

2023 HOUSE FINANCE AND TAXATION

HB 1211

2023 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Room JW327E, State Capitol

HB 1211
1/16/2023

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| A bill relating to the homestead property tax credit. |
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Chairman Headland opened the hearing at 10:55am.

Members present: Chairman Headland, Vice Chairman Hagert, Representative Anderson, Representative Bosch, Representative Dockter, Representative Fisher, Representative Grueneich, Representative Hatlestad, Representative Motschenbacher, Representative Olson, Representative Steiner, Representative Toman, Representative Finley-DeVillie, and Representative Ista. No members absent.

Discussion Topics:

- Assets for eligibility of Homestead Credit
- Income caps for eligibility

Representative Richter introduced bill in support (#13383).

Aaron Birst, Executive Director with North Dakota Association of Counties, testified verbally in support.

Chairman Headland closed the hearing at 11:04am.

Mary Brucker, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Room JW327E, State Capitol

HB 1211
2/1/2023

A bill relating to the homestead property tax credit.

Chairman Headland opened the meeting at 2:47PM.

Members present: Chairman Headland, Representative Anderson, Representative Bosch, Representative Dockter, Representative Fisher, Representative Grueneich, Representative Hatlestad, Representative Motschenbacher, Representative Olson, Representative Steiner, Representative Toman, Representative Finley-DeVill, and Representative Ista. Members absent: Vice Chairman Hagert.

Discussion Topics:

- Proposed amendment 23.0425.01001
- Committee vote

Representative Dockter proposed an amendment **23.0425.01001** (#18860, 18650).

Representative Ista moved the amendment **23.0425.01001**.

Representative Olson seconded the motion.

Roll call vote:

| Representatives | Vote |
|------------------------------------|-------------|
| Representative Craig Headland | Y |
| Representative Jared Hagert | AB |
| Representative Dick Anderson | Y |
| Representative Glenn Bosch | Y |
| Representative Jason Dockter | Y |
| Representative Lisa Finley-DeVill | Y |
| Representative Jay Fisher | Y |
| Representative Jim Grueneich | Y |
| Representative Patrick Hatlestad | Y |
| Representative Zachary Ista | Y |
| Representative Mike Motschenbacher | Y |
| Representative Jeremy Olson | Y |
| Representative Vicky Steiner | Y |
| Representative Nathan Toman | Y |

Motion carried 13-0-1

Representative Olson moved a Do Pass as Amended and rerefer to Appropriations.

Representative Fisher seconded the motion.

Roll call vote:

| Representatives | Vote |
|------------------------------------|-------------|
| Representative Craig Headland | Y |
| Representative Jared Hagert | AB |
| Representative Dick Anderson | Y |
| Representative Glenn Bosch | Y |
| Representative Jason Dockter | Y |
| Representative Lisa Finley-DeVille | Y |
| Representative Jay Fisher | Y |
| Representative Jim Grueneich | Y |
| Representative Patrick Hatlestad | Y |
| Representative Zachary Ista | Y |
| Representative Mike Motschenbacher | Y |
| Representative Jeremy Olson | Y |
| Representative Vicky Steiner | Y |
| Representative Nathan Toman | Y |

Motion carried 13-0-1

Representative Dockter is the bill carrier.

Chairman Headland adjourned at 2:59PM.

Mary Brucker, Committee Clerk

H 2-1-23

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1211

Page 1, line 1, remove "subdivision g of"

Page 1, replace lines 5 through 10 with:

"SECTION 1. AMENDMENT. Subsection 1 of section 57-02-08.1 of the North Dakota Century Code is amended and reenacted as follows:

