

**SENATE BILL NO. 2201  
with House Amendments**

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, relating to a property tax credit for disabled veterans; to amend and reenact  
3 subsection 20 of section 57-02-08 and subdivision c of subsection 1 of section 57-55-10 of the  
4 North Dakota Century Code, relating to the property tax and mobile home tax exemptions for  
5 disabled veterans; to provide an appropriation; to provide for a reduction of appropriation  
6 authority; 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 **Property tax credit for disabled veterans - Certification - Distribution.**

- 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 disabled veteran is deceased, is  
15 eligible for a credit applied against the first one hundred twenty thousand dollars of  
16 true and full valuation of the fixtures, buildings, and improvements of the person's  
17 homestead equal to the percentage of the disabled veteran's disability  
18 compensation rating for service-connected disabilities as certified by the  
19 department of veterans affairs for the purpose of applying for a property tax  
20 exemption.
- 21 2. If two disabled veterans are married to each other and living together, their  
22 combined credits may not exceed one hundred percent of one hundred twenty  
23 thousand dollars of true and full value of the fixtures, buildings, and improvements  
24 of the homestead. If a disabled veteran co-owns the homestead property with

1           someone other than the disabled veteran's spouse, the credit is limited to that  
2           disabled veteran's interest in the fixtures, buildings, and improvements of the  
3           homestead, to a maximum amount calculated by multiplying one hundred twenty  
4           thousand dollars of true and full valuation by the disabled veteran's percentage of  
5           interest in the homestead property and multiplying the result by the applicant's  
6           certified disability percentage.

7           3. A disabled veteran or unremarried surviving spouse claiming a credit under this  
8           section for the first time shall file with the county auditor an affidavit showing the  
9           facts herein required, a description of the property, and a certificate from the  
10           United States department of veterans affairs, or its successor, certifying to the  
11           amount of the disability. The affidavit and certificate must be open for public  
12           inspection. A person shall thereafter furnish to the assessor or other assessment  
13           officials, when requested to do so, any information which is believed will support  
14           the claim for credit for any subsequent year.

15           4. For purposes of this section, and except as otherwise provided in this section,  
16           "homestead" has the meaning provided in section 47-18-01 except that it also  
17           applies to a person who otherwise qualifies under the provisions of this section  
18           whether the person is the head of the family.

19           5. This section does not reduce the liability of a person for special assessments  
20           levied upon property.

21           6. The board of county commissioners may cancel the portion of unpaid taxes that  
22           represents the credit calculated in accordance with this section for any year in  
23           which the qualifying owner has held title to the homestead property. Cancellation  
24           of taxes for any year before enactment of this section must be based on the law  
25           that was in effect for that tax year.

26           7. Before the first of March of each year, the county auditor of each county shall  
27           certify to the tax commissioner on forms prescribed by the tax commissioner the  
28           name and address of each person for whom the property tax credit for homesteads  
29           of disabled veterans was allowed for the preceding year, the amount of credit  
30           allowed, the total of the tax mill rates of all taxing districts, exclusive of any state  
31           mill rates, that was applied to other real estate in the taxing districts for the

1           preceding year, and such other information as may be prescribed by the tax  
2           commissioner.

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

9           9. The county treasurer upon receipt of the payment from the state treasurer shall  
10           apportion and distribute the payment without delay to the county and to the local  
11           taxing districts of the county on the basis on which the general real estate tax for  
12           the preceding year is apportioned and distributed.

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

17           11. Supplemental certifications by the county auditor and by the tax commissioner and  
18           supplemental payments by the state treasurer may be made after the dates  
19           prescribed in this section to make such corrections as may be necessary because  
20           of errors or because of approval of an application for abatement filed by a person  
21           because the credit provided for the homestead of a disabled veteran was not  
22           allowed in whole or in part.

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

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

28           a. A paraplegic disabled veteran of the United States armed forces or any  
29           veteran who has been awarded specially adapted housing by the ~~veterans'~~  
30           ~~administration~~ department of veterans affairs, or the unmarried surviving

1 spouse if such veteran is deceased, for the first one hundred twenty thousand  
2 dollars of true and full valuation of the fixtures, 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  
22 shall file with the county auditor an affidavit showing the facts herein required and  
23 a description of the property and, ~~in addition, a disabled veteran claiming~~  
24 ~~exemption under subdivision b shall also file with the affidavit a certificate from the~~  
25 ~~United States veterans' administration, or its successors, certifying to the amount~~  
26 ~~of the disability. The affidavit and certificate must be open for public inspection.~~  
27 ~~After the initial filing of a claim for exemption under this subsection, the exemption~~  
28 ~~is 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 A~~

1            person thereafter shall furnish to the assessor or other assessment officials when  
2            requested to do so any information that is believed will support the claim for  
3            exemption for a 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  
6            that it also applies to any person who otherwise qualifies under the provisions of  
7            this subsection whether or not the person is the head of a family. The board of  
8            county commissioners is hereby authorized to cancel the unpaid taxes for any year  
9            in 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 3. AMENDMENT.** Subdivision c of subsection 1 of section 57-55-10 of the  
14 North Dakota Century Code is amended and reenacted as follows:

15            c. If it is owned and used as living quarters by a disabled veteran or unremarried  
16            surviving spouse who meets the requirements of subsection 20 of section  
17            57-02-08 or section 1 of this Act.

18            **SECTION 4. APPROPRIATION.** There is appropriated out of any moneys in the  
19 general fund in the state treasury, not otherwise appropriated, the sum of \$2,700,000, or so  
20 much of the sum as may be necessary, to the state tax commissioner for the purpose of paying  
21 the state reimbursement under the disabled veteran credit under section 1 of this Act, for the  
22 biennium beginning July 1, 2009, and ending June 30, 2011.

23            **SECTION 5. APPROPRIATION AUTHORITY REDUCTION.** The total amount of  
24 expenditures from appropriations provided by the sixty-first legislative assembly for the  
25 biennium beginning July 1, 2009, and ending June 30, 2011, may not exceed \$300,000,000 for  
26 funding state reimbursement of property tax relief or property tax reduction or credit funding for  
27 programs initiated by 2009 legislation. To the extent appropriations for such programs  
28 authorized by the sixty-first legislative assembly exceed \$300,000,000, proportionate  
29 reductions must be made in all such appropriations to the end that total expenditures do not  
30 exceed \$300,000,000.

1           The legislative council shall develop and maintain a compilation of all legislative bills  
2 and appropriations that could be subject to the reduction of appropriation authority under this  
3 section.

4           **SECTION 6. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
5 December 31, 2008.