

2001 HOUSE POLITICAL SUBDIVISIONS

HB 1206

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1206

House Political Subdivisions Committee

☐ Conference Committee

Hearing Date 1-25-01

Tape Number	Side A	Side B	Meter #
1	xx		3340--end
1		xx	13--270
2	xx		816--900
Committee Clerk Signature <i>Ann Deane</i>			

Minutes : Chair Froseth opened the hearing on HB1206 with all committee members present.

Rep. Klemin, Dist 47, Bismarek : testified in support of HB1206. The reason for this bill comes out of a recent case by the ND Supreme Court on tax abatement. In that case in August 2000, I was legal council for one who was asking for abatement. I that case, the Supreme Court asked me why the county commission made certain decisions. I wasn't able to answer those questions because I didn't know. They also asked the state's attorney who represent the county commission why the commission made certain decisions, and he did not know. There wasn't any written decision by the county commission. The Supreme Court said that an explanation would have been very helpful. The court urged boards of county commissions to provide, in the future, a full explanation of their rationale when determining valuation of property in tax abatement proceedings. I thought that makes sense. When a person applies for something and is denied, they generally want to know why. Only fair due process of law. After looking at this bill, I found a bit of ambiguity, so I brought with me a proposed amendment to clarify. If you

have a partial decision, is it a partial rejection or a partial approval. If the decision is approval in part, then the law doesn't require them to tell us why they approved only part.

Chair Froseth : (4495) Aren't the county commission meetings recorded like we do here?

Rep. Klemin : Yes, they are recorded. It's open to the public record.

Rep. Ekstrom : (4650) When a decision is reached, what is the procedure for getting this either by reference or attached back in to the public record of this valuation. Is there a reference point? There must be some mechanism to get this back into public record.

Rep. Klemin : The county auditor attends the hearings of county commissioners. They determine the valuations should be this or that. The Board of Equalization is also there.

Rep. Ekstrom : Your problem as to why was this decision made. You would like your records to say the abatement occurred at such a date, time, etc., and here is where you can find the decision if you need it.

Rep. Klemin : Basically, what would happen at the end of the hearing, is would be a motion to approve the abatement in the amount of whatever, or a motion to reject the abatement, and they would vote on the motion. That would be the decision.

Vice-Chair Severson : (4880) What if the person was granted a partial approval, and was given an explanation, but still wants to get judicial review. Since you say he can go to court, aren't we opening up many more court cases?

Rep. Klemin : That's speculation. I feel an explanation would clear things up and make more people happy by getting the explanation.

Rep. Delmore : (5565) How often does this problem come up, and would this be hard for the county commissioners?

Rep. Klemin : In the commission meetings I have been at, we've had an abatement hearing each time. How hard would this be to do? The state's attorney is right there and can assist the county commission right there. Should be a simple process.

Ben Hushka, Fargo City Assessor (5750) We are neutral. I would like to know why I was rejected, as a citizen. We have a few questions. Would the wording cover all situations and how detailed would the explanation have to be?

Chair Froseth : Did you see a copy of the amendment?

Ben : No I did not. Maybe it would answer my questions and concerns.

End Tape 1, side A. Begin Tape 1, side B.

Chair Froseth : Any more testimony for or against HB1206? None; hearing is closed.

Tape 2, side A (816-900) Chair Froseth : Let's take up HB1206. Rep.Klemin offered an amendment which would hoghouse the bill.

Rep. Kretschmar : I think the amendment was a good one. Let's get it drafted from L.C.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1206 b

House Political Subdivisions Committee

☐ Conference Committee

Hearing Date 1-26-01

Tape Number	Side A	Side B	Meter #
1		xx	600-1908
Committee Clerk Signature <i>Ann Quill</i>			

Minutes: Chair Froseth : Let's take up HB1206. I have an addition to Rep. Klemm's amendment.

Rep. Delmore : I move to accept amendments.

Rep. Kretschmar : I second.

VOICE VOTE: 12 YES and 1 NO. Amendment carried.

