

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~~sixty years of age
3 or older and increased income and asset limits for eligibility for the homestead property tax
4 credit; 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~~sixty years of age or older, in the year in which the tax was
11 levied, with an income that does not exceed the limitations of subdivision c is
12 entitled to receive a reduction in the assessment on the taxable valuation on the
13 person's homestead. An exemption under this subsection applies regardless of
14 whether 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 for ad valorem property taxes and for taxable years beginning after
12 December 31, 2015 for mobile home taxes.