

Sixty-first
Legislative Assembly
of North Dakota

SENATE BILL NO. 2201

Introduced by

Senators Cook, Nelson, Nodland

Representatives Drovdal, Mueller

1 A BILL for an Act to create and enact a new section to chapter 57-02 of the North Dakota
2 Century Code and a new section to Senate Bill No. 2184, as approved by the sixty-first
3 legislative assembly, relating to a property tax credit for disabled veterans and to declare
4 Senate Bill No. 2184, as approved by the sixty-first legislative assembly, to be an emergency;
5 to amend and reenact subsection 20 of section 57-02-08 and subdivision c of subsection 1 of
6 section 57-55-10 of the North Dakota Century Code and section 2 of Senate Bill No. 2184, as
7 approved by the sixty-first legislative assembly, relating to the property tax and mobile home
8 tax exemptions for disabled veterans and the effective date of Senate Bill No. 2184, as
9 approved by the sixty-first legislative assembly; to provide an appropriation; to provide an
10 effective date; and to declare an emergency.

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

12 **SECTION 1.** A new section to chapter 57-02 of the North Dakota Century Code is
13 created and enacted as follows:

14 **Property tax credit for disabled veterans - Certification - Distribution.**

15 1. A disabled veteran of the United States armed forces with an armed forces
16 service-connected disability of fifty percent or greater, who was discharged under
17 honorable conditions or who has been retired from the armed forces of the United
18 States, or the unremarried surviving spouse if the disabled veteran is deceased, is
19 eligible for a credit applied against the first one hundred twenty thousand dollars of
20 true and full valuation of the fixtures, buildings, and improvements of the person's
21 homestead equal to the percentage of the disabled veteran's disability
22 compensation rating for service-connected disabilities as certified by the
23 department of veterans affairs for the purpose of applying for a property tax
24 exemption.

- 1 2. If two disabled veterans are married to each other and living together, their
2 combined credits may not exceed one hundred percent of one hundred twenty
3 thousand dollars of true and full value of the fixtures, buildings, and improvements
4 of the homestead. If a disabled veteran co-owns the homestead property with
5 someone other than the disabled veteran's spouse, the credit is limited to that
6 disabled veteran's interest in the fixtures, buildings, and improvements of the
7 homestead, to a maximum amount calculated by multiplying one hundred twenty
8 thousand dollars of true and full valuation by the disabled veteran's percentage of
9 interest in the homestead property and multiplying the result by the applicant's
10 certified disability percentage.
- 11 3. A disabled veteran or unremarried surviving spouse claiming a credit under this
12 section for the first time shall file with the county auditor an affidavit showing the
13 facts herein required, a description of the property, and a certificate from the
14 United States department of veterans affairs, or its successor, certifying to the
15 amount of the disability. The affidavit and certificate must be open for public
16 inspection. A person shall thereafter furnish to the assessor or other assessment
17 officials, when requested to do so, any information which is believed will support
18 the claim for credit for any subsequent year.
- 19 4. For purposes of this section, and except as otherwise provided in this section,
20 "homestead" has the meaning provided in section 47-18-01 except that it also
21 applies to a person who otherwise qualifies under the provisions of this section
22 whether the person is the head of the family.
- 23 5. This section does not reduce the liability of a person for special assessments
24 levied upon property.
- 25 6. The board of county commissioners may cancel the portion of unpaid taxes that
26 represents the credit calculated in accordance with this section for any year in
27 which the qualifying owner has held title to the homestead property. Cancellation
28 of taxes for any year before enactment of this section must be based on the law
29 that was in effect for that tax year.
- 30 7. Before the first of March of each year, the county auditor of each county shall
31 certify to the tax commissioner on forms prescribed by the tax commissioner the

name and address of each person for whom the property tax credit for homesteads of disabled veterans was allowed for the preceding year, the amount of credit allowed, the total of the tax mill rates of all taxing districts, exclusive of any state mill rates, that was applied to other real estate in the taxing districts for the preceding year, and such other information as may be prescribed by the tax commissioner.

8. The tax commissioner shall audit the certifications, make any corrections that may be required, and certify to the state treasurer for payment to each county on or before the first of June of each year, the sum of the amounts computed by multiplying the credit allowed for each homestead of a disabled veteran in the county by the total of the tax mill rates, exclusive of any state mill rates that were applied to other real estate in the taxing districts for the preceding year.

9. The county treasurer upon receipt of the payment from the state treasurer shall apportion and distribute the payment without delay 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.

10. On or before the first day of June of each year, the tax commissioner shall certify to the state treasurer the amount computed by multiplying the property tax credit allowed under this section for homesteads of disabled veterans in the state for the preceding year by one mill for deposit in the state medical center fund.

