

Sixty-third
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2290

Introduced by

Senators Dotzenrod, Mathern, Nelson

Representatives Gruchalla, Guggisberg, Onstad

1 A BILL for an Act to create and enact section 57-02-08.9 of the North Dakota Century Code,
2 relating to provision of property tax relief through a residential property tax reduction; and to
3 provide an effective date.

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

5 **SECTION 1.** Section 57-02-08.9 of the North Dakota Century Code is created and enacted
6 as follows:

7 **57-02-08.9. Residential property tax credit - Certification - Distribution.**

- 8 1. An individual is entitled to receive a reduction of one thousand one hundred
9 twenty-five dollars or fifty percent, whichever is less, of the taxable valuation of the
10 individual's primary residence as provided in this section. A reduction under this
11 section applies regardless of whether the individual is the head of a family. If an
12 individual is entitled to a reduction in taxable valuation under this section and section
13 57-02-08.1 or 57-02-08.8, any reduction under this section must be applied first and
14 then any reduction under sections 57-02-08.1 and 57-02-08.8 must be applied. The
15 reduction under this section, alone or in combination with any other reduction allowed
16 by law, may not exceed the taxable valuation of the primary residence.
- 17 2. An estate or trust or a corporation or passthrough entity that owns residential property
18 used as part of a farming or ranching operation is entitled to a reduction as provided in
19 subsection 1 if that residential property is occupied as a primary residence, as of the
20 assessment date of the taxable year, by an individual who is a beneficiary of the estate
21 or trust or who holds an ownership interest in the corporation or passthrough entity.
22 Either the occupant or the entity that owns the residence may be the applicant for
23 purposes of this subsection. An estate, trust, corporation, or passthrough entity may
24 not claim a reduction for more than one property under this section.

- 1 3. The reduction under this section continues to apply if the individual does not reside in
2 the primary residence if the individual's absence is due to confinement in a nursing
3 home, hospital, or other care facility, for as long as that confinement lasts and the
4 portion of the primary residence previously occupied by the individual is not rented to
5 another individual.
- 6 4. Individuals residing together, as spouses or when one or more is a dependent of
7 another, are entitled to only one reduction between or among them under this section.
8 Individuals residing together, who are not spouses or dependents, who are coowners
9 of the property are each entitled to a percentage of a full reduction under this section
10 equal to their ownership interests in the property.
- 11 5. To claim the reduction under this section, an applicant must sign and file with the
12 assessor, by March first of the year for which a reduction is claimed, a claim form
13 containing a verified statement of facts establishing the applicant's eligibility as of
14 February first of that year.
- 15 6. The assessor shall attach the statement filed under subsection 5 to the assessment
16 sheet and shall show the reduction on the assessment sheet.
- 17 7. All forms necessary to effectuate this section must be prescribed, designed, and made
18 available by the tax commissioner. Claim forms must include the full name, address,
19 and social security or taxpayer identification number of the applicant, and any other
20 information prescribed by the tax commissioner. The tax commissioner shall include
21 on claim forms a statement to the effect that the applicant, by signing, declares the
22 application to be true, correct, and complete and subject to the penalties under section
23 12.1-11-02 for making a false statement in a governmental matter. The county director
24 of tax equalization shall make these forms available to applicants upon request.
- 25 8. A social security or taxpayer identification number contained in any form under this
26 section is confidential and may be disclosed only to county officers, the tax
27 commissioner, or a court and only for purposes of administering this section. A county
28 officer, the tax commissioner, or a court in possession of a form or other document
29 under this section shall delete or obscure any social security or taxpayer identification
30 number on any copy of the form or other document released to the public.

- 1 9. A reduction under this section terminates at the end of the taxable year for which the
2 application was approved. A reduction under this section is effective for the entire
3 taxable year for which the application was approved, without regard to any change of
4 ownership of the residence which occurs after the assessment date.
- 5 10. If any applicant is found to have claimed a reduction under this section for more than
6 one primary residence for the same taxable year, all reductions under this section for
7 that applicant for that taxable year and the ensuing two taxable years must be
8 canceled. If an applicant received a reduction that is canceled under this section, the
9 auditor of the county in which such property is located shall enter the amount of the
10 canceled reduction as omitted property on the assessment roll of property that has
11 escaped taxation.
- 12 11. Determinations concerning eligibility for a reduction under this section may be
13 appealed through the informal equalization process and formal abatement process.
- 14 12. This section does not reduce the liability of any individual for special assessments
15 levied upon any property.
- 16 13. For the purposes of this section:
- 17 a. "Dependent" has the same meaning it has for federal income tax purposes.
18 b. "Owned" means the applicant holds a present ownership interest, including
19 ownership in fee simple, holding a present life estate or other terminable present
20 ownership interest, or being a purchaser under a contract for deed, but does not
21 include a mere right of occupancy or a tenancy under a lease.
22 c. "Primary residence", for purposes of a residential property taxable valuation
23 reduction under this section, means a dwelling in this state owned and occupied
24 by the applicant as that applicant's primary residence as of the assessment date
25 of the taxable year and which is not exempt from property taxes as a farm
26 residence.
- 27 14. Before April first of each year, the county auditor of each county shall certify to the tax
28 commissioner, on forms prescribed by the tax commissioner, the full name, address,
29 and social security or taxpayer identification number of each individual or entity for
30 whom the reduction under this section was allowed for the preceding year, the legal
31 description of the property, the taxable value of the property, the dollar amount of each

1 reduction in taxable value allowed, and the total of the tax mill rates for the preceding
2 year of all taxing districts in which the property was contained, exclusive of any state
3 mill rates, and any other information prescribed by the tax commissioner.

4 15. By June first of each year, the tax commissioner shall review the certifications under
5 subsection 14, make any required corrections, and certify to the state treasurer for
6 payment to each county the sum of the amounts computed by multiplying the
7 reduction allowed for each qualifying primary residence in the county for the preceding
8 year by the total of the tax mill rates for the preceding year of all taxing districts in
9 which the property was contained. In reviewing certifications, the tax commissioner
10 may refer to any income tax return information or other information available to the tax
11 commissioner.

12 16. Upon receipt of the payment from the state treasurer, the county treasurer shall
13 apportion and distribute it without delay to the county and to the taxing districts of the
14 county on the same basis the general real estate tax for the preceding year is
15 apportioned and distributed.

16 17. The tax commissioner shall certify annually to the state treasurer for deposit in the
17 state medical center fund the amount computed by multiplying one mill times the
18 reduction allowed under this section for the preceding year for all primary residences
19 in the state.

20 18. Supplemental certifications by the county auditor and the tax commissioner and
21 supplemental payments by the state treasurer may be made after the dates prescribed
22 in this section to make any corrections necessary because of errors or approval of any
23 application for equalization or abatement filed by an individual or entity because all or
24 part of the reduction under this section was not allowed.

25 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
26 December 31, 2012.