

SECOND ENGROSSMENT

Sixty-eighth
Legislative Assembly
of North Dakota

REENGROSSED SENATE BILL NO. 2136

Introduced by

Senators Lee, Hogan, Patten

Representatives Bosch, Boschee, Dockter

1 A BILL for an Act to amend and reenact subsection 1 of section 57-02-08.1 of the North Dakota
2 Century Code, relating to the homestead tax credit; to provide an appropriation; and to provide
3 an effective date.

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

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

7 1. a. Any person sixty-five years of age or older or permanently and totally disabled, in
8 the year in which the tax was levied, with an income that does not exceed the
9 limitations of subdivision c is entitled to receive a reduction in the assessment on
10 the taxable valuation on the person's homestead. An exemption under this
11 subsection applies regardless of whether the person is the head of a family.

12 b. The exemption under this subsection continues to apply if the person does not
13 reside in the homestead and the person's absence is due to confinement in a
14 nursing home, hospital, or other care facility, for as long as the portion of the
15 homestead previously occupied by the person is not rented to another person.

16 c. ~~The exemption must be determined according to the following schedule:~~

17 (1) If the person's income is not in excess of ~~twenty-two~~ one hundred thousand
18 dollars, ~~the exemption must be determined as~~ a reduction of one hundred
19 percent of the taxable valuation of the person's homestead up to a
20 maximum reduction of ~~five~~ nine thousand ~~six hundred twenty-five~~ dollars of
21 taxable valuation.

22 (2) ~~If the person's income is in excess of twenty-two thousand dollars and not in~~
23 ~~excess of twenty-six thousand dollars, a reduction of eighty percent of the~~

- 1 taxable valuation of the person's homestead up to a maximum reduction of
2 four thousand five hundred dollars of taxable valuation.
- 3 (3) If the person's income is in excess of twenty-six thousand dollars and not in
4 excess of thirty thousand dollars, a reduction of sixty percent of the taxable
5 valuation of the person's homestead up to a maximum reduction of three
6 thousand three hundred seventy-five dollars of taxable valuation.
- 7 (4) If the person's income is in excess of thirty thousand dollars and not in
8 excess of thirty-four thousand dollars, a reduction of forty percent of the
9 taxable valuation of the person's homestead up to a maximum reduction of
10 two thousand two hundred fifty dollars of taxable valuation.
- 11 (5) If the person's income is in excess of thirty-four thousand dollars and not in
12 excess of thirty-eight thousand dollars, a reduction of twenty percent of the
13 taxable valuation of the person's homestead up to a maximum reduction of
14 one thousand one hundred twenty-five dollars of taxable valuation.
- 15 (6) If the person's income is in excess of thirty-eight thousand dollars and not in
16 excess of forty-two thousand dollars, a reduction of ten percent of the
17 taxable valuation of the person's homestead up to a maximum reduction of
18 five hundred sixty-three dollars of taxable valuation.
- 19 d. Persons residing together, as spouses or when one or more is a dependent of
20 another, are entitled to only one exemption between or among them under this
21 subsection. Persons residing together, who are not spouses or dependents, who
22 are co-owners of the property are each entitled to a percentage of a full
23 exemption under this subsection equal to their ownership interests in the
24 property.
- 25 e. This subsection does not reduce the liability of any person for special
26 assessments levied upon any property.
- 27 f. Any person claiming the exemption under this subsection shall sign a verified
28 statement of facts establishing the person's eligibility. Any income information
29 contained in the statement of facts is a confidential record.
- 30 g. A person is ineligible for the exemption under this subsection if the value of the
31 assets of the person and any dependent residing with the person exceeds five

1 ~~hundred thousand dollars, including the value of any assets divested within the~~
2 ~~last three years.~~

3 h. The assessor shall attach the statement filed under subdivision f to the
4 assessment sheet and shall show the reduction on the assessment sheet.

5 i.h. An exemption under this subsection terminates at the end of the taxable year of
6 the death of the applicant.

7 i. A person who is eligible for an exemption under this subsection is eligible to
8 receive a full or partial exemption under this subsection based on the date of
9 submission of the verified statement of facts required under subdivision f. If the
10 person submits the verified statement of facts:

11 (1) By February first of the current taxable year, the person is eligible for the full
12 exemption under this subsection.

13 (2) After February first of the current taxable year and no later than November
14 fifth of the current taxable year, the person is eligible to receive a pro rata
15 share of the exemption under this subsection. To claim a pro rata share of
16 the exemption under this subsection, the person shall submit the verified
17 statement of facts by the fifth day of the month preceding the first full month
18 of the prorated exemption. The tax commissioner shall calculate the pro rata
19 share of the exemption based on the number of months remaining in the
20 taxable year, beginning the month after the verified statement of facts is
21 timely submitted.

22 **SECTION 2. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS**

23 **FUND - HOMESTEAD TAX CREDIT PROGRAM.** There is appropriated out of any moneys in
24 the strategic investment and improvements fund in the state treasury, not otherwise
25 appropriated, the sum of \$135,000,000, or so much of the sum as may be necessary, to the tax
26 commissioner for the purpose of paying the state reimbursement under the homestead tax
27 credit, for the biennium beginning July 1, 2023, and ending June 30, 2025.

28 **SECTION 3. EFFECTIVE DATE.** Section 1 of this Act is effective for taxable years
29 beginning after December 31, 2022.