1. a. Any person sixty-five years of age or older or permanently and totally disabled, in the year in which the tax was levied, with an income that does not exceed the limitations of subdivision c is entitled to receive a reduction in the assessment on the taxable valuation on the person's homestead. An exemption under this subsection applies regardless of whether the person is the head of a family.
- b. The exemption under this subsection continues to apply if the person does not reside in the homestead and the person's absence is due to confinement in a nursing home, hospital, or other care facility, for as long as the portion of the homestead previously occupied by the person is not rented to another person.
- c. The exemption must be determined according to the following schedule:
 - (1) If the person's income is not in excess of ~~twenty-two~~twenty-nine thousand dollars, a reduction of one hundred percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~five~~seven thousand ~~six~~four hundred twenty-five dollars of taxable valuation.
 - (2) If the person's income is in excess of ~~twenty-two~~twenty-nine thousand dollars and not in excess of ~~twenty-six~~thirty-four thousand dollars, a reduction of eighty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~four~~five thousand ~~five~~eight hundred ~~fifty~~ dollars of taxable valuation.
 - (3) If the person's income is in excess of ~~twenty-six~~thirty-four thousand dollars and not in excess of ~~thirty~~thirty-four thousand dollars, a reduction of sixty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~three~~four thousand ~~three~~five hundred ~~seventy~~ five dollars of taxable valuation.
 - (4) If the person's income is in excess of ~~thirty~~thirty-four thousand dollars and not in excess of ~~thirty-four~~thirty-seven thousand dollars, a reduction of forty percent of the taxable valuation of the person's homestead up to a maximum reduction of two thousand ~~two~~nine hundred ~~fifty~~twenty-five dollars of taxable valuation.

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LA
2-1-23

- (5) If the person's income is in excess of ~~thirty-four~~^{thirty-five} ~~thousand~~ ~~dollars~~ and not in excess of ~~thirty-eight~~^{thirty-nine} ~~thousand~~ ~~dollars~~, a reduction of twenty percent of the taxable valuation of the person's homestead up to a maximum reduction of one thousand ~~one~~^{one} ~~hundred~~ ~~twenty-five~~^{twenty-five} ~~hundred~~ ~~dollars~~ of taxable valuation.
- (6) If the person's income is in excess of ~~thirty-eight~~^{thirty-nine} ~~thousand~~ ~~dollars~~ and not in excess of ~~forty-two~~^{forty-three} ~~thousand~~ ~~dollars~~, a reduction of ten percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~five~~^{five} ~~hundred~~ ~~sixty-three~~ ~~dollars~~ of taxable valuation.
- (7) On January first of each year, the tax commissioner shall prescribe new income limitations that apply in lieu of the income limitations provided in paragraphs 1 through 6 by adjusting the income limitations applicable to the previous taxable year by the consumer price index. For purposes of this paragraph, "consumer price index" means the percentage change in the consumer price index for all urban consumers in the midwest region as determined by the United States department of labor, bureau of labor statistics, for the most recent year ending December thirty-first.

- d. Persons residing together, as spouses or when one or more is a dependent of another, are entitled to only one exemption between or among them under this subsection. Persons residing together, who are not spouses or dependents, who are co-owners of the property are each entitled to a percentage of a full exemption under this subsection equal to their ownership interests in the property.
- e. This subsection does not reduce the liability of any person for special assessments levied upon any property.
- f. Any person claiming the exemption under this subsection shall sign a verified statement of facts establishing the person's eligibility. Any income information contained in the statement of facts is a confidential record.
- g. ~~A person is ineligible for the exemption under this subsection if the value of the assets of the person and any dependent residing with the person exceeds five hundred thousand dollars, including the value of any assets divested within the last three years.~~
- h. The assessor shall attach the statement filed under subdivision f to the assessment sheet and shall show the reduction on the assessment sheet.
- i-h. An exemption under this subsection terminates at the end of the taxable year of the death of the applicant."

Renumber accordingly

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REPORT OF STANDING COMMITTEE

HB 1211: Finance and Taxation Committee (Rep. Headland, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1211 was placed on the Sixth order on the calendar.

Page 1, line 1, remove "subdivision g of"

Page 1, replace lines 5 through 10 with:

"SECTION 1. AMENDMENT. Subsection 1 of section 57-02-08.1 of the North Dakota Century Code is amended and reenacted as follows:

