

Introduced by

Legislative Management

(Taxation Committee)

1 A BILL for an Act to amend and reenact section 57-02-08.3 of the North Dakota Century Code,  
2 relating to the homestead tax credit for special assessments; to provide for application; and to  
3 provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Section 57-02-08.3 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **57-02-08.3. Homestead credit for special assessments - Certification - Lien.**

8 1. Any person who has qualified for the property tax credit provided for in section  
9 57-02-08.1 may elect to also qualify for an additional homestead credit against that  
10 person's homestead for the portion of any special assessment levied by a taxing  
11 district which becomes due for the same year. The total amount of credits allowed for  
12 any one property must not exceed ~~six~~fifteen thousand dollars, adjusted annually on  
13 January first of each year after December 31, 2019, by the consumer price index,  
14 excluding any interest charged by the body levying the special assessment. This credit  
15 may be granted only at the election of the qualifying person. The person making the  
16 election shall do so by filing with the county auditor a claim for the special assessment  
17 credit on a form prescribed by the tax commissioner. The claim must be filed with the  
18 county auditor on or before February first of the year in which the special assessment  
19 installment thereof becomes payable. For purposes of this subsection, "consumer  
20 price index" means the percentage change in the consumer price index for all urban  
21 consumers in the midwest region as determined by the United States department of  
22 labor, bureau of labor statistics, for the most recent year ending December thirty-first.

- 1           2.   a.   By March first of each year, the county auditor of each county shall certify to the  
2                           state tax commissioner, on forms prescribed by the tax commissioner, the  
3                           following information:
- 4                           (1)   The name and address of each person for whom the special assessment  
5                           credit provided for in subsection 1 was allowed for the preceding year.
- 6                           (2)   The amount of credit allowed for the special assessment installment thereof  
7                           due for the preceding year.
- 8                           (3)   The total amount of the special assessment credits due in each special  
9                           assessment district.
- 10                          (4)   Other information that the tax commissioner requires.
- 11           b.   The tax commissioner shall audit the certifications, make such corrections as  
12                           may be required, and certify to the state treasurer for payment to each county by  
13                           June first of each year the sum of the amounts computed by adding the credits  
14                           allowed for portions of special assessments which were due for each homestead  
15                           in the county for the preceding year. No more than the portion of special  
16                           assessments due for the preceding year shall be allowed as a credit for any  
17                           homestead in any year.
- 18           c.   The county treasurer upon receipt of the payment from the state treasurer shall  
19                           forthwith apportion and distribute the payment to each special assessment district  
20                           in the county according to the total credits allowed for each respective special  
21                           assessment district.
- 22           d.   Supplemental certifications by the county auditor and by the state tax  
23                           commissioner and supplemental payments by the state treasurer may be made  
24                           after the dates prescribed herein to make such corrections as may be necessary  
25                           because of errors therein.
- 26           3.   a.   Any credit allowed under subsection 1, plus interest ~~in the amount of nine-~~  
27                           ~~percent~~at the rate provided in section 47-14-05 per year from June first of the  
28                           year for which the special assessment installment for which a credit is taken  
29                           becomes payable, creates a lien in favor of the state against the property upon  
30                           which the special assessment credit is allowed and remains a lien upon the  
31                           property from the time the credit is allowed until the lien is fully satisfied by

1            depositing the amount of the lien in the state general fund. If the amount of the  
2            lien exceeds the market value of the property, the state may accept the amount of  
3            the market value of the property as payment in full on the lien.

4            b. (1) Except as otherwise provided in this subdivision, a transfer of title to the  
5            homestead because of sale, death, or otherwise may not be made without  
6            the lien being satisfied. When a credit under subsection 1 is allowed, the  
7            county auditor shall cause a notice of lien of record to be filed against  
8            subject property with the recorder.

9            (2) The recorder may not record any deed for property on which the county  
10           auditor has determined that there is an unsatisfied lien created under this  
11           section, except for a transfer between spouses because of the death of one  
12           of them as provided in paragraph 3.

13           (3) When a transfer occurs between spouses because of the death of one of  
14           them, the lien allowed by this section need not be satisfied until the property  
15           is again transferred.

16           c. This lien has precedence over all other liens except general tax liens and prior  
17           special assessment liens and shall not be divested at any judicial sale. A mistake  
18           in the description of the property covered by this lien or in the name of the owner  
19           of the property does not defeat the lien if the property can be identified by the  
20           description in the special assessment list.

21           **SECTION 2. APPLICATION.** This Act applies to credits granted after the effective date of  
22           this Act.

23           **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
24           December 31, 2018.