

**SENATE BILL NO. 2302**

Introduced by

Senators Dotzenrod, Robinson

Representatives Kelsh, Muscha

1 A BILL for an Act to amend and reenact section 57-02-08.3 of the North Dakota Century Code,  
2 relating to the homestead credit for special assessments; and to provide an effective date.

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

4 **SECTION 1. AMENDMENT.** Section 57-02-08.3 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **57-02-08.3. Homestead credit for special assessments - Certification - Lien.**

7 1. Any person who has qualified for the property tax credit provided for in section  
8 57-02-08.1 may elect to also qualify for an additional homestead credit against that  
9 person's homestead for the portion of any special assessment levied by a taxing  
10 district which becomes due for the same year. The total amount of credits allowed for  
11 any one property must not exceed ~~six~~fifteen thousand dollars excluding any interest  
12 charged by the body levying the special assessment. This credit may be granted only  
13 at the election of the qualifying person. The person making the election shall do so by  
14 filing with the county auditor a claim for the special assessment credit on a form  
15 prescribed by the tax commissioner. The claim must be filed with the county auditor on  
16 or before February first of the year in which the special assessment installment thereof  
17 becomes payable.

18 2. a. By March first of each year, the county auditor of each county shall certify to the  
19 state tax commissioner, on forms prescribed by the tax commissioner, the  
20 following information:

21 (1) The name and address of each person for whom the special assessment  
22 credit provided for in subsection 1 was allowed for the preceding year.

23 (2) The amount of credit allowed for the special assessment installment thereof  
24 due for the preceding year.

- 1                   (3) The total amount of the special assessment credits due in each special  
2                   assessment district.
- 3                   (4) Other information that the tax commissioner requires.
- 4                   b. The tax commissioner shall audit the certifications, make such corrections as  
5                   may be required, and certify to the state treasurer for payment to each county by  
6                   June first of each year the sum of the amounts computed by adding the credits  
7                   allowed for portions of special assessments which were due for each homestead  
8                   in the county for the preceding year. No more than the portion of special  
9                   assessments due for the preceding year shall be allowed as a credit for any  
10                  homestead in any year.
- 11                  c. The county treasurer upon receipt of the payment from the state treasurer shall  
12                  forthwith apportion and distribute the payment to each special assessment district  
13                  in the county according to the total credits allowed for each respective special  
14                  assessment district.
- 15                  d. Supplemental certifications by the county auditor and by the state tax  
16                  commissioner and supplemental payments by the state treasurer may be made  
17                  after the dates prescribed herein to make such corrections as may be necessary  
18                  because of errors therein.
- 19                  3. a. ~~Any~~Except as provided in subsection 4, the credit allowed under subsection 1,  
20                  plus interest in the amount of ~~ninesix~~six percent per year from June first of the year  
21                  for which the special assessment installment for which a credit is taken becomes  
22                  payable, creates a lien in favor of the state against the property upon which the  
23                  special assessment credit is allowed and remains a lien upon the property from  
24                  the time the credit is allowed until the lien is fully satisfied by depositing the  
25                  amount of the lien in the state general fund. The rate for interest accruing on  
26                  existing liens under this section is six percent per year after December 31, 2015.  
27                  If the amount of the lien exceeds the market value of the property, the state may  
28                  accept the amount of the market value of the property as payment in full on the  
29                  lien.
- 30                  b. (1) Except as otherwise provided in this subdivision, a transfer of title to the  
31                  homestead because of sale, death, or otherwise may not be made without

1                   the lien being satisfied. When a credit under subsection 1 is allowed, the  
2                   county auditor shall cause a notice of lien of record to be filed against  
3                   subject property with the recorder.

4                   (2) The recorder may not record any deed for property on which the county  
5                   auditor has determined that there is an unsatisfied lien created under this  
6                   section, except for a transfer between spouses because of the death of one  
7                   of them as provided in paragraph 3.

8                   (3) When a transfer occurs between spouses because of the death of one of  
9                   them, the lien allowed by this section need not be satisfied until the property  
10                  is again transferred.

11                  c. This lien has precedence over all other liens except general tax liens and prior  
12                  special assessment liens and shall not be divested at any judicial sale. A mistake  
13                  in the description of the property covered by this lien or in the name of the owner  
14                  of the property does not defeat the lien if the property can be identified by the  
15                  description in the special assessment list.

16                  4. The amount of the lien under subsection 3 for a taxable year must be reduced by a  
17                  percentage of the credit allowed under subsection 1 for that taxable year equal to  
18                  one-half of the percentage reduction in taxable valuation of the homestead to which  
19                  the claimant is entitled under subdivision c of subsection 1 of section 57-02-08.1. At  
20                  the time of satisfaction of the lien created under this section, the state is entitled to  
21                  recover only the amount of the lien and accrued interest as allowed under this section.

22                  **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
23                  December 31, 2015.