

Introduced by

Representatives Guggisberg, Amerman, Glassheim, Gruchalla, Hogan, J. Kelsh, S. Kelsh, Mock

Senators Dotzenrod, Mathern, Nelson, Sinner

1 A BILL for an Act to amend and reenact section 57-02-08.8 of the North Dakota Century Code,  
2 relating to a renter credit for a disabled veteran who would qualify for the property tax credit for  
3 disabled veterans except for the fact that the disabled veteran rents living quarters; and to  
4 provide an effective date.

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

6 **SECTION 1. AMENDMENT.** Section 57-02-08.8 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **57-02-08.8. Property tax credit for disabled veterans - Renter credit - Certification -**  
9 **Distribution.**

10 1. A disabled veteran of the United States armed forces with an armed forces  
11 service-connected disability ~~of fifty percent or greater~~ or a disabled veteran who has  
12 an extra-schedular rating to include individual unemployability that brings the veteran's  
13 total disability rating to one hundred percent as determined by the department of  
14 veterans' affairs, who was discharged under honorable conditions or who has been  
15 retired from the armed forces of the United States, or the unremarried surviving  
16 spouse if the disabled veteran is deceased, is eligible for a credit applied against the  
17 first ~~four hundred~~ five nine thousand ~~four hundred~~ dollars of taxable valuation of the fixtures,  
18 buildings, and improvements of the homestead owned and occupied by the disabled  
19 veteran or unremarried surviving spouse equal to the percentage of the disabled  
20 veteran's disability compensation rating for service-connected disabilities as certified  
21 by the department of veterans' affairs for the purpose of applying for a property tax  
22 exemption. An unremarried surviving spouse who is receiving department of veterans'

- 1           affairs dependency and indemnity compensation receives a one hundred percent  
2           exemption as described in this subsection.
- 3           2. If two disabled veterans are married to each other and living together, their combined  
4           credits may not exceed one hundred percent of five thousand four hundred dollars of  
5           taxable valuation of the fixtures, buildings, and improvements of the homestead. If a  
6           disabled veteran co-owns the homestead property with someone other than the  
7           disabled veteran's spouse, the credit is limited to that disabled veteran's interest in the  
8           fixtures, buildings, and improvements of the homestead, to a maximum amount  
9           calculated by multiplying five thousand four hundred dollars of taxable valuation by the  
10          disabled veteran's percentage of interest in the homestead property and multiplying  
11          the result by the applicant's certified disability percentage.
- 12          3. A disabled veteran or unremarried surviving spouse claiming a credit under this  
13          section for the first time shall file with the county auditor an affidavit showing the facts  
14          herein required, a description of the property, and a certificate from the United States  
15          department of veterans' affairs, or its successor, certifying to the amount of the  
16          disability. The affidavit and certificate must be open for public inspection. A person  
17          shall thereafter furnish to the assessor or other assessment officials, when requested  
18          to do so, any information which is believed will support the claim for credit for any  
19          subsequent year.
- 20          4. a. A disabled veteran or unremarried surviving spouse who would qualify for a credit  
21             under this section except for the fact that the individual rents living quarters is  
22             eligible for a refund of a portion of the individual's annual rent deemed by this  
23             subsection to constitute the payment of property tax.
- 24          b. For the purpose of this subsection, twenty percent of the annual rent, exclusive of  
25             any federal rent subsidy and of charges for any utilities, services, furniture,  
26             furnishings, or personal property appliances furnished by the landlord as part of  
27             the rental agreement, whether or not expressly set out in the rental agreement,  
28             must be considered as payment made for property tax. When any part of the  
29             twenty percent of the annual rent exceeds two percent of the annual income of a  
30             qualified applicant, the applicant is entitled to receive a refund from the state  
31             general fund for that amount in excess of fourtwo percent of the applicant's

1           annual income multiplied by the applicant's certified disability percentage, but the  
2           refund may not be in excess of four hundred dollars. If the calculation for the  
3           refund is less than five dollars, a minimum of five dollars must be sent to the  
4           qualifying applicant.

5           c. Individuals who reside together, as spouses or when one or more is a dependent  
6           of another, are entitled to only one refund between or among them under this  
7           subsection. Individuals who reside together in a rental unit, who are not spouses  
8           or dependents, are each entitled to apply for a refund based on the rent paid by  
9           that individual.

10          d. Each application for refund under this subsection must be made to the tax  
11          commissioner before the first day of June of each year by the individual claiming  
12          the refund. The tax commissioner may grant an extension of time to file an  
13          application for good cause. The tax commissioner shall issue refunds to  
14          applicants.

15          e. This subsection does not apply to rents or fees paid by an individual for any living  
16          quarters, including a nursing home licensed pursuant to section 23-16-01, if  
17          those living quarters are exempt from property taxation and the owner is not  
18          making a payment in lieu of property taxes.

19          f. An individual may not receive a refund under this section for a taxable year in  
20          which that person received an exemption under subsection 1.

21          5. For purposes of this section, and except as otherwise provided in this section,  
22          "homestead" has the meaning provided in section 47-18-01 except that it also applies  
23          to a person who otherwise qualifies under the provisions of this section whether the  
24          person is the head of the family and "income" has the meaning provided in section  
25          57-02-08.1.

26          ~~5-6.~~ This section does not reduce the liability of a person for special assessments levied  
27          upon property.

28          ~~6-7.~~ The board of county commissioners may cancel the portion of unpaid taxes that  
29          represents the credit calculated in accordance with this section for any year in which  
30          the qualifying owner has held title to the homestead property. Cancellation of taxes for

1 any year before enactment of this section must be based on the law that was in effect  
2 for that tax year.

3 ~~7.8.~~ Before the first of March of each year, the county auditor of each county shall certify to  
4 the tax commissioner on forms prescribed by the tax commissioner the name and  
5 address of each person for whom the property tax credit for homesteads of disabled  
6 veterans was allowed for the preceding year, the amount of credit allowed, the total of  
7 the tax mill rates of all taxing districts, exclusive of any state mill rates, that was  
8 applied to other real estate in the taxing districts for the preceding year, and such other  
9 information as may be prescribed by the tax commissioner.

10 ~~8.9.~~ On or before the first of June of each year, the tax commissioner shall audit the  
11 certifications, make the required corrections, and certify to the state treasurer for  
12 payment to each county the sum of the amounts computed by multiplying the credit  
13 allowed for each homestead of a disabled veteran in the county by the total of the tax  
14 mill rates, exclusive of any state mill rates that were applied to other real estate in the  
15 taxing districts for the preceding year.

16 ~~9.10.~~ The county treasurer upon receipt of the payment from the state treasurer shall  
17 apportion and distribute the payment without delay to the county and to the local  
18 taxing districts of the county on the basis on which the general real estate tax for the  
19 preceding year is apportioned and distributed.

20 ~~10.11.~~ On or before the first day of June of each year, the tax commissioner shall certify to  
21 the state treasurer the amount computed by multiplying the property tax credit allowed  
22 under this section for homesteads of disabled veterans in the state for the preceding  
23 year by one mill for deposit in the state medical center fund.

24 ~~11.12.~~ Supplemental certifications by the county auditor and by the tax commissioner and  
25 supplemental payments by the state treasurer may be made after the dates prescribed  
26 in this section to make such corrections as may be necessary because of errors or  
27 because of approval of an application for abatement filed by a person because the  
28 credit provided for the homestead of a disabled veteran was not allowed in whole or in  
29 part.

30 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
31 December 31, 2013.