

HOUSE BILL NO. 1056

Introduced by

Representatives Owens, Dockter, K. Koppelman, Streyle, Marschall, Howe, Satrom
Senators Poolman, Schaible, Meyer, Campbell

1 A BILL for an Act to amend and reenact section 57-02-08.8 of the North Dakota Century Code,
2 relating to application of the property tax credit for disabled veterans to properties placed in trust
3 for a surviving spouse; and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Section 57-02-08.8 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **57-02-08.8. Property tax credit for disabled veterans - Certification - Distribution.**

8 1. A disabled veteran of the United States armed forces with an armed forces
9 service-connected disability of fifty percent or greater or a disabled veteran who has
10 an extra-schedular rating to include individual unemployability that brings the veteran's
11 total disability rating to one hundred percent as determined by the department of
12 veterans' affairs, who was discharged under honorable conditions or who has been
13 retired from the armed forces of the United States, or the unremarried surviving
14 spouse or designated trustee if the disabled veteran previously receiving a credit
15 under this section is now deceased, is eligible for a credit applied against the first six
16 thousand seven hundred fifty dollars of taxable valuation of the homestead owned and
17 occupied by the disabled veteran or unremarried surviving spouse or held in a
18 revocable or irrevocable trust for the unremarried surviving spouse's occupancy equal
19 to the percentage of the disabled veteran's disability compensation rating for
20 service-connected disabilities as certified by the department of veterans' affairs for the
21 purpose of applying for a property tax credit. An unremarried surviving spouse who is
22 receiving department of veterans' affairs dependency and indemnity compensation, or
23 a trustee administering property held in a revocable or irrevocable trust for that

- 1 unremarried surviving spouse, receives a one hundred percent credit as described in
2 this subsection.
- 3 2. If two disabled veterans are married to each other and living together, their combined
4 credits may not exceed one hundred percent of six thousand seven hundred fifty
5 dollars of taxable valuation of the homestead. If a disabled veteran co-owns the
6 homestead property with someone other than the disabled veteran's spouse, the credit
7 is limited to that disabled veteran's interest in the homestead, to a maximum amount
8 calculated by multiplying six thousand seven hundred fifty dollars of taxable valuation
9 by the disabled veteran's percentage of interest in the homestead property and
10 multiplying the result by the applicant's certified disability percentage.
- 11 3. A disabled veteran ~~or~~ unremarried surviving spouse, or trustee claiming a credit under
12 this section for the first time shall file with the county auditor an affidavit showing the
13 facts herein required, a description of the property, and a certificate from the United
14 States department of veterans' affairs, or its successor, certifying to the amount of the
15 disability. The affidavit and certificate must be open for public inspection. A person
16 shall thereafter furnish to the assessor or other assessment officials, when requested
17 to do so, any information which is believed will support the claim for credit for any
18 subsequent year.
- 19 4. For purposes of this section, and except as otherwise provided in this section,
20 "homestead" has the meaning provided in section 47-18-01 except that it also applies
21 to a person who otherwise qualifies under the provisions of this section whether the
22 person is the head of the family.
- 23 5. This section does not reduce the liability of a person for special assessments levied
24 upon property.
- 25 6. A credit under this section terminates at the end of the taxable year of the death of the
26 applicant, except when the applicant is a trustee in which case the credit terminates at
27 the end of the taxable year in which the unremarried surviving spouse ceases to
28 occupy the property.
- 29 7. The board of county commissioners may cancel the portion of unpaid taxes that
30 represents the credit calculated in accordance with this section for any year in which
31 the qualifying owner has held title to the homestead property. Cancellation of taxes for

1 any year before enactment of this section must be based on the law that was in effect
2 for that tax year.

3 8. Before the first of March of each year, the county auditor of each county shall certify to
4 the tax commissioner on forms prescribed by the tax commissioner the name and
5 address of each person for whom the property tax credit for homesteads of disabled
6 veterans was allowed for the preceding year, the amount of credit allowed, the total of
7 the tax mill rates of all taxing districts, exclusive of any state mill rates, that was
8 applied to other real estate in the taxing districts for the preceding year, and such other
9 information as may be prescribed by the tax commissioner.

10 9. On or before the first of June of each year, the tax commissioner shall audit the
11 certifications, make the required corrections, and certify to the state treasurer for
12 payment to each county the sum of the amounts computed by multiplying the credit
13 allowed for each homestead of a disabled veteran in the county by the total of the tax
14 mill rates, exclusive of any state mill rates that were applied to other real estate in the
15 taxing districts for the preceding year.

16 10. The county treasurer upon receipt of the payment from the state treasurer shall
17 apportion and distribute the payment without delay to the county and to the local
18 taxing districts of the county on the basis on which the general real estate tax for the
19 preceding year is apportioned and distributed.

20 11. On or before the first day of June of each year, the tax commissioner shall certify to
21 the state treasurer the amount computed by multiplying the property tax credit allowed
22 under this section for homesteads of disabled veterans in the state for the preceding
23 year by one mill for deposit in the state medical center fund.

24 12. Supplemental certifications by the county auditor and by the tax commissioner and
25 supplemental payments by the state treasurer may be made after the dates prescribed
26 in this section to make such corrections as may be necessary because of errors or
27 because of approval of an application for abatement filed by a person because the
28 credit provided for the homestead of a disabled veteran was not allowed in whole or in
29 part.

- 1 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
- 2 December 31, 2016, for ad valorem property taxes and for taxable years beginning after
- 3 December 31, 2017, for mobile home taxes.