The tax commissioner shall issue refunds to
7 applicants.
- 8 e. This subsection does not apply to rents or fees paid by a ~~person~~an individual for
9 any living quarters, including a nursing home licensed pursuant to section
10 23-16-01, if those living quarters are exempt from property taxation and the
11 owner is not making a payment in lieu of property taxes.
- 12 f. A ~~person~~An individual may not receive a refund under this section for a taxable
13 year in which that ~~person~~individual received an exemption under subsection 1
14 or 3.
- 15 3. a. The exemption provided under this subsection applies without regard to eligibility
16 for the exemption provided under subsection 1, unless the individual is eligible for
17 a greater exemption under subsection 1 and in that case the exemption under
18 this subsection does not apply to that individual.
- 19 b. Any individual sixty-five years of age or older in the year in which the tax was
20 levied is entitled to receive a reduction in the total property taxes levied against
21 up to three hundred fifty thousand dollars of the true and full value of that
22 individual's homestead in that taxable year regardless of whether the individual is
23 the head of a family.
- 24 c. The exemption under this subsection continues to apply if the individual does not
25 reside in the homestead and the individual's absence is due to confinement in a
26 nursing home, hospital, or other care facility, for as long as the portion of the
27 homestead previously occupied by the individual is not rented to another
28 individual.
- 29 d. Individuals residing together, as spouses, or when one or more is a dependent of
30 another, are entitled to only one exemption between or among them under this
31 subsection. Individuals residing together, who are not spouses or dependents,

- 1 who are co-owners of the property are each entitled to a percentage of a full
2 exemption under this subsection equal to their ownership interests in the
3 property.
- 4 e. Any individual claiming the exemption under this subsection shall sign a verified
5 statement of facts establishing the individual's eligibility. The assessor shall
6 attach the statement filed under this subdivision to the assessment sheet and
7 shall show the reduction on the assessment sheet. An exemption under this
8 subsection terminates at the end of the taxable year of the death of the applicant.
- 9 f. The exemption under this subsection, listed by the age of the individual in the
10 year in which the tax was levied and by the percentage of the exemption against
11 the total property taxes levied against that individual's homestead in that taxable
12 year, is:
- 13 (1) Sixty-five, five percent reduction.
14 (2) Sixty-six, ten percent reduction.
15 (3) Sixty-seven, fifteen percent reduction.
16 (4) Sixty-eight, twenty percent reduction.
17 (5) Sixty-nine, twenty-five percent reduction.
18 (6) Seventy, thirty percent reduction.
19 (7) Seventy-one, forty percent reduction.
20 (8) Seventy-two, fifty percent reduction.
21 (9) Seventy-three, sixty percent reduction.
22 (10) Seventy-four, seventy percent reduction.
23 (11) Seventy-five or older, one hundred percent reduction.
- 24 4. All forms necessary to effectuate this section must be prescribed, designed, and made
25 available by the tax commissioner. The county directors of tax equalization shall make
26 these forms available upon request.
- 27 4.5. ~~A person~~An individual whose homestead is a farm structure exempt from taxation
28 under subsection 15 of section 57-02-08 may not receive any property tax credit under
29 this section.
- 30 5.6. For the purposes of this section:
- 31 a. "Dependent" has the same meaning it has for federal income tax purposes.

- 1 b. "Homestead" has the same meaning as provided in section 47-18-01.
- 2 c. "Income" means income for the most recent complete taxable year from all
- 3 sources, including the income of any dependent of the applicant, and including
- 4 any county, state, or federal public assistance benefits, social security, or other
- 5 retirement benefits, but excluding any federal rent subsidy, any amount excluded
- 6 from income by federal or state law, and medical expenses paid during the year
- 7 by the applicant or the applicant's dependent which is not compensated by
- 8 insurance or other means.
- 9 d. "Medical expenses" has the same meaning as it has for state income tax
- 10 purposes, except that for transportation for medical care the ~~person~~individual
- 11 may use the standard mileage rate allowed for state officer and employee use of
- 12 a motor vehicle under section 54-06-09.
- 13 e. "Permanently and totally disabled" means the inability to engage in any
- 14 substantial gainful activity by reason of any medically determinable physical or
- 15 mental impairment which can be expected to result in death or has lasted or can
- 16 be expected to last for a continuous period of not less than twelve months as
- 17 established by a certificate from a licensed physician or a written determination of
- 18 disability from the social security administration or any federal or state agency
- 19 that has authority to certify an individual's disability.

20 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after

21 December 31, 2017.