1. a. Any person sixty-five years of age or older or permanently and totally disabled, in the year in which the tax was levied, with an income that does not exceed the limitations of subdivision c is entitled to receive a reduction in the assessment on the taxable valuation on the person's homestead. An exemption under this subsection applies regardless of whether the person is the head of a family.
- b. The exemption under this subsection continues to apply if the person does not reside in the homestead and the person's absence is due to confinement in a nursing home, hospital, or other care facility, for as long as the portion of the homestead previously occupied by the person is not rented to another person.
- c. The exemption must be determined according to the following schedule:
 - (1) If the person's income is not in excess of ~~twenty-two~~twenty-nine thousand dollars, a reduction of one hundred percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~five~~seven thousand ~~six~~four hundred twenty-five dollars of taxable valuation.
 - (2) If the person's income is in excess of ~~twenty-two~~twenty-nine thousand dollars and not in excess of ~~twenty-six~~thirty-four thousand dollars, a reduction of eighty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~four~~five thousand ~~five~~eight hundred ~~fifty~~ dollars of taxable valuation.
 - (3) If the person's income is in excess of ~~twenty-six~~thirty-four thousand dollars and not in excess of ~~thirty~~forty-four thousand dollars, a reduction of sixty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~three~~four thousand ~~three~~five hundred ~~seventy~~ five dollars of taxable valuation.
 - (4) If the person's income is in excess of ~~thirty~~forty-four thousand dollars and not in excess of ~~thirty-four~~fifty-seven thousand dollars, a reduction of forty percent of the taxable valuation of the person's homestead up to a maximum reduction of two thousand ~~two~~nine hundred ~~fifty~~twenty-five dollars of taxable valuation.
 - (5) If the person's income is in excess of ~~thirty-four~~fifty-seven thousand dollars and not in excess of ~~thirty-eight~~seventy-four thousand dollars, a reduction of twenty percent of the taxable valuation of the person's homestead up to a maximum

reduction of one thousand ~~one~~five hundred
~~twenty-five~~seventy-five dollars of taxable valuation.

- (6) If the person's income is in excess of ~~thirty-eight~~seventy-four thousand dollars and not in excess of ~~forty-two~~ninety-six thousand dollars, a reduction of ten percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~five~~nine hundred ~~sixty-three~~ dollars of taxable valuation.
- (7) On January first of each year, the tax commissioner shall prescribe new income limitations that apply in lieu of the income limitations provided in paragraphs 1 through 6 by adjusting the income limitations applicable to the previous taxable year by the consumer price index. For purposes of this paragraph, "consumer price index" means the percentage change in the consumer price index for all urban consumers in the midwest region as determined by the United States department of labor, bureau of labor statistics, for the most recent year ending December thirty-first.
- d. Persons residing together, as spouses or when one or more is a dependent of another, are entitled to only one exemption between or among them under this subsection. Persons residing together, who are not spouses or dependents, who are co-owners of the property are each entitled to a percentage of a full exemption under this subsection equal to their ownership interests in the property.
- e. This subsection does not reduce the liability of any person for special assessments levied upon any property.
- f. Any person claiming the exemption under this subsection shall sign a verified statement of facts establishing the person's eligibility. Any income information contained in the statement of facts is a confidential record.
- g. ~~A person is ineligible for the exemption under this subsection if the value of the assets of the person and any dependent residing with the person exceeds five hundred thousand dollars, including the value of any assets divested within the last three years.~~
- h. The assessor shall attach the statement filed under subdivision f to the assessment sheet and shall show the reduction on the assessment sheet.
- ~~i-h.~~ An exemption under this subsection terminates at the end of the taxable year of the death of the applicant."

Renumber accordingly

2023 HOUSE APPROPRIATIONS

HB 1211

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Brynhild Haugland Room, State Capitol

HB 1211
2/15/2023

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| Relating to the homestead property tax credit; and to provide an effective date. |
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5:27 PM Chairman Vigesaa- Meeting was called to order and roll call was taken:

All Members present; Chairman Vigesaa, Representative Kempenich, Representative B. Anderson, Representative Bellew, Representative Brandenburg, Representative Hanson, Representative Kreidt, Representative Martinson, Representative Mitskog, Representative Meier, Representative Mock, Representative Monson, Representative Nathe, Representative J. Nelson, Representative O'Brien, Representative Pyle, Representative Richter, Representative Sanford, Representative Schatz, Representative Schobinger, Representative Strinden, Representative G. Stemen and Representative Swiontek.

Discussion Topics:

- Assets Limits
- Increase since 2017
- Property Tax Relief
- Utilization Percentage

Representative Dockter District 7- Introduces the bill.

Chairman Vigesaa Closed the meeting for HB 1211 @ 5:39 PM

Risa Berube, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1211
2/20/2023

Relating to the homestead property tax credit; and to provide an effective date.

5:28 PM Chairman Vigesaa- Meeting was called to order and roll call was taken:

Members present; Chairman Vigesaa, Representative Kempenich, Representative B. Anderson, Representative Brandenburg, Representative Hanson, Representative Kreidt, Representative Martinson, Representative Mitskog, Representative Mock, Representative Monson, Representative Nathe, Representative J. Nelson, Representative O'Brien, Representative Pyle, Representative Richter, Representative Sanford, Representative Schatz, Representative Schobinger, Representative Strinden, Representative G. Stemen and Representative Swiontek.

