

**HOUSE BILL NO. 1397**

Introduced by

Representatives Eidson, Mitskog, M. Nelson, Schneider, Vetter

1 A BILL for an Act to amend and reenact subdivision j of subsection 2 of section 39-04-18,  
2 subsection 3 of section 39-04-19, subsection 1 of section 57-40.3-04, and subsection 1 of  
3 section 57-40.5-03 of the North Dakota Century Code, relating to motor vehicle registration fee  
4 exemptions, credits for motor vehicle sales and use taxes, motor vehicle excise taxes, and  
5 aircraft excise taxes for disabled veterans.

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

7 **SECTION 1. AMENDMENT.** Subdivision j of subsection 2 of section 39-04-18 of the North  
8 Dakota Century Code is amended and reenacted as follows:

9 j. Motor vehicles not exceeding twenty-six thousand pounds [11793.40 kilograms]  
10 registered gross weight owned and operated by a disabled veteran under the  
11 provisions of Public Law 79-663 [38 U.S.C. 3901], a disabled veteran who has a  
12 ~~one hundred~~fifty percent or greater service-connected disability as determined by  
13 the department of veterans' affairs, or a disabled veteran who has an  
14 extra-schedular rating to include individual unemployability that brings the  
15 veteran's total disability rating to one hundred percent as determined by the  
16 department of veterans' affairs is entitled to display either a distinctive license  
17 plate or a standard plate that does not identify the veteran as a veteran or  
18 disabled veteran which is issued by the department. This exemption applies to no  
19 more than two such motor vehicles owned by a disabled veteran at any one time.  
20 A surviving spouse of a disabled veteran who has not remarried and who is  
21 receiving department of veterans' affairs dependency and indemnity  
22 compensation retains the exemption of the deceased veteran who qualified under  
23 this subdivision for one vehicle.

1       **SECTION 2. AMENDMENT.** Subsection 3 of section 39-04-19 of the North Dakota Century  
2 Code is amended and reenacted as follows:

3       3. Motor vehicles acquired by disabled veterans under the provisions of Public Law  
4 79-663 [38 U.S.C. 3901] are exempt from the payment of state sales or use tax and, if  
5 paid, such veterans are entitled to a refund. ThisA disabled veteran who has a fifty  
6 percent or greater service-connected disability as determined by the department of  
7 veterans' affairs and who purchases a motor vehicle is eligible for a credit applied  
8 against the payment of state sales or use tax on the vehicle equal to the percentage of  
9 the disabled veteran's disability compensation rating for service-connected disabilities.  
10 If the disabled veteran pays more state sales or use tax than is owed under this  
11 section, the disabled veteran is entitled to a refund. The exemption or credit also  
12 applies to any passenger motor vehicle or pickup truck not exceeding twenty-six  
13 thousand pounds [11793.40 kilograms] registered gross weight but shall applyapplies  
14 to no more than two such motor vehicles owned by a disabled veteran at any one  
15 time.

16       **SECTION 3. AMENDMENT.** Subsection 1 of section 57-40.3-04 of the North Dakota  
17 Century Code is amended and reenacted as follows:

18       1. a. Any motor vehicle acquired by, or leased and in the possession of, a resident  
19 disabled veteran under the provisions of Pub. L. 79-663 [38 U.S.C. 3901], ~~a~~  
20 ~~resident disabled veteran who has a one hundred percent service-connected~~  
21 ~~disability as determined by the department of veterans' affairs,~~ or a resident  
22 disabled veteran who has an extra-schedular rating to include individual  
23 unemployability that brings the veteran's total disability rating to one hundred  
24 percent as determined by the department of veterans' affairs who registers, or is  
25 eligible to register, the vehicle with a distinctive license plate issued by the  
26 department of transportation under subdivision j of subsection 2 of section  
27 39-04-18.

28       b. Any motor vehicle acquired by or leased and in the possession of a resident  
29 disabled veteran who has a fifty percent or greater service-connected disability  
30 as determined by the department of veterans' affairs and who registers or is  
31 eligible to register the vehicle with a distinctive license plate issued by the

1 department of transportation under subdivision j of subsection 2 of section  
2 39-04-18. However, the veteran is eligible only for a credit applied against the  
3 payment of the motor vehicle excise tax for the vehicle equal to the percentage of  
4 the disabled veteran's disability compensation rating for service-connected  
5 disabilities. If the disabled veteran pays more excise tax than is owed under this  
6 section, the veteran is entitled to a refund.

- 7 c. An unremarried surviving spouse who is receiving department of veterans' affairs  
8 dependency and indemnity compensation retains the exemption of the deceased,  
9 qualifying veteran in this subsection.

10 **SECTION 4. AMENDMENT.** Subsection 1 of section 57-40.5-03 of the North Dakota  
11 Century Code is amended and reenacted as follows:

- 12 1. a. Aircraft acquired by ~~a disabled veterans~~veteran as defined by the provisions of  
13 Public Law No. 79-663 [38 U.S.C. 1901].  
14 b. Aircraft acquired by a resident disabled veteran who has a fifty percent or greater  
15 service-connected disability as determined by the department of veterans' affairs.  
16 However, the veteran is eligible only for a credit applied against the payment of  
17 the aircraft excise tax equal to the percentage of the disabled veteran's disability  
18 compensation rating for service connected disabilities. If the disabled veteran  
19 pays more excise tax than is owed under this section, the veteran is entitled to a  
20 refund.  
21 c. This exemption ~~shall be~~credit is allowed only with respect to one aircraft  
22 owned by any disabled veteran.