11. 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 in this section to make such corrections as may be necessary because of errors or because of approval of an application for abatement filed by a person because the credit provided for the homestead of a disabled veteran was not allowed in whole or in part.

SECTION 2. AMENDMENT. Subsection 20 of section 57-02-08 of the North Dakota Century Code is amended and reenacted as follows:

20. Fixtures, buildings, and improvements up to the amount of valuation specified, when owned and occupied as a homestead, as hereinafter defined, by any of the following persons:

- 1 a. A paraplegic disabled veteran of the United States armed forces or any
2 veteran who has been awarded specially adapted housing by the ~~veterans'~~
3 ~~administration~~ department of veterans affairs, or the unremarried surviving
4 spouse if such veteran is deceased, for the first one hundred twenty thousand
5 dollars of true and full valuation of the fixtures, buildings, and improvements.
- 6 b. ~~A disabled veteran of the United States armed forces who was discharged~~
7 ~~under honorable conditions or who has been retired from the armed forces of~~
8 ~~the United States with an armed forces service connected disability of fifty~~
9 ~~percent or greater, or the unremarried surviving spouse if the veteran is~~
10 ~~deceased for a percentage, equal to the percentage of the disabled veteran's~~
11 ~~certified rated service connected disability, applied against the first one~~
12 ~~hundred twenty thousand dollars of true and full valuation of the fixtures,~~
13 ~~buildings, and improvements.~~
- 14 c. Any permanently and totally disabled person who is permanently confined to
15 use of a wheelchair, or, if deceased, the unremarried surviving spouse of a
16 permanently and totally disabled person. If the spouse of a permanently and
17 totally disabled person owns the homestead or if it is jointly owned by them,
18 the same reduction in assessed valuation applies as long as both reside
19 thereon. The provisions of this subdivision do not reduce the liability for
20 special assessments levied upon the homestead. The phrase "permanently
21 confined to use of a wheelchair" means that the person cannot walk with the
22 assistance of crutches or any other device and will never be able to do so and
23 that a physician selected by the local governing board has so certified.

24 Any person claiming an exemption under this subsection for the first time
25 shall file with the county auditor an affidavit showing the facts herein required and
26 a description of the property ~~and, in addition, a disabled veteran claiming~~
27 ~~exemption under subdivision b shall also file with the affidavit a certificate from the~~
28 ~~United States veterans' administration, or its successors, certifying to the amount~~
29 ~~of the disability.~~ The affidavit ~~and certificate~~ must be open for public inspection.
30 ~~After the initial filing of a claim for exemption under this subsection, the exemption~~
31 ~~is automatically renewed each following year but the veteran or veteran's~~

~~unremarried surviving spouse must refile if that person sells the property or no longer claims it as a primary place of residence or if the veteran dies or receives a change in the percentage of the certified rated service connected disability. A person thereafter shall furnish to the assessor or other assessment officials when requested to do so any information that is believed will support the claim for exemption for a subsequent year.~~

For purposes of this subsection, and except as otherwise provided in this subsection, "homestead" has the meaning provided in section 47-18-01 except that it also applies to any person who otherwise qualifies under the provisions of this subsection whether or not the person is the head of a family. The board of county commissioners is hereby authorized to cancel the unpaid taxes for any year in which the ~~veteran~~ qualifying owner has held title to the exempt property.

~~This subsection does not apply within a county in which a resolution approved by the board of county commissioners is in effect disallowing the exemption under this subsection for the taxable year.~~

SECTION 3. AMENDMENT. Subdivision c of subsection 1 of section 57-55-10 of the North Dakota Century Code is amended and reenacted as follows:

c. If it is owned and used as living quarters by a disabled veteran or unremarried surviving spouse who meets the requirements of subsection 20 of section 57-02-08 or section 1 of this Act.

SECTION 4. AMENDMENT. Section 2 of Senate Bill No. 2184, as approved by the sixty-first legislative assembly, is amended and reenacted as follows:

SECTION 2. EFFECTIVE DATE. This Act is effective for taxable events occurring after ~~June~~ April 30, 2009.

SECTION 5. A new section to Senate Bill No. 2184, as approved by the sixty-first legislative assembly, is created and enacted as follows:

SECTION 3. EMERGENCY. This Act is declared to be an emergency measure.

SECTION 6. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,000,000, or so much of the sum as may be necessary, to the state tax commissioner for the purpose of paying

1 the state reimbursement under the disabled veteran credit under section 1 of this Act, for the
2 biennium beginning July 1, 2009, and ending June 30, 2011.

3 **SECTION 7. EFFECTIVE DATE.** Sections 1 through 3 of this Act are effective for
4 taxable years beginning after December 31, 2008.

5 **SECTION 8. EMERGENCY.** Sections 4 and 5 of this Act are declared to be an
6 emergency measure.