

Introduced by

1 A BILL for an Act relating to the creation of a disaster relief fund and a disaster relief property  
2 tax credit; to provide a penalty; to provide an appropriation; and to provide an effective date.

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

4 **SECTION 1. Disaster relief tax - Penalty.**

- 5 1. In addition to the taxes collected under section 26.1-03-17, the tax commissioner  
6 shall collect from every insurance company doing business in this state a disaster  
7 relief tax of one percent of the gross amount of real property insurance premiums  
8 collected by any insurer issuing a policy insuring real property. The total tax under  
9 this section is payable to the commissioner in the same manner as provided under  
10 section 26.1-03-17. Collections from this tax must be remitted to the state  
11 treasurer for deposit in the disaster relief fund.
- 12 2. Any company failing to pay, within the time required, the tax imposed by  
13 subsection 1 is subject to a penalty as provided under section 26.1-03-17. The  
14 commissioner, if satisfied that the delay was excusable, may waive, and if paid,  
15 issue a premium tax credit for all or any part of the penalty.
- 16 3. Every insurance company required to pay premium taxes under this section shall  
17 make and file a statement of estimated premium taxes. The statement and  
18 payment must be made on a quarterly basis as prescribed by the tax  
19 commissioner. Failure of a company to make payments of at least one-fourth of  
20 the total tax paid during the previous calendar year, or eighty percent of the actual  
21 tax for the quarter being reported of the current calendar year, subjects the  
22 company to the penalty provided in subsection 2.

4. If an amount of tax or penalty has been paid which was not due under this section, a refund may be issued to the taxpayer who made the erroneous payment in the same manner as provided for under section 26.1-03-17.
5. In lieu of the tax required by subsection 1, the commissioner shall collect from each company subject to this section an annual filing fee in the amount of two hundred dollars, provided the total tax liability of the entity pursuant to subsection 1 is less than two hundred dollars. No annual filing fee is due or may be collected from a company if the company's total tax liability pursuant to subsection 1 is in excess of two hundred dollars. The annual filing fee may be reduced by any credits available pursuant to subsection 4. Failure of a company to pay the two hundred dollar filing fee subjects the company to the penalty as provided in subsection 2.

**SECTION 2. Disaster relief property tax credits - Certification.**

1. This section does not reduce the liability of any person for special assessments levied upon any property and all tax credit benefits available under this section terminate at the end of the taxable year of the death of the applicant.
2. Before June first of each year, a real property owner may apply to the county auditor for a disaster relief property tax credit. The county auditor may grant an extension of time to file an application for good cause. Any person applying for the disaster relief property tax credit under this section shall sign and submit to the county auditor an application establishing that:
  - a. That person owns real property within the county;
  - b. The governor declared a state of disaster or emergency in accordance with section 37-17.1-05 for that county, or the governor entered an agreement with the federal government following a disaster or emergency declared by the President of the United States for that county;
  - c. The disaster or emergency resulted in a loss in the use of the real property; and
  - d. The disaster or emergency occurred within the two years preceding the application for the tax credit.
3. Before March 1, 2003, and each following year, the county auditor of each county shall certify to the tax commissioner on forms prescribed by the tax commissioner

the name and address of each person for whom the disaster relief property tax credit provided by this section was allowed for the preceding year; the amount of exemption allowed; the total of the tax mill rates of all taxing districts, exclusive of any state mill rates, which was applied to other real estate in such taxing districts for the preceding year; and any other information as the tax commissioner may prescribe by rule. The tax commissioner shall audit these certifications, make any corrections as may be required, and certify to the state treasurer for payment from the disaster relief fund to each county on or before June 1, 2003, and on each following year, the sum of the amounts provided as disaster relief tax credits in that county.

4. The county treasurer upon receipt of the payment from the state treasurer shall apportion and distribute the payment to the county and to the local taxing districts of the county on the basis on which the general real estate tax for the preceding year is apportioned and distributed. Supplemental certifications by the county auditor and by the tax commissioner and supplemental payments by the state treasurer may be made after the dates prescribed under this section to make any corrections necessary because of errors or because of approval of any application for abatement filed by a person because the disaster relief property tax credit was not allowed in whole or in part.
5. The tax commissioner shall prescribe all forms necessary to effectuate this section. The tax commissioner shall distribute annually an adequate supply of these forms to each county auditor. The county auditors shall make these forms available upon request.

**SECTION 3. APPROPRIATION.** There is appropriated out of any moneys in the disaster relief fund in the state treasury, not otherwise appropriated, the sum of \$\_\_\_\_\_, or so much of the sum as may be necessary, to the state treasurer for the purpose of paying certified disaster relief property tax credits beginning July 1, 2002, and ending June 30, 2003.

**SECTION 4. EFFECTIVE DATE.** This Act applies to real property insurance policies issued or renewed after June 30, 2001. A company required to collect the taxes under section 1 of this Act shall begin paying the taxes to the tax commissioner before March 1, 2002.

**NOTE:** Section 3 of this Act requires insertion of a dollar amount necessary to reflect the anticipated disaster relief property tax collected by March 1, 2003.