

HOUSE BILL NO. 1487

Introduced by

Representatives Kasper, Becker, Bellew, Headland, Lefor, Rohr, D. Ruby

Senators Bekkedahl, Hogue, Kreun, Myrdal, J. Roers

1 A BILL ~~for an Act to create and enact a new section to chapter 57-02 of the North Dakota~~
2 ~~Century Code, relating to an optional residential property tax freeze for seniors; and to provide~~
3 ~~an effective date.~~ for an Act to provide for a legislative management study of the homestead tax
4 credit.

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

6 ~~SECTION 1. A new section to chapter 57-02 of the North Dakota Century Code is created~~
7 ~~and enacted as follows:~~

8 ~~Optional property tax freeze for primary residence of owner who is age sixty-five or~~
9 ~~older.~~

10 ~~1. An individual who is age sixty five or older may file an irrevocable claim that freezes~~
11 ~~the property tax most recently levied against the first four hundred thousand dollars of~~
12 ~~true and full valuation of a primary residence owned and occupied by the individual. A~~
13 ~~property tax freeze claimed under this section remains in effect until the first full~~
14 ~~taxable year after the claimant no longer owns and occupies the residence.~~

15 ~~2. A property tax freeze claimed under this section continues to apply if the individual~~
16 ~~does not reside in the primary residence due to the individual's confinement in a~~
17 ~~nursing home, hospital, or other care facility, for as long as that confinement lasts.~~

18 ~~3. A property tax freeze claimed under this section by one of the co-owners of property is~~
19 ~~valid for the entire residence, regardless of the age of the other co-owners.~~

20 ~~4. For purposes of this section, "primary residence" means a dwelling in this state owned~~
21 ~~and occupied by the applicant as that applicant's primary residence as of the~~
22 ~~assessment date of the taxable year and which is not exempt from property taxes as a~~
23 ~~farm residence.~~

1 ~~5. The tax commissioner shall prescribe and make available forms necessary to~~
2 ~~effectuate this section. The county directors of tax equalization shall make these forms~~
3 ~~available upon request.~~

4 ~~SECTION 2. EFFECTIVE DATE. This Act is effective for taxable years beginning after~~
5 ~~December 31, 2018.~~

6 **SECTION 1. LEGISLATIVE MANAGEMENT STUDY - HOMESTEAD TAX CREDIT.**

- 7 1. During the 2019-20 interim, the legislative management shall consider studying the
8 homestead tax credit, a credit that reduces the property taxes of individuals who are
9 sixty-five years of age or older or individuals who are permanently and totally disabled
10 and whose income is \$42,000 or less per year.
- 11 2. The study must include consideration of whether:
- 12 a. The income levels and asset thresholds specified in the credit should be modified
13 or indexed;
- 14 b. The credit impacts property valuations;
- 15 c. The qualifying age of sixty-five years of age or older is appropriate considering
16 changing demographics; and
- 17 d. The current criteria for qualifying for the credit is effectively targeting those most
18 in need.
- 19 3. The study also must include a review of the number of individuals who have claimed
20 the credit in the past, an estimate of the number of individuals who might claim the
21 credit in future years, and the estimated fiscal impact of making any changes to the
22 credit.
- 23 4. The legislative management shall report its findings and recommendations, together
24 with any legislation required to implement the recommendations, to the sixty-seventh
25 legislative assembly.