

HOUSE BILL NO. 1116

Introduced by

Finance and Taxation Committee

(At the request of the Tax Commissioner)

1 A BILL for an Act to amend and reenact subsection 2 of section 57-02-08.2, subsections 1, 2,
2 and 8 of section 57-02-08.8, subsection 2 of section 57-02-11, and section 57-06-17.3 of the
3 North Dakota Century Code, relating to homestead credit and disabled veterans certifications,
4 the basis for calculation of the disabled veterans credit, assessment of destroyed or damaged
5 property, and the basis for calculation of the new transmission line property tax exemption; and
6 to provide an effective date.

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

8 **SECTION 1. AMENDMENT.** Subsection 2 of section 57-02-08.2 of the North Dakota
9 Century Code is amended and reenacted as follows:

10 2. ~~The~~On or before the first of June of each year, the tax commissioner shall audit
11 ~~such~~the certifications, make ~~such~~the required corrections ~~as may be required~~, and
12 certify to the state treasurer for payment to each county ~~on or before the first of June~~
13 ~~of each year~~, the sum of the amounts computed by multiplying the exemption allowed
14 for each such homestead in the county for the preceding year by the total of the tax
15 mill rates, exclusive of any state mill rates, that was applied to other real estate in such
16 taxing districts for that year.

17 **SECTION 2. AMENDMENT.** Subsections 1, 2, and 8 of section 57-02-08.8 of the North
18 Dakota Century Code are amended and reenacted as follows:

19 1. A disabled veteran of the United States armed forces with an armed forces
20 service-connected disability of fifty percent or greater, who was discharged under
21 honorable conditions or who has been retired from the armed forces of the United
22 States, or the unremarried surviving spouse if the disabled veteran is deceased, is
23 eligible for a credit applied against the first ~~one hundred twenty thousand dollars of~~
24 ~~true and full~~five thousand four hundred dollars of taxable valuation of the fixtures,

1 buildings, and improvements of the ~~person's~~ homestead owned and occupied by the
2 disabled veteran or unremarried surviving spouse equal to the percentage of the
3 disabled veteran's disability compensation rating for service-connected disabilities as
4 certified by the department of veterans affairs for the purpose of applying for a
5 property tax exemption.

6 2. If two disabled veterans are married to each other and living together, their combined
7 credits may not exceed one hundred percent of ~~one hundred twenty thousand dollars~~
8 ~~of true and full value~~ five thousand four hundred dollars of taxable valuation of the
9 fixtures, buildings, and improvements of the homestead. If a disabled veteran co-owns
10 the homestead property with someone other than the disabled veteran's spouse, the
11 credit is limited to that disabled veteran's interest in the fixtures, buildings, and
12 improvements of the homestead, to a maximum amount calculated by multiplying ~~one~~
13 ~~hundred twenty thousand dollars of true and full~~ five thousand four hundred dollars of
14 taxable valuation by the disabled veteran's percentage of interest in the homestead
15 property and multiplying the result by the applicant's certified disability percentage.

16 8. ~~The~~ On or before the first of June of each year, the tax commissioner shall audit the
17 certifications, make ~~any~~ the required corrections ~~that may be required~~, and certify to
18 the state treasurer for payment to each county ~~on or before the first of June of each~~
19 ~~year~~, the sum of the amounts computed by multiplying the credit allowed for each
20 homestead of a disabled veteran in the county by the total of the tax mill rates,
21 exclusive of any state mill rates that were applied to other real estate in the taxing
22 districts for the preceding year.

23 **SECTION 3. AMENDMENT.** Subsection 2 of section 57-02-11 of the North Dakota Century
24 Code is amended and reenacted as follows:

25 2. Whenever after the first day of February and before the first day of April in any year, it
26 is made to appear to the assessor by the oath of the owner that any building,
27 structure, or other improvement, or tangible personal property, which is listed for
28 taxation for the current year has been destroyed or ~~injured~~ damaged by fire, flood, ~~or~~
29 ~~tornado, or other natural disaster~~, the assessor shall investigate the matter and deduct
30 from the valuation of the property of the owner of such destroyed property an amount
31 which in the assessor's judgment fairly represents such deduction as should be made.

1 **SECTION 4. AMENDMENT.** Section 57-06-17.3 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **57-06-17.3. New transmission line property tax exemption.**

4 A transmission line of two hundred thirty kilovolts or larger, and its associated transmission
5 substations, which is not taxable under chapter 57-33.2 and is initially placed in service on or
6 after October 1, 2002, is exempt from property taxes for the first taxable year after the line is
7 initially placed in service, and ~~property taxes~~ the taxable valuation as otherwise determined by
8 law on the transmission line and its associated transmission substations must be reduced by:

- 9 1. Seventy-five percent for the second taxable year of operation of the transmission line.
- 10 2. Fifty percent for the third taxable year of operation of the transmission line.
- 11 3. Twenty-five percent for the fourth taxable year of operation of the transmission line.

12 After the fourth taxable year of operation of the transmission line, the transmission line and
13 its associated transmission substations are exempt from property taxes and are subject to a tax
14 at the rate of three hundred dollars per mile [1.61 kilometers] or fraction thereof of the line
15 located in this state. The per mile tax imposed by this section applies to the transmission line
16 and its associated transmission substations and is subject to allocation among counties in the
17 proportion that the miles of that transmission line in the county bears to the miles of that
18 transmission line in the state. Revenues received by each county must be deposited in the
19 county general fund.

20 For purposes of this section, "initially placed in service" includes both new construction and
21 substantial expansion of the carrying capacity of a preexisting line, and "substantial expansion"
22 means an increase in carrying capacity of fifty percent or more.

23 **SECTION 5. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
24 December 31, 2010.