Rep. Kretschmar : I believe the amendment will take care of the problem.

Vice-Chair Severson : I still think we are creating more problems then we will solve. I think we are tying the hands of county commissioners. I think more people will want jury satisfaction.

Rep. Kretschmar : I move a **DO PASS AS AMENDED.**

Rep. Maragos : I second.

VOTE: 11 YES and 2 NO with 2 absent. BILL PASSFD. Rep.Kretschmar will carry.

Klein

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1206

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact subsection 2 of section 57-23-06 of the North Dakota Century Code, relating to the hearing on an application for the abatement or refund of taxes upon real property.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 2 of section 57-23-06 of the North Dakota Century Code is amended and reenacted as follows:

2. At the next regular meeting of the board of county commissioners following the filing of an application for abatement or, if forthcoming, at the next regular meeting of the board of county commissioners following transmittal of the recommendations of the governing body of the municipality, the applicant may appear, in person or by a representative or attorney, and may present such evidence as may bear on the application. The applicant shall furnish any additional information or evidence requested by the board of county commissioners. The recommendations of the governing body of the municipality in which such assessed property is located must be endorsed upon or attached to every application for an abatement or refund, and the board of county commissioners shall give consideration to such recommendations. The board of county commissioners, by a majority vote, either shall approve or reject the application, in whole or in part, or reject the application. If rejected, a statement of the reasons for such rejection. A full explanation of the rationale for the decision, signed by the chairman of the board, must be attached to the application, and a copy thereof must be mailed by the county auditor to the applicant at the post-office address specified in the application."

January 26, 2001

VR
1/26/01

HOUSE AMENDMENTS TO HB 1206 HOUSE POL. SUBS. 1-29-01

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact subsection 2 of section 57-23-06 of the North Dakota Century Code, relating to the hearing on an application for the abatement or refund of taxes upon real property.

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Renumber accordingly

hearing
Date: 1-25-01
Roll Call Vote #: 1 - 1-26-01

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1206

House POLITICAL SUBDIVISIONS Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number 103412.0101 .0200

Action Taken DO PASS As Amended

Motion Made By Rep. Kretschmar Seconded By Rep. Maragos

Representatives	Yes	No	Representatives	Yes	No
Chairman Glen Froseth	/		Rep. Wayne W. Tieman	/	
Vice-Chair Dale C. Severson	/				
Rep. Lois Delmore		/			
Rep. Rachael Disrud	/				
Rep. Bruce Eckre	/				
Rep. Mary Ekstrom	AB				
Rep. April Fairfield	AB				
Rep. Michael Grosz	/				
Rep. Jane Gunter		/			
Rep. Gil Herbel	/				
Rep. Nancy Johnson	/				
Rep. William E. Kretschmar	/				
Rep. Carol A. Niemeier	/				
Rep. Andrew G. Maragos	/				

Total (Yes) 11 No 2

Absent 2

Floor Assignment Rep. Kretschmar

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1206: Political Subdivisions Committee (Rep. Froseth, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 2 NAYS, 2 ABSENT AND NOT VOTING). HB 1206 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact subsection 2 of section 57-23-06 of the North Dakota Century Code, relating to the hearing on an application for the abatement or refund of taxes upon real property.

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Renumber accordingly

2001 SENATE POLITICAL SUBDIVISIONS

HB 1206

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1206

Senate Political Subdivisions Committee

☐ Conference Committee

Hearing Date February 16, 2001

Tape Number		Side A	Side B	Meter #
	1		X	17.1-31.5
March 15, 2001	2	X		11.9-15.8
March 16, 2001	1	X		27.3-36.6
Committee Clerk Signature		<i>Mary G. Martin</i>		

Minutes:

The hearing was opened on HB1206, relating to explanation determinations by the board of the county commissioners in abatement proceedings.

