

Sixty-fourth  
Legislative Assembly  
of North Dakota

**HOUSE BILL NO. 1147**

Introduced by

Representatives Klein, Brabandt, Dockter

Senators Dever, Marcellais

1 A BILL for an Act to amend and reenact section 57-02-08.1 of the North Dakota Century Code,  
2 relating to eligibility for the homestead property tax credit for veterans fifty-five years of age or  
3 older and increased income and asset limits for eligibility for the homestead property tax credit;  
4 and to provide an effective date.

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

6 **SECTION 1. AMENDMENT.** Section 57-02-08.1 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **57-02-08.1. Homestead credit.**

- 9 1. a. Any person sixty-five years of age or older or permanently and totally disabled or  
10 any veteran fifty-five years of age or older, in the year in which the tax was levied,  
11 with an income that does not exceed the limitations of subdivision c is entitled to  
12 receive a reduction in the assessment on the taxable valuation on the person's  
13 homestead. An exemption under this subsection applies regardless of whether  
14 the person is the head of a family.
- 15 b. The exemption under this subsection continues to apply if the person does not  
16 reside in the homestead and the person's absence is due to confinement in a  
17 nursing home, hospital, or other care facility, for as long as the portion of the  
18 homestead previously occupied by the person is not rented to another person.
- 19 c. The exemption must be determined according to the following schedule:
- 20 (1) If the person's income is not in excess of ~~twenty-two~~twenty-seven thousand  
21 dollars, a reduction of one hundred percent of the taxable valuation of the  
22 person's homestead up to a maximum reduction of four thousand five  
23 hundred dollars of taxable valuation.

- 1                   (2) If the person's income is in excess of ~~twenty-two~~twenty-seven thousand  
2                   dollars and not in excess of ~~twenty-six~~thirty-two thousand dollars, a  
3                   reduction of eighty percent of the taxable valuation of the person's  
4                   homestead up to a maximum reduction of three thousand six hundred  
5                   dollars of taxable valuation.
- 6                   (3) If the person's income is in excess of ~~twenty-six~~thirty-two thousand dollars  
7                   and not in excess of ~~thirty~~thirty-seven thousand dollars, a reduction of sixty  
8                   percent of the taxable valuation of the person's homestead up to a  
9                   maximum reduction of two thousand seven hundred dollars of taxable  
10                  valuation.
- 11                  (4) If the person's income is in excess of ~~thirty~~thirty-seven thousand dollars and  
12                  not in excess of ~~thirty-four~~forty-two thousand dollars, a reduction of forty  
13                  percent of the taxable valuation of the person's homestead up to a  
14                  maximum reduction of one thousand eight hundred dollars of taxable  
15                  valuation.
- 16                  (5) If the person's income is in excess of ~~thirty-four~~forty-two thousand dollars  
17                  and not in excess of ~~thirty-eight~~forty-seven thousand dollars, a reduction of  
18                  twenty percent of the taxable valuation of the person's homestead up to a  
19                  maximum reduction of nine hundred dollars of taxable valuation.
- 20                  (6) If the person's income is in excess of ~~thirty-eight~~forty-seven thousand  
21                  dollars and not in excess of ~~forty-two~~fifty-two thousand dollars, a reduction  
22                  of ten percent of the taxable valuation of the person's homestead up to a  
23                  maximum reduction of four hundred fifty dollars of taxable valuation.
- 24                  d. Persons residing together, as spouses or when one or more is a dependent of  
25                  another, are entitled to only one exemption between or among them under this  
26                  subsection. Persons residing together, who are not spouses or dependents, who  
27                  are coowners of the property are each entitled to a percentage of a full exemption  
28                  under this subsection equal to their ownership interests in the property.
- 29                  e. This subsection does not reduce the liability of any person for special  
30                  assessments levied upon any property.

