

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.