REP. KLEMIN:HB1206 amends the section of the law dealing with tax abatement or refund process. If the party believes that the amount of tax or the evaluation of their property is not accurate and they may have a right to file a petition with the county to request that the evaluation be redetermined and that the taxes in essence that have been paid be abated if they were to high. In other words refund it back to the party that paid the property taxes. The process is such that we have a two stage hearing process. First you go, before the city commission if its city property that's the usual case. You go to the city commission and you have a hearing with the city commission, the city commission or city council will not make a decision but will make a recommendation to the county commission. So then, you go to the county commission and at a subsequent hearing and have another hearing. Then at the county level, the county

commissioners would make a decision as whether to grant the application or not. Now the statute that we have and that were amending in this down on lines 18,19 and 20. You see it says that the Board of County Commissioners by a majority vote, on Line 17, shall approve or reject the application in full or in part. If rejected, the statement of the reason for the rejection, signed by the chairman was attached to the application. What we're amending here is to state that if its rejected either whole or in part, there should be a written explanation for the decision. Now, the reason this comes up is because of the language on Line 18 where you have "approval, reject in full or in part". Ex.given(meter#19.3) When you look at Line 18, it shall or approve or reject the application in whole or part, under the formal example, was that non-approval in part or was that a rejection in part? Well I assume it must've been a approval in part because they didn't do a written decision. My client was not satisfied with that decision, so they requested judicial review of that to the District Court. The District Court confirmed the decision of the county commission, it was then taken to the Supreme Court and the Supreme Court had some questions that the oral arguments. Along with the assistant states' attorneys from Burleigh County argued on behalf of the county commission. The Supreme Court had a number of questions as to why the county made the decision the way it did. Unfortunately, neither one of us could answer those questions because we did not know. There was no written decision that they could go back to look to determine what that was. Now the Supreme Court, affirmed the decision of the County Commission too, and so, whatever we do here is not going to change the result of that case. But what the Supreme Court in their opinion on this case, " we urge Boards of County Commissioners to provide in the future a full explanation of their rationale, when determining valuation of property and tax abatement proceedings". This decision came out last August. That would be a good idea, then we would know why the county made the decision the way it did,

maybe that would satisfy the client and provide guidance to the court as to why the decision was made the way it was. Then looking at the statute, we see this ambiguity here. And so what this amendment to this section does is to take away that ambiguity. So, if the application is rejected and forward apart, then they must given a written explanation of the rationale for the decision. Of course if its approved, everybody is happy and there really isn't any reason for making a written decision. It is only if it gets rejected, that they do require a written decision. It's only fair to the taxpayer that they know why the decision was made the way it is. I request your approval of HB 1206. SENATOR POLOVITZ: In your written decision, that your requesting, would you for instance, as a county commissioner would like their decision to be acceptable under your law, or your request to have them refer to the input that they probably had from an assessed, or the county assessor or the city assessor and you would, is there a lot of people in county commissioners, city government that have no idea of why that assessed and they have to depend upon these people. If you have to depend on these people to make the decisions, that the written memorandum by the county commissioners you would accept the fact that they listened to their own assessors. REP. KLEMIN: I'm sure that would be the case. Basically at the hearings at the county commission hearing, typically, what you would have there would be the applicant who would present his position. He may be represented by council, but not necessarily, cause a lot of these abatement requests are not as complicated as the one I've got. Most of them are, mostly a request for an abatement, if they have some for every month, as they are fairly simple. But at the county hearing you may have the tax assessor there, and you would probably also have the director of local county board of equalization there to present, why they have it assessed the way they do. A state's attorney is also usually present at the county commission hearing. They have a lot of assistance to get to that decision. The county auditor takes minutes. SENATOR

