

HOUSE BILL NO.

Introduced by

Representative Kaldor

1 A BILL for an Act to create and enact two new sections to chapter 57-02 of the North Dakota
2 Century Code, relating to a disabled veterans homestead credit and certification and state
3 payment of the disabled veterans homestead credit; to amend and reenact subsection 20 of
4 section 57-02-08 of the North Dakota Century Code, relating to the property tax exemption for
5 paraplegic disabled veterans and permanently and totally disabled persons; to provide an
6 appropriation; and to provide an effective date.

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

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

10 **Disabled veterans homestead credit.**

- 11 1. A disabled veteran of the United States armed forces with an armed forces
12 service-connected disability of fifty percent or greater, who was discharged under
13 honorable conditions or who has been retired from the armed forces of the United
14 States, or the unremarried surviving spouse if the veteran is deceased, is eligible
15 for a credit applied against the first one hundred twenty thousand dollars of true
16 and full value of the fixtures, buildings, and improvements of the individual's
17 homestead equal to the percentage of the disabled veteran's service-connected
18 disability certified by the United States department of veterans' affairs for the
19 purpose of applying for a property tax exemption.
- 20 2. If two disabled veterans are married to each other and reside together, their
21 combined credits may not exceed one hundred percent of one hundred twenty
22 thousand dollars of true and full value of the fixtures, buildings, and improvements
23 of the homestead. If a disabled veteran coowns the homestead property with
24 someone other than the disabled veteran's spouse, the credit is limited to that
25 disabled veteran's interest in the fixtures, buildings, and improvements of the

1 homestead, to a maximum amount calculated by multiplying one hundred twenty
2 thousand dollars of true and full value by the disabled veteran's percentage of
3 interest in the homestead property and multiplying the result by the applicant's
4 certified disability percentage.

5 3. Any disabled veteran or unremarried surviving spouse claiming a credit under this
6 section for the first time shall file with the county auditor an affidavit to establish the
7 facts required by this section, a description of the property, and a certificate from
8 the United States department of veterans' affairs, or its successor, certifying the
9 amount of the disability. The affidavit and certificate must be open for public
10 inspection. Any individual who has received a credit under this section shall
11 furnish to the assessor or other assessment officials upon request any information
12 to support the claim for the credit for any subsequent year.

13 4. For purposes of this section, and except as otherwise provided in this section,
14 "homestead" has the meaning provided in section 47-18-01 except that the term
15 also applies to any person who otherwise qualifies under this section, whether or
16 not the person is the head of a family. The board of county commissioners may
17 cancel the portion of unpaid taxes which represents the credit under this section for
18 any year in which the qualifying owner has held title to the homestead property.
19 Cancellation of taxes for any taxable year before the effective date of this section
20 must be based on the law that was in effect for that taxable year.

21 **SECTION 2.** A new section to chapter 57-02 of the North Dakota Century Code is
22 created and enacted as follows:

23 **Property tax credit for disabled veterans - Certification and payment.**

24 1. Before March first of each year, the county auditor of each county shall certify to
25 the tax commissioner on forms prescribed by the tax commissioner the name and
26 address of each person for whom the disabled veterans homestead credit under
27 section 1 of this Act was allowed for the preceding year, the amount of credit
28 allowed, the total of the tax mill rates of all taxing districts, exclusive of any state
29 mill rates, that was applied to other real estate in those taxing districts for the
30 preceding year, and such other information as may be prescribed by the tax
31 commissioner.