Members not Present- Representative Bellew and Representative Meier

Discussion Topics:

- Application Program
- Annual Application
- Asset Levels

Representative Richter- Gives a recap of the bill.

Representative Mock Moves for a Do Pass

Representative Mitskog- Seconds the motion.

Committee discussion Roll call vote

| Representatives | Vote |
|----------------------------------|-------------|
| Representative Don Vigesaa | Y |
| Representative Keith Kempenich | Y |
| Representative Bert Anderson | Y |
| Representative Larry Bellew | A |
| Representative Mike Brandenburg | Y |
| Representative Karla Rose Hanson | Y |
| Representative Gary Kreidt | Y |
| Representative Bob Martinson | Y |
| Representative Lisa Meier | A |
| Representative Alisa Mitskog | Y |
| Representative Corey Mock | Y |
| Representative David Monson | Y |
| Representative Mike Nathe | Y |

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|------------------------------------|---|
| Representative Jon O. Nelson | Y |
| Representative Emily O'Brien | Y |
| Representative Brandy Pyle | Y |
| Representative David Richter | Y |
| Representative Mark Sanford | Y |
| Representative Mike Schatz | Y |
| Representative Randy A. Schobinger | Y |
| Representative Greg Stemen | Y |
| Representative Michelle Strinden | Y |
| Representative Steve Swiontek | Y |

Motion Carries 21-0-2 Representative Dockter will carry the bill.

5:45 PM Chairman Vigesaa Closed the meeting for HB 1211

Risa Berube, Committee Clerk

REPORT OF STANDING COMMITTEE

HB 1211, as engrossed: Appropriations Committee (Rep. Vigesaa, Chairman)
recommends **DO PASS** (21 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING).
Engrossed HB 1211 was placed on the Eleventh order on the calendar.

2023 SENATE FINANCE AND TAXATION

HB 1211

2023 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Fort Totten Room, State Capitol

HB 1211
3/14/2023

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| Relating to the homestead property tax credit. |
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11:00 AM Chairman Kannianen opened hearing.

Senator Present: **Kannianen, Weber, Patten, Rummel, Piepkorn.**

Discussion Topics:

- Income brackets
- AARP survey
- Property tax

11:00 AM Representative Richter introduced HB 1211.

11:06 AM Bill Wocken, ND League of Cities, testified in favor. #24859

11:08 AM Janelle Moos, Associate State Director for Advocacy with AARP North Dakota, testified in favor. #24406

11:09 AM Linda Svihovec, ND League of Counties, verbally testified in favor.

11:11 AM Chairman Kannianen adjourned hearing.

Nathan Liesen, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1211
3/22/2023

Relating to the homestead property tax credit; and to provide an effective date.

9:43 AM Chairman Kannianen opened the meeting.

Senators present: **Kannianen, Weber, Patten, Rummel, Piepkorn, Magrum.**

Discussion Topics:

- Committee Action

9:45 AM Senator Weber moved Do Not Pass.

9:45 AM Senator Piepkorn seconded.

Roll call vote

| Senators | Vote |
|---------------------------|------|
| Senator Jordan Kannianen | Y |
| Senator Mark F. Weber | Y |
| Senator Jeffery J. Magrum | Y |
| Senator Dale Patten | Y |
| Senator Merrill Piepkorn | Y |
| Senator Dean Rummel | Y |

Passed 6-0-0

Senator Weber will carry the bill.

9:46 AM Chairman Kannianen closed the meeting.

Nathan Liesen, Committee Clerk

REPORT OF STANDING COMMITTEE

HB 1211, as engrossed: Finance and Taxation Committee (Sen. Kannianen, Chairman)
recommends **DO NOT PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
Engrossed HB 1211 was placed on the Fourteenth order on the calendar. This bill
does not affect workforce development.

TESTIMONY

HB 1211

House Bill 1211
Testimony of David Richter
House Finance and Taxation Committee
January 16, 2023

Chairman Headland members of the House Finance and Taxation committee for the record my name is David Richter District 1 Williston.

HB 1211 makes a change to section 1 subsection g of 57-02-08.1 of North Dakota Center Code Homestead Credit. I have included all of section 1 with my testimony.

Currently if the value of a person's total assets is over \$500,000 they are ineligible for the Homestead Credit. HB 1211 increases the total asset amount to \$750,000. All income eligibility criterion remain unchanged.