POLOVITZ: In other words, if the minutes of that particular agenda item were, or could be apart of that written testimony that you require. REP. KLEMIN: I don't think there is any specified format as to how they do it, other than there be a written explanation, signed by the chairman of the board which is all it already requires. The minutes would probably reflect that and reflect what they reviewed and certainly they are going to have everyone, the tax assessor comes in and gives some written information to them which says to them this is why we did it this way. We got a lot of material that they could use to make there written decision. SENATOR COOK: Rep. Klemin, if I had a problem with my property taxes, I could go right to the city assessor and have the city assessor could have the authority or does have the authority to agree to lower it right away, is that correct? REP. KLEMIN: I don't if that can be lowered right away, it maybe that you would still have to make the application but the assessor would come in at the meeting and say we don't oppose this or we agree with this and that sort of thing. SENATOR COOK: But is there, I assume that there is some other Century Code that defines how property is properly assessed? REP. KLEMIN: We do have the general statute on the taxation of real property, real estate which sets out that property is supposed to do, the market value is supposed to be true and full value and we've got perimeters which say how that is determined and then we got another section which says that you assess a certain percentage of that and you take it by the no levy and that's how much taxes you pay. SENATOR COOK: Do you know Rep. Klemin if there is any reference at all to one's or the property relationship to unpaid special assessments, relative to the value of the property? REP. KLEMIN: I am not sure. This particular thing here does not deal with special assessments, I believe that would fall entirely different procedure. Special assessments to my knowledge have nothing to do with the value of the property, for the street, the curb, the gutter, the lights. SENATOR COOK: Rep. Klemin, let me give you an example,

you own a lot and its worth \$1000. There is no road or access to it. It is worth \$1000 that's what you paid for it that's what it is assessed at. All of a sudden, a special assessment district comes through and puts a road in front of that place and the assessment to that property is \$10,000. But also because there is now a nice road by that place, the property is worth \$10,000. If the special assessment was paid in full I would believe the property is worth \$10,000 and that's what it should be assessed at. But if that special assessment is not paid, should that property be worth \$1000 or should it be assessed at \$10,000? REP. KLEMIN: I'm not sure I can answer that question Mr. Chairman. That would be really, that's the decision that the local board of county commissioner would have to make. What is the value of that property in the event that someone disagrees with that tax assessor. SENATOR LEE: I believe this would be a proper way to cover that. The value of the improvements is considered part of the value, so in now, would have that \$10,000 value. But you also should not pay the specials as that would be part of the obligation out against it which is a separate issue. So, the value of having water and sewer and paved streets now providing access has increased the value of that lot. And whether or not you've paid off the special assessments is irrelevant to the value. But the obligation that you have would be recorded against the property if you have not yet paid it. So it matters to you, but it doesn't matter to the city or the county. SENATOR COOK: We'll discuss this later. SENATOR POLOVITZ: In all these evaluations, I could be wrong cause its been a few years, don't they eventually have to go the county for final approval, even if its in the city? REP. KLEMIN: Senator Polovitz, there is a process in the spring where by the tax assessor will look at the whole jurisdiction and say this is the assessed value and bring that in and at that point in time we're dealing with Boards of Equalization. So the person has the opportunity to protest at that point in time too. That is the

Page 6
Senate Political Subdivisions Committee
Bill/Resolution Number HB1206
Hearing Date February 16, 2001

kind of, before the fact approach. As compared to this one, which is sort of after the fact approach because then you can go back three years under this statute and ask for an abatement attachment. What your talking about is up front the tax assessor says all this property is valued at whatever, and somebody can request a redetermination of that. That is where we go through the Board of Equalization process which could take you to the County Board of Equalization and to the State Board of Equalization.

Hearing Closed on HB1206.

March 15, 2001 Tape 2, Side A, Meter #11.9-15.8)

Senator Cook asked the committee for recommendations for amendments. Senator Lee added that the Homestead exemption be included in the study. Committee will continue on Friday.

March 16, 2001 (Tape 1, Side A, Meter #27.3- 36.3)

Senator Cook asked the committee to review HB1206. Discussion followed.

Senator Watne moved to adopt Cook and Lee Amendments

Senator Mathern- 2nd

Roll call vote: 8 Yeas, 0 No, 0 Ab.

Senator Mathern moved HB1206 as amended

Senator Flakoll- 2nd

Roll Call vote: 8 Yeas, 0 No, 0 Ab.

