

Sixty-first
Legislative Assembly
of North Dakota

SENATE BILL NO.

Introduced by

Senator Krauter

A BILL for an Act to create and enact two new sections to chapter 57-02 of the North Dakota Century Code, relating to a disabled veterans homestead credit and certification and state payment of the disabled veterans homestead credit; to amend and reenact subsection 20 of section 57-02-08 of the North Dakota Century Code, relating to the property tax exemption for paraplegic disabled veterans and permanently and totally disabled persons; to provide an appropriation; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

Disabled veterans homestead credit.

1. A disabled veteran of the United States armed forces with an armed forces service-connected disability of fifty percent or greater, who was discharged under honorable conditions or who has been retired from the armed forces of the United States, or the unremarried surviving spouse if the veteran is deceased, is eligible for a credit applied against the first one hundred twenty thousand dollars of true and full value of the fixtures, buildings, and improvements of the individual's homestead equal to the percentage of the disabled veteran's service-connected disability certified by the United States department of veterans' affairs for the purpose of applying for a property tax exemption.
2. If two disabled veterans are married to each other and reside together, their combined credits may not exceed one hundred percent of one hundred twenty thousand dollars of true and full value of the fixtures, buildings, and improvements of the homestead. If a disabled veteran coowns the homestead property with someone other than the disabled veteran's spouse, the credit is limited to that

disabled veteran's interest in the fixtures, buildings, and improvements of the homestead, to a maximum amount calculated by multiplying one hundred twenty thousand dollars of true and full value by the disabled veteran's percentage of interest in the homestead property and multiplying the result by the applicant's certified disability percentage.

3. Any disabled veteran or unremarried surviving spouse claiming a credit under this section for the first time shall file with the county auditor an affidavit to establish the facts required by this section, a description of the property, and a certificate from the United States department of veterans' affairs, or its successor, certifying the amount of the disability. The affidavit and certificate must be open for public inspection. Any individual who has received a credit under this section shall furnish to the assessor or other assessment officials upon request any information to support the claim for the credit for any subsequent year.

4. For purposes of this section, and except as otherwise provided in this section, "homestead" has the meaning provided in section 47-18-01 except that the term also applies to any person who otherwise qualifies under this section, whether or not the person is the head of a family. The board of county commissioners may cancel the portion of unpaid taxes which represents the credit under this section for any year in which the qualifying owner has held title to the homestead property. Cancellation of taxes for any taxable year before the effective date of this section must be based on the law that was in effect for that taxable year.

SECTION 2. A new section to chapter 57-02 of the North Dakota Century Code is created and enacted as follows:

Property tax credit for disabled veterans - Certification and payment.

1. Before March first of each year, the county auditor of each county shall certify to the tax commissioner on forms prescribed by the tax commissioner the name and address of each person for whom the disabled veterans homestead credit under section 1 of this Act was allowed for the preceding year, the amount of credit allowed, the total of the tax mill rates of all taxing districts, exclusive of any state mill rates, that was applied to other real estate in those taxing districts for the

preceding year, and such other information as may be prescribed by the tax commissioner.

2. The tax commissioner shall audit the certifications, make any corrections that may be required, and certify to the state treasurer for payment to each county before June first of each year the sum of the amounts computed by multiplying the credit allowed for each homestead of a disabled veteran or unremarried surviving spouse in the county by the total of the tax mill rates, exclusive of any state mill rates, which was applied to other real estate in those taxing districts for the preceding year.
3. The county treasurer upon receipt of the payment from the state treasurer shall apportion and distribute it without delay to the county and to the taxing districts of the county on the basis on which the general real estate tax for the preceding year is apportioned and distributed.
4. Before June first of each year, the tax commissioner shall certify to the state treasurer the amount computed by multiplying the property tax credit allowed for homesteads of disabled veterans or unremarried surviving spouses in the state for the preceding year by one mill for deposit in the state medical center fund.
5. Supplemental certifications by the county auditor and the tax commissioner and supplemental payments by the state treasurer may be made after the dates prescribed in this section to make such corrections as may be necessary because of errors or approval of an application for abatement filed by a person because all or part of the credit provided for the homestead of a disabled veteran or unremarried surviving spouse was not allowed.

SECTION 3. AMENDMENT. Subsection 20 of section 57-02-08 of the North Dakota Century Code is amended and reenacted as follows:

20. Fixtures, buildings, and improvements up to the amount of valuation specified, when owned and occupied as a homestead, as hereinafter defined, by any of the following persons:
 - a. A paraplegic disabled veteran of the United States armed forces or any veteran who has been awarded specially adapted housing by the ~~veterans'~~ administration United States department of veterans' affairs, or the

unremarried surviving spouse if such veteran is deceased, for the first one hundred twenty thousand dollars of true and full valuation of the fixtures, buildings, and improvements.

b. ~~A disabled veteran of the United States armed forces who was discharged under honorable conditions or who has been retired from the armed forces of the United States with an armed forces service-connected disability of fifty percent or greater, or the unremarried surviving spouse if the veteran is deceased for a percentage, equal to the percentage of the disabled veteran's certified rated service-connected disability, applied against the first one hundred twenty thousand dollars of true and full valuation of the fixtures, buildings, and improvements.~~

e. Any permanently and totally disabled person who is permanently confined to use of a wheelchair, or, if deceased, the unremarried surviving spouse of a permanently and totally disabled person. If the spouse of a permanently and totally disabled person owns the homestead or if it is jointly owned by them, the same reduction in assessed valuation applies as long as both reside thereon. The provisions of this subdivision do not reduce the liability for special assessments levied upon the homestead. The phrase "permanently confined to use of a wheelchair" means that the person cannot walk with the assistance of crutches or any other device and will never be able to do so and that a physician selected by the local governing board has so certified.

Any person claiming an exemption under this subsection for the first time shall file with the county auditor an affidavit showing the facts herein required and a description of the property ~~and, in addition, a disabled veteran claiming exemption under subdivision b shall also file with the affidavit a certificate from the United States veterans' administration, or its successors, certifying to the amount of the disability.~~ The affidavit ~~and certificate~~ must be open for public inspection. ~~After the initial filing of a claim for exemption under this subsection, the exemption is automatically renewed each following year but the veteran or veteran's unremarried surviving spouse must refile if that person sells the property or no longer claims it as a primary place of residence or if the veteran dies or receives a~~

~~change in the percentage of the certified rated service connected disability. Any~~
~~individual who has received an exemption under this subsection shall furnish to the~~
~~assessor or other assessment officials upon request any information to support the~~
~~claim for the exemption for any subsequent year.~~

For purposes of this subsection, and except as otherwise provided in this subsection, "homestead" has the meaning provided in section 47-18-01 except that it also applies to any person who otherwise qualifies under the provisions of this subsection whether or not the person is the head of a family. The board of county commissioners is hereby authorized to cancel the unpaid taxes for any year in which the ~~veteran~~ qualifying owner has held title to the exempt property.

~~This subsection does not apply within a county in which a resolution approved~~
~~by the board of county commissioners is in effect disallowing the exemption under~~
~~this subsection for the taxable year.~~

SECTION 4. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$2,700,000, or so much of the sum as may be necessary, to the tax commissioner for the purpose of reimbursements for disabled veterans homestead credits provided by section 1 of this Act, for the biennium beginning July 1, 2009, and ending June 30, 2011.

SECTION 5. EFFECTIVE DATE. This Act is effective for taxable years beginning after December 31, 2008.