

**HOUSE CONCURRENT RESOLUTION NO.**

Introduced by

Representative Owens

1 A concurrent resolution to create and enact a new section to article X of the Constitution of  
2 North Dakota, relating to a homestead credit for owner-occupied residential property against  
3 property taxes imposed by school districts; and to provide an effective date.

4 **STATEMENT OF INTENT**

5 This measure creates a homestead credit against property taxes imposed by school districts on  
6 owner-occupied residential property and requires legislative appropriations sufficient to  
7 reimburse school districts for the resulting reduction in property tax revenues.

8 **BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF NORTH DAKOTA, THE**  
9 **SENATE CONCURRING THEREIN:**

10 That the following proposed new section to article X of the Constitution of North Dakota  
11 is agreed to and must be submitted to the qualified electors of North Dakota at the general  
12 election to be held in 2008, in accordance with section 16 of article IV of the Constitution of  
13 North Dakota.

14 **SECTION 1.** A new section to article X of the Constitution of North Dakota is created  
15 and enacted as follows:

16 1. The owner of a homestead is entitled to claim a credit against property taxes levied  
17 on a homestead in the amount of the percentage specified in subsection 2 applied  
18 to the total amount of property taxes, with any discount for early payment of taxes,  
19 levied on the homestead for the taxable year by all taxing districts or the entire  
20 amount levied on the homestead by school districts for general fund, high school  
21 tuition, and high school transportation purposes, whichever amount is less. The  
22 entire amount of a homestead credit allowed under this section must be deducted  
23 from property taxes levied by school districts on the homestead. The legislative  
24 assembly shall provide appropriations sufficient for allocation to school districts to

1           reimburse school districts for property tax revenue collections not received by a  
2           school district as a result of the credit allowed under this section.

3           2. The percentage reduction for the credit against property taxes under subsection 1  
4           is ten percent for taxable year 2009, twenty percent for taxable year 2010, thirty  
5           percent for taxable year 2011, and forty percent for taxable years after 2011.

6           3. For purposes of this section, "homestead" means a dwelling occupied by the owner  
7           as a primary dwelling place and up to one acre [.40 hectare] of the land  
8           surrounding the dwelling which is reasonably necessary for the use of the dwelling  
9           as a home. A "homestead" may consist of a part of a structure containing multiple  
10           dwelling or a part of a structure containing a dwelling and used in part for other  
11           purposes, plus a prorated share of the land upon which it is built.

12           4. For a farm or ranch residence that is occupied as a homestead, the credit under  
13           this section applies to the residence and agricultural land in a single tract or  
14           contiguous tracts on which the residence is located and which is owned and used  
15           by the occupant for activities normally associated with farming or ranching. The  
16           legislative assembly may provide by law the conditions for the application of the  
17           credit under this section to a residence and agricultural property of a family-owned  
18           and operated farming or ranching operation established as a corporation or other  
19           legal entity.

20           **SECTION 2. EFFECTIVE DATE.** This measure is effective for taxable years beginning  
21 after December 31, 2008.