Under the current value, a person with a \$250,000 401k, which pays out around \$10,000 annually, and a home value of \$250,001 is ineligible for the credit. Depending on which source you look at, the average home value in ND is between \$260k and \$285k.

Home valuations continue to rise, and in some communities home values have increased 3x their value or more. There are many instances of homes valued in the \$100,000 range 15 years ago that are now valued at over \$300k.

Thank you I will stand for any questions

organization organized and operated exclusively for exempt purposes set forth in section 501(c)(3) of the Internal Revenue Code [26 U.S.C. 501(c)(3)].

57-02-08.1. Homestead credit.

1. a. Any person sixty-five years of age or older or permanently and totally disabled, in the year in which the tax was levied, with an income that does not exceed the limitations of subdivision c is entitled to receive a reduction in the assessment on the taxable valuation on the person's homestead. An exemption under this subsection applies regardless of whether the person is the head of a family.
- b. The exemption under this subsection continues to apply if the person does not reside in the homestead and the person's absence is due to confinement in a nursing home, hospital, or other care facility, for as long as the portion of the homestead previously occupied by the person is not rented to another person.
- c. The exemption must be determined according to the following schedule:
 - (1) If the person's income is not in excess of twenty-two thousand dollars, a reduction of one hundred percent of the taxable valuation of the person's homestead up to a maximum reduction of five thousand six hundred twenty-five dollars of taxable valuation.
 - (2) If the person's income is in excess of twenty-two thousand dollars and not in excess of twenty-six thousand dollars, a reduction of eighty percent of the taxable valuation of the person's homestead up to a maximum reduction of four thousand five hundred dollars of taxable valuation.
 - (3) If the person's income is in excess of twenty-six thousand dollars and not in excess of thirty thousand dollars, a reduction of sixty percent of the taxable valuation of the person's homestead up to a maximum reduction of three thousand three hundred seventy-five dollars of taxable valuation.
 - (4) If the person's income is in excess of thirty thousand dollars and not in excess of thirty-four thousand dollars, a reduction of forty percent of the taxable valuation of the person's homestead up to a maximum reduction of two thousand two hundred fifty dollars of taxable valuation.
 - (5) If the person's income is in excess of thirty-four thousand dollars and not in excess of thirty-eight thousand dollars, a reduction of twenty percent of the taxable valuation of the person's homestead up to a maximum reduction of one thousand one hundred twenty-five dollars of taxable valuation.
 - (6) If the person's income is in excess of thirty-eight thousand dollars and not in excess of forty-two thousand dollars, a reduction of ten percent of the taxable valuation of the person's homestead up to a maximum reduction of five hundred sixty-three dollars of taxable valuation.
- d. Persons residing together, as spouses or when one or more is a dependent of another, are entitled to only one exemption between or among them under this subsection. Persons residing together, who are not spouses or dependents, who are co-owners of the property are each entitled to a percentage of a full exemption under this subsection equal to their ownership interests in the property.
- e. This subsection does not reduce the liability of any person for special assessments levied upon any property.
- f. Any person claiming the exemption under this subsection shall sign a verified statement of facts establishing the person's eligibility. Any income information contained in the statement of facts is a confidential record.
- g. A person is ineligible for the exemption under this subsection if the value of the assets of the person and any dependent residing with the person exceeds five hundred thousand dollars, including the value of any assets divested within the last three years.
- h. The assessor shall attach the statement filed under subdivision f to the assessment sheet and shall show the reduction on the assessment sheet.

23.0425.01001

Sixty-eighth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1211

Introduced by

Representatives Richter, Dockter, Grueneich, Hatlestad

Senators Lee, Magrum

1 | A BILL for an Act to amend and reenact ~~subdivision g of~~ subsection 1 of section 57-02-08.1 of
2 | the North Dakota Century Code, relating to the homestead property tax credit; and to provide an
3 | effective date.

