

Introduced by

Legislative Management

(Taxation Committee)

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, adjusted annually on
13 January first of each year after December 31, 2019, by the consumer price index,
14 excluding any interest charged by the body levying the special assessment. This credit
15 may be granted only at the election of the qualifying person. The person making the
16 election shall do so by filing with the county auditor a claim for the special assessment
17 credit on a form prescribed by the tax commissioner. The claim must be filed with the
18 county auditor on or before February first of the year in which the special assessment
19 installment thereof becomes payable. For purposes of this subsection, "consumer
20 price index" means the percentage change in the consumer price index for all urban
21 consumers in the midwest region as determined by the United States department of
22 labor, bureau of labor statistics, for the most recent year ending December thirty-first.

- 1 2. a. By March first of each year, the county auditor of each county shall certify to the
2 state tax commissioner, on forms prescribed by the tax commissioner, the
3 following information:
- 4 (1) The name and address of each person for whom the special assessment
5 credit provided for in subsection 1 was allowed for the preceding year.
- 6 (2) The amount of credit allowed for the special assessment installment thereof
7 due for the preceding year.
- 8 (3) The total amount of the special assessment credits due in each special
9 assessment district.
- 10 (4) Other information that the tax commissioner requires.
- 11 b. The tax commissioner shall audit the certifications, make such corrections as
12 may be required, and certify to the state treasurer for payment to each county by
13 June first of each year the sum of the amounts computed by adding the credits
14 allowed for portions of special assessments which were due for each homestead
15 in the county for the preceding year. No more than the portion of special
16 assessments due for the preceding year shall be allowed as a credit for any
17 homestead in any year.
- 18 c. The county treasurer upon receipt of the payment from the state treasurer shall
19 forthwith apportion and distribute the payment to each special assessment district
20 in the county according to the total credits allowed for each respective special
21 assessment district.
- 22 d. Supplemental certifications by the county auditor and by the state tax
23 commissioner and supplemental payments by the state treasurer may be made
24 after the dates prescribed herein to make such corrections as may be necessary
25 because of errors therein.
- 26 3. a. Any credit allowed under subsection 1, plus interest ~~in the amount of nine-~~
27 ~~percent~~at the rate provided in section 47-14-05 per year from June first of the
28 year for which the special assessment installment for which a credit is taken
29 becomes payable, creates a lien in favor of the state against the property upon
30 which the special assessment credit is allowed and remains a lien upon the
31 property from the time the credit is allowed until the lien is fully satisfied by

1 depositing the amount of the lien in the state general fund. If the amount of the
2 lien exceeds the market value of the property, the state may accept the amount of
3 the market value of the property as payment in full on the lien.

4 b. (1) Except as otherwise provided in this subdivision, a transfer of title to the
5 homestead because of sale, death, or otherwise may not be made without
6 the lien being satisfied. When a credit under subsection 1 is allowed, the
7 county auditor shall cause a notice of lien of record to be filed against
8 subject property with the recorder.

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

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

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

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

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