

SENATE BILL NO. 2171

Introduced by

Senators Klein, Sorvaag, Dotzenrod

Representatives Dockter, Headland, Schmidt

1 | A BILL for an Act to amend and reenact ~~subsections~~subsection 1 ~~and 5~~ of section 57-02-08.1 of
2 | the North Dakota Century Code, relating to the homestead property tax credit; and to provide an
3 | effective date.

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

5 | **SECTION 1. AMENDMENT.** ~~Subsections~~Subsection 1 ~~and 5~~ of section 57-02-08.1 of the
6 | North Dakota Century Code ~~are~~is amended and reenacted as follows:

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

1 maximum reduction of three thousand six hundred dollars of taxable
2 valuation.

3 (3) If the person's income is in excess of ~~twenty~~twenty-six~~thirty~~ thousand dollars
4 and not in excess of ~~twenty-two~~thirty-four thousand dollars, a reduction of
5 sixty percent of the taxable valuation of the person's homestead up to a
6 maximum reduction of two thousand seven hundred dollars of taxable
7 valuation.

8 (4) If the person's income is in excess of ~~twenty-two~~thirty-four thousand dollars
9 and not in excess of ~~twenty-four~~forty-two~~thirty-eight~~ thousand dollars, a
10 reduction of forty percent of the taxable valuation of the person's homestead
11 up to a maximum reduction of one thousand eight hundred dollars of taxable
12 valuation.

13 (5) If the person's income is in excess of ~~twenty-four~~forty-two~~thirty-eight~~
14 thousand dollars and not in excess of ~~twenty-six~~fifty~~forty-two~~ thousand
15 dollars, a reduction of twenty percent of the taxable valuation of the person's
16 homestead up to a maximum reduction of nine hundred dollars of taxable
17 valuation.

18 d. Persons residing together, as spouses or when one or more is a dependent of
19 another, are entitled to only one exemption between or among them under this
20 subsection. Persons residing together, who are not spouses or dependents, who
21 are coowners of the property are each entitled to a percentage of a full exemption
22 under this subsection equal to their ownership interests in the property.

23 e. This subsection does not reduce the liability of any person for special
24 assessments levied upon any property.

25 f. Any person claiming the exemption under this subsection shall sign a verified
26 statement of facts establishing the person's eligibility.

27 g. A person is ineligible for the exemption under this subsection if the value of the
28 assets of the person and any dependent residing with the person, excluding the
29 unencumbered value of the person's residence that the person claims as a
30 homestead, exceeds two hundred seventy-five thousand dollars, including the
31 value of any assets divested within the last three years. ~~For purposes of this~~

1 subdivision, the unencumbered valuation of the homestead is limited to one-
2 hundred thousand dollars.

3 h. The assessor shall attach the statement filed under subdivision f to the
4 assessment sheet and shall show the reduction on the assessment sheet.

5 ~~i.h.~~ An exemption under this subsection terminates at the end of the taxable year of
6 the death of the applicant.

7 ~~5. For the purposes of this section:~~

8 ~~a. "Dependent" has the same meaning it has for federal income tax purposes.~~

9 ~~b. "Homestead" has the same meaning as provided in section 47-18-01.~~

10 ~~c. "Income" means income for the most recent complete taxable year from all~~
11 ~~sources, including the income of any dependent of the applicant, and including~~
12 ~~any county, state, or federal public assistance benefits, social security, or other~~
13 ~~retirement benefits, but excluding. "Income" does not include social security, any~~
14 ~~federal rent subsidy, any amount excluded from income by federal or state law,~~
15 ~~and medical expenses paid during the year by the applicant or the applicant's~~
16 ~~dependent which is not compensated by insurance or other means.~~

17 ~~d. "Medical expenses" has the same meaning as it has for state income tax~~
18 ~~purposes, except that for transportation for medical care the person may use the~~
19 ~~standard mileage rate allowed for state officer and employee use of a motor~~
20 ~~vehicle under section 54-06-09.~~

21 ~~e. "Permanently and totally disabled" means the inability to engage in any~~
22 ~~substantial gainful activity by reason of any medically determinable physical or~~
23 ~~mental impairment which can be expected to result in death or has lasted or can~~
24 ~~be expected to last for a continuous period of not less than twelve months as~~
25 ~~established by a certificate from a licensed physician or a written determination of~~
26 ~~disability from the social security administration.~~

27 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
28 December 31, 2012.