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

5 | ~~SECTION 1. AMENDMENT. Subdivision g of subsection 1 of section 57-02-08.1 of the~~
6 | ~~North Dakota Century Code is amended and reenacted as follows:~~

7 | ~~g. A person is ineligible for the exemption under this subsection if the value of the~~
8 | ~~assets of the person and any dependent residing with the person exceeds~~
9 | ~~five seven hundred fifty thousand dollars, including the value of any assets~~
10 | ~~divested within the last three years.~~

11 | **SECTION 1. AMENDMENT.** Subsection 1 of section 57-02-08.1 of the North Dakota
12 | Century Code is amended and reenacted as follows:

- 13 | 1. a. Any person sixty-five years of age or older or permanently and totally disabled, in
- 14 | the year in which the tax was levied, with an income that does not exceed the
- 15 | limitations of subdivision c is entitled to receive a reduction in the assessment on
- 16 | the taxable valuation on the person's homestead. An exemption under this
- 17 | subsection applies regardless of whether the person is the head of a family.
- 18 | b. The exemption under this subsection continues to apply if the person does not
- 19 | reside in the homestead and the person's absence is due to confinement in a
- 20 | nursing home, hospital, or other care facility, for as long as the portion of the
- 21 | homestead previously occupied by the person is not rented to another person.
- 22 | c. The exemption must be determined according to the following schedule:
- 23 | (1) If the person's income is not in excess of ~~twenty-two~~ ~~twenty-nine~~ thousand
- 24 | dollars, a reduction of one hundred percent of the taxable valuation of the

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- person's homestead up to a maximum reduction of ~~five~~seven thousand ~~six~~four hundred twenty-five dollars of taxable valuation.
- (2) If the person's income is in excess of ~~twenty-two~~twenty-nine thousand dollars and not in excess of ~~twenty-six~~thirty-four thousand dollars, a reduction of eighty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~four~~five thousand ~~five~~eight hundred ~~fifty~~ dollars of taxable valuation.
- (3) If the person's income is in excess of ~~twenty-six~~thirty-four thousand dollars and not in excess of ~~thirty~~forty-four thousand dollars, a reduction of sixty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~three~~four thousand ~~three~~five hundred ~~seventy-five~~ dollars of taxable valuation.
- (4) If the person's income is in excess of ~~thirty~~forty-four thousand dollars and not in excess of ~~thirty-four~~fifty-seven thousand dollars, a reduction of forty percent of the taxable valuation of the person's homestead up to a maximum reduction of two thousand ~~two~~nine hundred ~~fifty~~twenty-five dollars of taxable valuation.
- (5) If the person's income is in excess of ~~thirty-four~~fifty-seven thousand dollars and not in excess of ~~thirty-eight~~seventy-four thousand dollars, a reduction of twenty percent of the taxable valuation of the person's homestead up to a maximum reduction of one thousand ~~one~~five hundred ~~twenty-five~~seventy-five dollars of taxable valuation.
- (6) If the person's income is in excess of ~~thirty-eight~~seventy-four thousand dollars and not in excess of ~~forty-two~~ninety-six thousand dollars, a reduction of ten percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~five~~nine hundred ~~sixty-three~~ dollars of taxable valuation.
- (7) On January first of each year, the tax commissioner shall prescribe new income limitations that apply in lieu of the income limitations provided in paragraphs 1 through 6 by adjusting the income limitations applicable to the previous taxable year by the consumer price index. For purposes of this

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paragraph. "consumer price index" means the percentage change in the consumer price index for all urban consumers in the midwest region as determined by the United States department of labor, bureau of labor statistics, for the most recent year ending December thirty-first.

- d. Persons residing together, as spouses or when one or more is a dependent of another, are entitled to only one exemption between or among them under this subsection. Persons residing together, who are not spouses or dependents, who are co-owners of the property are each entitled to a percentage of a full exemption under this subsection equal to their ownership interests in the property.
- e. This subsection does not reduce the liability of any person for special assessments levied upon any property.
- f. Any person claiming the exemption under this subsection shall sign a verified statement of facts establishing the person's eligibility. Any income information contained in the statement of facts is a confidential record.
- g. ~~A person is ineligible for the exemption under this subsection if the value of the assets of the person and any dependent residing with the person exceeds five hundred thousand dollars, including the value of any assets divested within the last three years.~~
- ~~h.~~ The assessor shall attach the statement filed under subdivision f to the assessment sheet and shall show the reduction on the assessment sheet.
- ~~i-h.~~ An exemption under this subsection terminates at the end of the taxable year of the death of the applicant.

SECTION 2. EFFECTIVE DATE. This Act is effective for taxable years beginning after December 31, 2022.

