

**SECOND ENGROSSMENT
with Senate Amendments
REENGROSSED HOUSE BILL NO. 1306**

Introduced by

Representatives Thoreson, Brandenburg, Dockter, Karls, Guggisberg

Senator Carlisle

1 A BILL for an Act to amend and reenact section 57-02-08.8 of the North Dakota Century Code,
2 relating to disabled veteran's eligibility for a homestead tax credit and a renter credit; to provide
3 for a legislative management study; to provide an appropriation; and to provide an effective
4 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 - Certification - Distribution.**

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

- 1 2. If two disabled veterans are married to each other and living together, their combined
2 credits may not exceed one hundred percent of ~~fivesix~~ thousand ~~fourseven~~ hundred
3 fifty dollars of taxable valuation of the fixtures, buildings, and improvements of the
4 homestead. If a disabled veteran co-owns the homestead property with someone
5 other than the disabled veteran's spouse, the credit is limited to that disabled veteran's
6 interest in the fixtures, buildings, and improvements of the homestead, to a maximum
7 amount calculated by multiplying ~~fivesix~~ thousand ~~fourseven~~ hundred fifty dollars of
8 taxable valuation by the disabled veteran's percentage of interest in the homestead
9 property and multiplying the result by the applicant's certified disability percentage.
- 10 3. A disabled veteran or unremarried surviving spouse claiming a credit under this
11 section for the first time shall file with the county auditor an affidavit showing the facts
12 herein required, a description of the property, and a certificate from the United States
13 department of veterans' affairs, or its successor, certifying to the amount of the
14 disability. The affidavit and certificate must be open for public inspection. A person
15 shall thereafter furnish to the assessor or other assessment officials, when requested
16 to do so, any information which is believed will support the claim for credit for any
17 subsequent year.
- 18 4. For purposes of this section, and except as otherwise provided in this section,
19 "homestead" has the meaning provided in section 47-18-01 except that it also applies
20 to a person who otherwise qualifies under the provisions of this section whether the
21 person is the head of the family and "income" has the meaning provided in section
22 57-02-08.1.
- 23 5. This section does not reduce the liability of a person for special assessments levied
24 upon property.
- 25 6. The board of county commissioners may cancel the portion of unpaid taxes that
26 represents the credit calculated in accordance with this section for any year in which
27 the qualifying owner has held title to the homestead property. Cancellation of taxes for
28 any year before enactment of this section must be based on the law that was in effect
29 for that tax year.
- 30 7. Before the first of March of each year, the county auditor of each county shall certify to
31 the tax commissioner on forms prescribed by the tax commissioner the name and

1 address of each person for whom the property tax credit for homesteads of disabled
2 veterans was allowed for the preceding year, the amount of credit allowed, the total of
3 the tax mill rates of all taxing districts, exclusive of any state mill rates, that was
4 applied to other real estate in the taxing districts for the preceding year, and such other
5 information as may be prescribed by the tax commissioner.

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

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

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

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

26 **SECTION 2. LEGISLATIVE MANAGEMENT STUDY - VETERANS' BENEFITS.** During the
27 2013-14 interim, the legislative management shall consider studying statutory changes that
28 would benefit North Dakota veterans. The study must include possible changes to state income
29 tax and property tax laws, the provision of veteran-focused incentives, assistance with obtaining
30 and maintaining benefits, and assistance with obtaining and maintaining various life-enhancing
31 services. In addition, the study must include current state and federal benefits available to North

1 Dakota veterans. The legislative management shall report its findings and recommendations,
2 together with any legislation required to implement the recommendations, to the sixty-fourth
3 legislative assembly.

4 **SECTION 3. APPROPRIATION.** There is appropriated out of any moneys in the general
5 fund in the state treasury, not otherwise appropriated, the sum of \$50,000, or so much of the
6 sum as may be necessary, to the department of veterans' affairs for the purpose of training
7 service dogs to assist North Dakota veterans having posttraumatic stress disorder, for the
8 biennium beginning July 1, 2013, and ending June 30, 2015.

9 **SECTION 4. EFFECTIVE DATE.** Section 1 of this Act is effective for taxable years
10 beginning after December 31, 2012, for ad valorem property taxes and for taxable years
11 beginning after December 31, 2013, for mobile home taxes.