Carrier: Senator Mathern

March 9, 2001

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1206

Page 1, line 3, after "property" insert "; and to provide for a legislative council study"

Page 1, after line 22, insert:

"SECTION 2. LEGISLATIVE COUNCIL STUDY. The legislative council shall consider studying all aspects of improvements by special assessment and property tax assessment and abatements. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-eighth legislative assembly."

Renumber accordingly

Date: *Mar 16, 2001*
Roll Call Vote #: *1*

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. *H.B. 1206*

Senate	Political Subdivisions	Committee
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☐ Subcommittee on _____

☐ or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Move adoption of Cooks & Lues amendments

Motion Made By Sen. Watne Seconded By Sen. Matheson

[illegible]

Total (Yes) 8 No 0

Absent 0

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

Date: Mar. 1, 2001
Roll Call Vote #: 2

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. *H.B. 1206*

Senate	Political Subdivisions	Committee
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☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken No Pass As Amended H.B. 1206

Motion Made By Sen. Mathern Seconded By Sen. Fladall

[illegible]

Total (Yes) 1 No 0

Absent 0

Floor Assignment Mr. Mathern

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1206, as engrossed: Political Subdivisions Committee (Sen. Cook, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (8 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1206 was placed on the Sixth order on the calendar.

Page 1, line 3, after "property" Insert "; and to provide for a legislative council study"

Page 1, after line 22, Insert:

"SECTION 2. LEGISLATIVE COUNCIL STUDY. The legislative council shall consider studying all aspects of improvements by special assessment and property tax assessment and abatements, to include a determination of the true and full value of subsidized housing for property tax assessments, and the homestead tax valuation for senior citizens. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-eighth legislative assembly."

Renumber accordingly

2001 TESTIMONY

HB 1206

make the appraisal upon giving reasonable notice to the applicant.

Source: S.L. 1971, ch. 551, § 1.

57-23-06. Hearing on application.

1. Within ten days after receiving an application for abatement, the city auditor or the township clerk shall give the applicant a notice of a hearing to be held before the governing body of the city or township, or such other committee as it may designate, in which the assessed property is located. Said hearing must be set for no more than sixty days after the date of the notice of hearing, and in any event, must be held before the recommendations provided for in subsection 2 are made. The applicant may waive, in writing, the hearing before such governing body or designated committee at any time before the hearing. Any recommendations provided for in subsection 2 must be transmitted to the county auditor no more than thirty days after the date set for the hearing. The provisions of this subsection do not apply to applications for abatement pursuant to section 57-02-08.2.

2. At the next regular meeting of the board of county commissioners following the filing of an application for abatement or, if forthcoming, at the next regular meeting of the board of county commissioners following transmittal of the recommendations of the governing body of the municipality, the applicant may appear, in person or by a representative or attorney, and may present such evidence as may bear on the application. The applicant shall furnish any additional information or evidence requested by the board of county commissioners. The recommendations of the governing body of the municipality in which such assessed property is located must be endorsed upon or attached to every application for an abatement or refund, and the board of county commissioners shall give consideration to such recommendations. The board of county commissioners, by a majority vote, either shall approve or reject the application, in whole or in part. If rejected, a statement of the reasons for such rejection, signed by the chairman of the board, must be attached to the application, and a copy thereof must be mailed by the county auditor to the applicant at the post-office address specified in the application.

Source: S.L. 1897, ch. 126, § 59; R.C. 1899, § 1242; R.C. 1905, § 1553; C.L. 1913, § 2165; S.L. 1917, ch. 227, § 1; 1925 Supp., § 2165; S.L. 1931, ch. 276, § 3; R.C. 1943, § 57-2306; S.L. 1965, ch. 398, § 2; 1971, ch. 550, § 2; 1977, ch. 531, § 2; 1983, ch. 598, § 19; 1985, ch. 623, § 1.

Abatement of Taxes.

Compiled Laws 1913, § 2165, as amended in 1917, empowers the county commissioners, when sitting as a board of county commissioners, to rebate taxes. *City of Mandan v. Nichols*, 62 N.D. 322, 243 N.W. 740 (1932).