23.0425.01001
Title.02000

Prepared by the Legislative Council staff for
Representative Dockter
February 1, 2023

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1211

Page 1, line 1, remove "subdivision g of"

Page 1, replace lines 5 through 10 with:

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1. a. Any person sixty-five years of age or older or permanently and totally disabled, in the year in which the tax was levied, with an income that does not exceed the limitations of subdivision c is entitled to receive a reduction in the assessment on the taxable valuation on the person's homestead. An exemption under this subsection applies regardless of whether the person is the head of a family.
- b. The exemption under this subsection continues to apply if the person does not reside in the homestead and the person's absence is due to confinement in a nursing home, hospital, or other care facility, for as long as the portion of the homestead previously occupied by the person is not rented to another person.
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 - (1) If the person's income is not in excess of ~~twenty-two~~twenty-nine thousand dollars, a reduction of one hundred percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~five~~seven thousand ~~six~~four hundred twenty-five dollars of taxable valuation.
 - (2) If the person's income is in excess of ~~twenty-two~~twenty-nine thousand dollars and not in excess of ~~twenty-six~~thirty-four thousand dollars, a reduction of eighty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~four~~five thousand ~~five~~eight hundred ~~fifty~~ dollars of taxable valuation.
 - (3) If the person's income is in excess of ~~twenty-six~~thirty-four thousand dollars and not in excess of ~~thirty~~thirty-four thousand dollars, a reduction of sixty percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~three~~four thousand ~~three~~five hundred ~~seventy~~five dollars of taxable valuation.
 - (4) If the person's income is in excess of ~~thirty~~thirty-four thousand dollars and not in excess of ~~thirty-four~~thirty-seven thousand dollars, a reduction of forty percent of the taxable valuation of the person's homestead up to a maximum reduction of two thousand ~~two~~nine hundred ~~fifty~~twenty-five dollars of taxable valuation.

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- (5) If the person's income is in excess of ~~thirty-four~~thirty-five ~~thousand~~thousand dollars and not in excess of ~~thirty-eight~~thirty-eight ~~thousand~~thousand dollars, a reduction of twenty percent of the taxable valuation of the person's homestead up to a maximum reduction of one thousand ~~one~~one ~~hundred~~hundred ~~twenty-five~~twenty-five ~~hundred~~hundred dollars of taxable valuation.
- (6) If the person's income is in excess of ~~thirty-eight~~thirty-eight ~~thousand~~thousand dollars and not in excess of ~~forty-two~~forty-two ~~hundred~~hundred ~~thousand~~thousand dollars, a reduction of ten percent of the taxable valuation of the person's homestead up to a maximum reduction of ~~five~~five ~~hundred~~hundred ~~sixty-three~~sixty-three dollars of taxable valuation.
- (7) On January first of each year, the tax commissioner shall prescribe new income limitations that apply in lieu of the income limitations provided in paragraphs 1 through 6 by adjusting the income limitations applicable to the previous taxable year by the consumer price index. For purposes of this paragraph, "consumer price index" means the percentage change in the consumer price index for all urban consumers in the midwest region as determined by the United States department of labor, bureau of labor statistics, for the most recent year ending December thirty-first.
- d. Persons residing together, as spouses or when one or more is a dependent of another, are entitled to only one exemption between or among them under this subsection. Persons residing together, who are not spouses or dependents, who are co-owners of the property are each entitled to a percentage of a full exemption under this subsection equal to their ownership interests in the property.
- e. This subsection does not reduce the liability of any person for special assessments levied upon any property.
- f. Any person claiming the exemption under this subsection shall sign a verified statement of facts establishing the person's eligibility. Any income information contained in the statement of facts is a confidential record.
- g. ~~A person is ineligible for the exemption under this subsection if the value of the assets of the person and any dependent residing with the person exceeds five hundred thousand dollars, including the value of any assets divested within the last three years.~~
- h. ~~The assessor shall attach the statement filed under subdivision f to the assessment sheet and shall show the reduction on the assessment sheet.~~
- i.h. An exemption under this subsection terminates at the end of the taxable year of the death of the applicant."