- 1 2. The tax commissioner shall audit the certifications, make any corrections that may
2 be required, and certify to the state treasurer for payment to each county before
3 June first of each year the sum of the amounts computed by multiplying the credit
4 allowed for each homestead of a disabled veteran or unremarried surviving spouse
5 in the county by the total of the tax mill rates, exclusive of any state mill rates,
6 which was applied to other real estate in those taxing districts for the preceding
7 year.
- 8 3. The county treasurer upon receipt of the payment from the state treasurer shall
9 apportion and distribute it without delay to the county and to the taxing districts of
10 the county on the basis on which the general real estate tax for the preceding year
11 is apportioned and distributed.
- 12 4. Before June first of each year, the tax commissioner shall certify to the state
13 treasurer the amount computed by multiplying the property tax credit allowed for
14 homesteads of disabled veterans or unremarried surviving spouses in the state for
15 the preceding year by one mill for deposit in the state medical center fund.
- 16 5. Supplemental certifications by the county auditor and the tax commissioner and
17 supplemental payments by the state treasurer may be made after the dates
18 prescribed in this section to make such corrections as may be necessary because
19 of errors or approval of an application for abatement filed by a person because all
20 or part of the credit provided for the homestead of a disabled veteran or
21 unremarried surviving spouse was not allowed.

22 **SECTION 3. AMENDMENT.** Subsection 20 of section 57-02-08 of the North Dakota
23 Century Code is amended and reenacted as follows:

- 24 20. Fixtures, buildings, and improvements up to the amount of valuation specified,
25 when owned and occupied as a homestead, as hereinafter defined, by any of the
26 following persons:
- 27 a. A paraplegic disabled veteran of the United States armed forces or any
28 veteran who has been awarded specially adapted housing by the ~~veterans'~~
29 ~~administration~~ United States department of veterans' affairs, or the
30 unremarried surviving spouse if such veteran is deceased, for the first one

1 hundred twenty thousand dollars of true and full valuation of the fixtures,
2 buildings, and improvements.

3 b. ~~A disabled veteran of the United States armed forces who was discharged~~
4 ~~under honorable conditions or who has been retired from the armed forces of~~
5 ~~the United States with an armed forces service connected disability of fifty~~
6 ~~percent or greater, or the unremarried surviving spouse if the veteran is~~
7 ~~deceased for a percentage, equal to the percentage of the disabled veteran's~~
8 ~~certified rated service connected disability, applied against the first one~~
9 ~~hundred twenty thousand dollars of true and full valuation of the fixtures,~~
10 ~~buildings, and improvements.~~

11 e. Any permanently and totally disabled person who is permanently confined to
12 use of a wheelchair, or, if deceased, the unremarried surviving spouse of a
13 permanently and totally disabled person. If the spouse of a permanently and
14 totally disabled person owns the homestead or if it is jointly owned by them,
15 the same reduction in assessed valuation applies as long as both reside
16 thereon. The provisions of this subdivision do not reduce the liability for
17 special assessments levied upon the homestead. The phrase "permanently
18 confined to use of a wheelchair" means that the person cannot walk with the
19 assistance of crutches or any other device and will never be able to do so and
20 that a physician selected by the local governing board has so certified.

21 Any person claiming an exemption under this subsection for the first time shall
22 file with the county auditor an affidavit showing the facts herein required and a
23 description of the property ~~and, in addition, a disabled veteran claiming exemption~~
24 ~~under subdivision b shall also file with the affidavit a certificate from the United~~
25 ~~States veterans' administration, or its successors, certifying to the amount of the~~
26 ~~disability. The affidavit and certificate must be open for public inspection. After the~~
27 ~~initial filing of a claim for exemption under this subsection, the exemption is~~
28 ~~automatically renewed each following year but the veteran or veteran's~~
29 ~~unremarried surviving spouse must refile if that person sells the property or no~~
30 ~~longer claims it as a primary place of residence or if the veteran dies or receives a~~
31 ~~change in the percentage of the certified rated service connected disability. Any~~

1 individual who has received an exemption under this subsection shall furnish to the
2 assessor or other assessment officials upon request any information to support the
3 claim for the exemption for any subsequent year.

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

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

13 **SECTION 4. APPROPRIATION.** There is appropriated out of any moneys in the
14 general fund in the state treasury, not otherwise appropriated, the sum of \$2,700,000, or so
15 much of the sum as may be necessary, to the tax commissioner for the purpose of
16 reimbursements for disabled veterans homestead credits provided by section 1 of this Act, for
17 the biennium beginning July 1, 2009, and ending June 30, 2011.

18 **SECTION 5. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
19 December 31, 2008.