Reduction of Assessments.

Individual assessments may be reduced only in special cases where board of county commissioners sits as such board. *City of Minot v. Amundson*, 22 N.D. 236, 133 N.W. 551 (1911), explained, *City of Mandan v. Nichols*, 62 N.D. 322, 243 N.W. 740 (1932).

57-23-07. County commissioners may compromise tax.

If tax on any real estate remains unpaid after the second Tuesday in December in the year it is due, the board of county commissioners, subject to the approval of the state tax commissioner,



Disabled Person Requirements:

1. You must be a permanently and totally disabled person.
2. Proof of total disability must be established with a certificate from a licensed physician approved by the city or township governing body where you reside or by the board of county commissioners if you reside in an unorganized township area.
3. You may be either a homeowner or renter.
4. There is no age requirement for the permanently and totally disabled applicant.
5. A disabled homeowner must meet the same requirements, except for age, as a senior citizen homeowner (see the section on "Homeowner Requirements").
6. A disabled renter must meet the same requirements, except for age, as a senior citizen renter (see the section on "Renter Requirements").

Eligibility Requirements:

You may be eligible for North Dakota's Homestead Property Tax Credit Program if you are:

- 65 years of age or older
- or
- Permanently and totally disabled

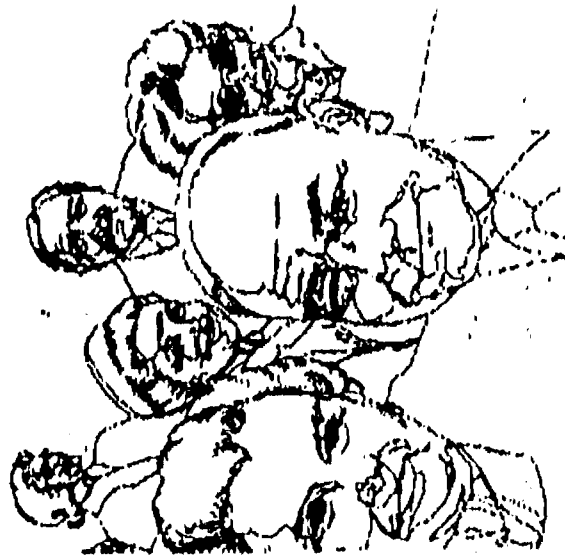
Qualified homeowners receive a credit to reduce property taxes on their home and qualified renters receive a partial refund of their rent.

Application Process for Property Tax Credit or Rent Refund:

1. Contact your local assessor or county director of tax equalization for further information and the proper application form. You may also call the Office of State Tax Commissioner for more information or an application:
 - 1-800-638-2901 and select option 5 (outside Bismarck-Mandan area)
 - 328-3127 (Bismarck-Mandan area)
 - 1-800-366-6888 Hearing/Speech Impaired (TTY Relay North Dakota)
2. Homeowners must file an application for a property tax credit with their local assessor or county director of tax equalization.
3. Renters must file an application for a refund with the Office of State Tax Commissioner, State Capitol, 600 E. Boulevard Ave., Bismarck, ND 58505-0599 before June 1 following the year for which the refund is claimed.

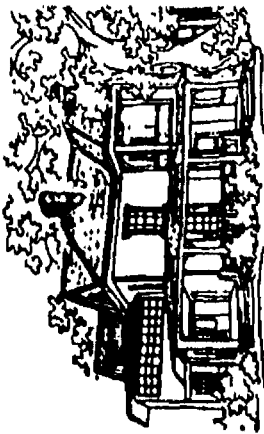


Property Tax Credit for Senior Citizens or Disabled Persons



REVISED 2000

Office of State Tax Commissioner
Rick Oremson, Tax Commissioner
State Capitol, 600 E. Boulevard Ave.
Bismarck, ND 58505-0599



Homeowner Requirements:

1. You must be 65 years of age or older (unless you are permanently and totally disabled) in the year for which your application is made.
2. For a husband and wife who are living together, only one may apply for the credit. Only the spouse applying for the credit need be 65 years of age or older.
3. You must reside on and have an interest in the property for which the credit is claimed.
4. Your income, plus the income of your spouse and any dependents, may not exceed \$14,000 for the calendar year preceding the assessment date. You must consider income from all sources, which includes but is not limited to social security benefits, pensions, salaries, unemployment benefits, dividends, interest, net gains from the sale of property, net rental income and net profit from any business, including ranching and farming. Life insurance death proceeds paid to a surviving spouse or dependent are not included as income under this act. Medical expenses actually paid during the year are deductible from income if not compensated for by insurance or otherwise.
5. Your assets may not exceed \$50,000, including the value of any assets gifted or otherwise divested within the last three years, excluding the first unencumbered \$80,000 of market value of your homestead.

6. The tax credit will reduce the homeowner's taxable value according to the following schedule:

If your income is	Taxable value is reduced by	Maximum reduction
\$ 0 - 8,000	100%	\$2,000
8,001 - 9,500	80%	1,600
9,501 - 11,000	60%	1,200
11,001 - 12,500	40%	800
12,501 - 14,000	20%	400

7. The property tax credit is subject to adjustment, equalization and abatement in the same manner as other real property assessments.

8. If you believe you are eligible, file an application with your local assessor or county director of tax equalization by February 1 (or as soon thereafter as possible) in the year in which your property is assessed and for which the credit is requested.

9. In the event of the applicant's death, all benefits terminate at the end of the taxable year.

10. No person shall qualify to receive the property tax credit if the homestead is rented while the owner is temporarily absent or the homestead is a farm structure which is exempt from taxation.

Renter Requirements:

1. You must be 65 years of age or older (unless you are permanently and totally disabled) in the year for which the refund is claimed.
2. For a husband and wife who are living together, only one may apply for the refund. Only the spouse applying for the refund need be 65 years old or older.
3. Renters must meet the same income requirements as homeowners. There is no asset limitation for renters.
4. No refund may be made to a person who pays rent or fees for any living quarters, including nursing homes, that are exempt from property

taxation and for which payment in lieu of property taxes is not made.

5. Heat, water, lights, telephone or furniture costs may not be considered as part of your rent costs. If your landlord pays for these items, you must deduct the cost of these items from your rent when you apply for a refund. If you pay for your utilities and furniture yourself, you may not add the costs of these items to your rent when you apply for the refund.

6. In order for you to receive a refund for part of the rent you pay, your annual rent payments must use up a certain percentage of your income. Here is how the formula works:

When 20% of your annual rent exceeds 4% of your income, you receive a refund for the overpayment of rent. Example: A renter pays \$100 per month in rent (\$1,200 per year), and the renter's income is \$5,000.00.

20% of \$1,200 is \$240
4% of \$5,000 is \$200

Because \$240 is \$40 greater than \$200, the renter is entitled to a refund of \$40.

7. A refund may not exceed \$240.

8. If you believe you are eligible, file an application with the Office of State Tax Commissioner before June 1 following the year for which the refund is claimed. Extensions of time may be allowed for good cause.



2. At the next regular meeting of the board of county commissioners following the filing of an application for abatement or, if forthcoming, at the next regular meeting of the board of county commissioners following transmittal of the recommendations of the governing body of the municipality, the applicant may appear, in person or by a representative or attorney, and may present such evidence as may bear on the application. The applicant shall furnish any additional information or evidence requested by the board of county commissioners. The recommendations of the governing body of the municipality in which such assessed property is located must be endorsed upon or attached to every application for an abatement or refund, and the board of county commissioners shall give consideration to such recommendations. The board of county commissioners, by a majority vote, either shall approve or reject the application in whole or in part. If rejected, in whole or in part, a written explanation of the rationale for the decision, signed by the chairman of the board, must be attached to the application, and a copy thereof must be mailed by the county auditor to the applicant at the post-office address specified in the application.

Removed overstrike

Added by Chairman Froseth

Added by Representative Klemin