Renumber accordingly

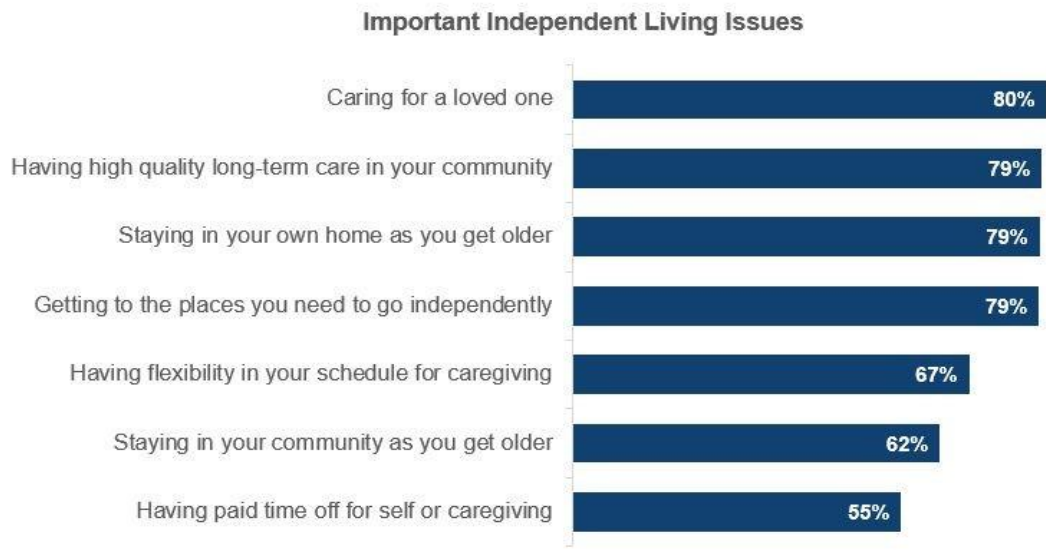


House Bill 1211 – Support
March 14, 2023
Senate Finance and Tax Committee
Janelle Moos, AARP ND- jmoos@aar.org

Chairman Kannianen and members of the Senate Finance and Tax Committee,

My name is Janelle Moos, Associate State Director for Advocacy with AARP North Dakota. We are here to provide support for House Bill (HB) 1211. Creating livable communities throughout our neighborhoods, where residents of all ages can live, work, raise their families, and retire- is a priority for AARP North Dakota. Essential to this vision is affordable housing.

Below is a chart from our 2020 North Dakota Vital Voices Survey, a state specific survey of issues that impact North Dakotan’s 45+ conducted every three years. In our survey last year, 79% indicated that staying in their own home as they got older, getting to the places they need to go and having access to quality long term care in their community was extremely or very important. Also, 62% said staying in their community as they got older was extremely or very important.



11. For the following list of issues, please indicate how important each is to you personally. (Percent 'extremely important' or 'very important') (n=722)

We want to thank you and previous legislatures for the continued support of the Homestead Property Tax Credit. It's an important tax break provided to older North Dakotans who are the most financially vulnerable.

Property taxes are some of the most burdensome taxes for many low-income and older homeowners. Many of our older citizens have lived in their homes for a long time. As their property values have increased, so have their property taxes. But many do not have the income to afford the yearly increases in their property taxes while also meeting their basic needs for food, medicine and utilities.

AARP policy supports efforts for property tax relief provided in an equitable manner to low- and moderate-income homeowners and renters. Circuit breaker programs offer property tax credits or homestead exemptions that decrease as income increases, resulting in a more progressive tax system. Therefore, lower-income households receive greater tax relief than higher-income households.

Targeted relief programs, like the Homestead Tax Credit, keep property taxes manageable and foster housing stability and affordability for both homeowners and renters. Housing stability is essential for long-term health and financial security, therefore, AARP North Dakota supports HB 1211 and encourages the committee to look favorable upon the bill as well.

Thank you.

Testimony in Support of Engrossed House Bill 1211
March 14, 2023
Senate Finance and Taxation Committee
Bill Wocken on behalf of the North Dakota League of Cities

Good Morning, Mr. Chairman and members of the Senate Finance and Taxation Committee. For the record. My name is Bill Wocken, appearing on behalf of the North Dakota League of Cities in support of Engrossed House Bill 1211.

This bill seeks to increase the income limits for the homestead property tax credit. It also increases the maximum taxable value of each individual income level category. This tax credit is widely utilized by persons 65 years of age or those of any age who are totally and permanently disabled to reduce property taxes on the homestead in which they live.

The adjustment of the income level for applicants who fall into various categories of valuation reduction occurs periodically when the Legislature meets. The process can become a bit cumbersome. HB 1211 has a provision on lines 21-28, Page 2 that utilizes the Midwest region Consumer Price Index to automatically adjust these categories for future years.

On lines 9-12, Page 3, the bill eliminates a current provision in the law that disqualifies any applicant with assets in excess of \$500,000. The League of Cities expresses no opinion on this change.

The North Dakota League of Cities respectfully requests a Do Pass recommendation on this bill. I will be happy to answer any questions you might have.