

SENATE BILL NO. 2371

Introduced by

Senators Dotzenrod, Hogue, Robinson

Representatives Boehning, J. Kelsh

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 thousand dollars excluding any interest charged~~
12 ~~by the body levying the special assessment.~~ This credit may be granted only at the
13 election of the qualifying person. The person making the election shall do so by filing
14 with the county auditor a claim for the special assessment credit on a form prescribed
15 by the tax commissioner. The claim must be filed with the county auditor on or before
16 February first of the year in which the special assessment installment thereof becomes
17 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. The amount of the credit under this section for a taxable year is equal to a
20 percentage of the special assessment by a taxing district which becomes due for
21 the year. That percentage is equal to the percentage to which the claimant is
22 entitled to determine the reduction in taxable valuation of the claimant's
23 homestead under subdivision c of subsection 1 of section 57-02-08.1 for the
24 same year.
- 25 4. a. Any credit allowed under subsection 1 for a taxable year before 2013, plus
26 interest in the amount of nine percent per year from June first of the year for
27 which the special assessment installment for which a credit is taken becomes
28 payable, creates a lien in favor of the state against the property upon which the
29 special assessment credit is allowed and remains a lien upon the property from
30 the time the credit is allowed until the lien is fully satisfied by depositing the
31 amount of the lien in the state general fund. If the amount of the lien exceeds the

1 market value of the property, the state may accept the amount of the market
2 value of the property as payment in full on the lien.

3 b. (1) Except as otherwise provided in this subdivision, a transfer of title to the
4 homestead because of sale, death, or otherwise may not be made without
5 the lien being satisfied. When a credit under subsection 1 is allowed, the
6 county auditor shall cause a notice of lien of record to be filed against
7 subject property with the recorder.

8 (2) The recorder may not record any deed for property on which the county
9 auditor has determined that there is an unsatisfied lien created under this
10 section, except for a transfer between spouses because of the death of one
11 of them as provided in paragraph 3.

12 (3) When a transfer occurs between spouses because of the death of one of
13 them, the lien allowed by this section need not be satisfied until the property
14 is again transferred.

15 c. This lien has precedence over all other liens except general tax liens and prior
16 special assessment liens and shall not be divested at any judicial sale. A mistake
17 in the description of the property covered by this lien or in the name of the owner
18 of the property does not defeat the lien if the property can be identified by the
19 description in the special assessment list.

20 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
21 December 31, 2012.