

Introduced by

1 A BILL for an Act to amend and reenact section 57-02-08.3 of the North Dakota Century Code,
2 relating to the homestead tax credit for special assessments; to provide for application; and to
3 provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Section 57-02-08.3 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **57-02-08.3. Homestead credit for special assessments - Certification - Lien.**

- 8 1. Any person who has qualified for the property tax credit provided for in section
9 57-02-08.1 may elect to also qualify for an additional homestead credit against that
10 person's homestead for the portion of any special assessment levied by a taxing
11 district which becomes due for the same year. The total amount of credits allowed for
12 any one property must not exceed ~~six~~fifteen thousand dollars excluding any interest
13 charged by the body levying the special assessment. This credit may be granted only
14 at the election of the qualifying person. The person making the election shall do so by
15 filing with the county auditor a claim for the special assessment credit on a form
16 prescribed by the tax commissioner. The claim must be filed with the county auditor on
17 or before February first of the year in which the special assessment installment thereof
18 becomes payable.
- 19 2. a. By March first of each year, the county auditor of each county shall certify to the
20 state tax commissioner, on forms prescribed by the tax commissioner, the
21 following information:
22 (1) The name and address of each person for whom the special assessment
23 credit provided for in subsection 1 was allowed for the preceding year.

- 1 (2) The amount of credit allowed for the special assessment installment thereof
2 due for the preceding year.
- 3 (3) The total amount of the special assessment credits due in each special
4 assessment district.
- 5 (4) Other information that the tax commissioner requires.
- 6 b. The tax commissioner shall audit the certifications, make such corrections as
7 may be required, and certify to the state treasurer for payment to each county by
8 June first of each year the sum of the amounts computed by adding the credits
9 allowed for portions of special assessments which were due for each homestead
10 in the county for the preceding year. No more than the portion of special
11 assessments due for the preceding year shall be allowed as a credit for any
12 homestead in any year.
- 13 c. The county treasurer upon receipt of the payment from the state treasurer shall
14 forthwith apportion and distribute the payment to each special assessment district
15 in the county according to the total credits allowed for each respective special
16 assessment district.
- 17 d. Supplemental certifications by the county auditor and by the state tax
18 commissioner and supplemental payments by the state treasurer may be made
19 after the dates prescribed herein to make such corrections as may be necessary
20 because of errors therein.
- 21 3. a. Any credit allowed under subsection 1, plus interest in the amount of ~~nine~~four
22 percent per year from June first of the year for which the special assessment
23 installment for which a credit is taken becomes payable, creates a lien in favor of
24 the state against the property upon which the special assessment credit is
25 allowed and remains a lien upon the property from the time the credit is allowed
26 until the lien is fully satisfied by depositing the amount of the lien in the state
27 general fund. If the amount of the lien exceeds the market value of the property,
28 the state may accept the amount of the market value of the property as payment
29 in full on the lien.
- 30 b. (1) Except as otherwise provided in this subdivision, a transfer of title to the
31 homestead because of sale, death, or otherwise may not be made without

1 the lien being satisfied. When a credit under subsection 1 is allowed, the
2 county auditor shall cause a notice of lien of record to be filed against
3 subject property with the recorder.

4 (2) The recorder may not record any deed for property on which the county
5 auditor has determined that there is an unsatisfied lien created under this
6 section, except for a transfer between spouses because of the death of one
7 of them as provided in paragraph 3.

8 (3) When a transfer occurs between spouses because of the death of one of
9 them, the lien allowed by this section need not be satisfied until the property
10 is again transferred.

11 c. This lien has precedence over all other liens except general tax liens and prior
12 special assessment liens and shall not be divested at any judicial sale. A mistake
13 in the description of the property covered by this lien or in the name of the owner
14 of the property does not defeat the lien if the property can be identified by the
15 description in the special assessment list.

16 **SECTION 2. APPLICATION.** This Act applies to credits granted after the effective date of
17 this Act.

18 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
19 December 31, 2018.