- 1           f. Any person claiming the exemption under this subsection shall sign a verified  
2           statement of facts establishing the person's eligibility.
- 3           g. A person is ineligible for the exemption under this subsection if the value of the  
4           assets of the person and any dependent residing with the person exceeds fivesix  
5           hundred thousand dollars, including the value of any assets divested within the  
6           last three years.
- 7           h. The assessor shall attach the statement filed under subdivision f to the  
8           assessment sheet and shall show the reduction on the assessment sheet.
- 9           i. An exemption under this subsection terminates at the end of the taxable year of  
10          the death of the applicant.
- 11        2. a. Any person who would qualify for an exemption under subdivisions a and c of  
12          subsection 1 except for the fact that the person rents living quarters is eligible for  
13          refund of a portion of the person's annual rent deemed by this subsection to  
14          constitute the payment of property tax.
- 15          b. For the purpose of this subsection, twenty percent of the annual rent, exclusive of  
16          any federal rent subsidy and of charges for any utilities, services, furniture,  
17          furnishings, or personal property appliances furnished by the landlord as part of  
18          the rental agreement, whether expressly set out in the rental agreement, must be  
19          considered as payment made for property tax. When any part of the twenty  
20          percent of the annual rent exceeds four percent of the annual income of a  
21          qualified applicant, the applicant is entitled to receive a refund from the state  
22          general fund for that amount in excess of four percent of the person's annual  
23          income, but the refund may not be in excess of four hundred dollars. If the  
24          calculation for the refund is less than five dollars, a minimum of five dollars must  
25          be sent to the qualifying applicant.
- 26          c. Persons who reside together, as spouses or when one or more is a dependent of  
27          another, are entitled to only one refund between or among them under this  
28          subsection. Persons who reside together in a rental unit, who are not spouses or  
29          dependents, are each entitled to apply for a refund based on the rent paid by that  
30          person.

- 1           d. Each application for refund under this subsection must be made to the tax  
2           commissioner before the first day of June of each year by the person claiming the  
3           refund. The tax commissioner may grant an extension of time to file an  
4           application for good cause. The tax commissioner shall issue refunds to  
5           applicants.
- 6           e. This subsection does not apply to rents or fees paid by a person for any living  
7           quarters, including a nursing home licensed pursuant to section 23-16-01, if  
8           those living quarters are exempt from property taxation and the owner is not  
9           making a payment in lieu of property taxes.
- 10          f. A person may not receive a refund under this section for a taxable year in which  
11          that person received an exemption under subsection 1.
- 12          3. All forms necessary to effectuate this section must be prescribed, designed, and made  
13          available by the tax commissioner. The county directors of tax equalization shall make  
14          these forms available upon request.
- 15          4. A person whose homestead is a farm structure exempt from taxation under  
16          subsection 15 of section 57-02-08 may not receive any property tax credit under this  
17          section.
- 18          5. For the purposes of this section:
- 19           a. "Dependent" has the same meaning it has for federal income tax purposes.
- 20           b. "Homestead" has the same meaning as provided in section 47-18-01.
- 21           c. "Income" means income for the most recent complete taxable year from all  
22           sources, including the income of any dependent of the applicant, and including  
23           any county, state, or federal public assistance benefits, social security, or other  
24           retirement benefits, but excluding any federal rent subsidy, any amount excluded  
25           from income by federal or state law, and medical expenses paid during the year  
26           by the applicant or the applicant's dependent which is not compensated by  
27           insurance or other means.
- 28           d. "Medical expenses" has the same meaning as it has for state income tax  
29           purposes, except that for transportation for medical care the person may use the  
30           standard mileage rate allowed for state officer and employee use of a motor  
31           vehicle under section 54-06-09.

1           e. "Permanently and totally disabled" means the inability to engage in any  
2           substantial gainful activity by reason of any medically determinable physical or  
3           mental impairment which can be expected to result in death or has lasted or can  
4           be expected to last for a continuous period of not less than twelve months as  
5           established by a certificate from a licensed physician or a written determination of  
6           disability from the social security administration or any federal or state agency  
7           that has authority to certify an individual's disability.

8           f. "Veteran" has the same meaning as provided in section 37-01-40. "Veteran" does  
9           not include a disabled veteran who qualifies for a credit under section 57-02-08.8.

10       **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
11   December 31, 2014.