

Sixty-eighth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1380

Introduced by

Representatives Bellew, Dockter, Hatlestad, Kreidt, Schatz, Weisz

Senators Boehm, Clemens

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 senior citizens property tax credit for an owner who is age sixty-five
3 or older; to amend and reenact subsection 7 of section 15.1-27-04.1 of the North Dakota
4 Century Code, relating to determination of state school aid; to provide an appropriation; and to
5 provide an effective date.

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

7 **SECTION 1. AMENDMENT.** Subsection 7 of section 15.1-27-04.1 of the North Dakota
8 Century Code, as effective through June 30, 2025, is amended and reenacted as follows:

- 9 7. For purposes of the calculation in subsection 4, each county auditor, in collaboration
10 with the school districts, shall report the following to the superintendent of public
11 instruction on an annual basis:
- 12 a. The amount of revenue received by each school district in the county during the
13 previous school year for each type of revenue identified in subdivisions c and d of
14 subsection 1 and state reimbursement of the senior citizens property tax credit
15 under section 3 of this Act;
- 16 b. The total number of mills levied in the previous calendar year by each school
17 district for all purposes; and
- 18 c. The number of mills levied in the previous calendar year by each school district
19 for sinking and interest fund purposes.

20 **SECTION 2. AMENDMENT.** Subsection 7 of section 15.1-27-04.1 of the North Dakota
21 Century Code, as effective after June 30, 2025, is amended and reenacted as follows:

- 22 7. For purposes of the calculation in subsection 4, each county auditor, in collaboration
23 with the school districts, shall report the following to the superintendent of public
24 instruction on an annual basis:

- a. The amount of revenue received by each school district in the county during the previous school year for each type of revenue identified in subdivisions c and d of subsection 1 and state reimbursement of the senior citizens property tax credit under section 3 of this Act;
- b. The total number of mills levied in the previous calendar year by each school district for all purposes; and
- c. The number of mills levied in the previous calendar year by each school district for sinking and interest fund purposes.

SECTION 3. A new section to chapter 57-02 of the North Dakota Century Code is created and enacted as follows:

Senior citizens property tax credit - Certification - Distribution.

1. For the purposes of this section:
 - a. "Dependent" has the same meaning it has for federal income tax purposes.
 - b. "Owned" means the claimant holds a present ownership interest, including ownership in fee simple, holding a present life estate or other terminable present ownership interest, or being a purchaser under a contract for deed. The term does not not include a right of occupancy only or a tenancy under a lease.
 - c. "Primary residence", for purposes of a residential property taxable valuation reduction under this section, means a dwelling in this state owned and occupied by the claimant as that claimant's primary residence as of the assessment date of the taxable year and which is not exempt from property taxes as a farm residence.
2. In lieu of the exemption provided in section 57-02-08.1, an individual sixty-five years of age or older in the year in which the tax was levied is entitled to receive a credit applied as a reduction equal to the taxable valuation of the individual's primary residence as provided in this section. A reduction under this section applies regardless of whether the individual is the head of a family.
3. The reduction under subsection 1 continues to apply if the individual does not reside in the primary residence because the individual's absence is due to confinement in a nursing home, hospital, or other care facility, for as long as that confinement lasts and

1 the portion of the primary residence previously occupied by the individual is not rented
2 to another individual.

3 4. Individuals residing together who are co-owners of the property but who are not
4 spouses or dependents each are entitled to a percentage of a full reduction under
5 subsection 1 equal to their ownership interests in the property.

6 5. To claim a reduction under this section, a claimant must sign and file with the
7 assessor, by August first of the year for which a reduction is claimed, a claim form
8 containing a verified statement of facts establishing the claimant's eligibility as of
9 February first of that year.

10 6. The assessor shall attach the statement filed under subsection 5 to the assessment
11 sheet and shall show the reduction on the assessment sheet.

12 7. The tax commissioner shall prescribe, design, and make available all forms necessary
13 to effectuate this section. Claim forms must include the full name and address of the
14 claimant and any other information prescribed by the tax commissioner. The county
15 director of tax equalization shall make these forms available to claimants upon
16 request.

17 8. A reduction under this section is valid for the entire taxable year for which the claim
18 was approved, without regard to any change of ownership of the property which
19 occurs after the assessment date. A reduction remains effective for succeeding
20 taxable years without the owner filing a claim for the exemption, but the assessor may
21 require the owner to file a renewed claim or verify eligibility for succeeding taxable
22 years.

23 9. If any claimant is found to have claimed fraudulently a reduction under this section to
24 which that claimant is not entitled, all reductions under this section for that claimant for
25 that taxable year must be canceled. If a claimant received a reduction that is canceled
26 under this section, the auditor of the county in which the property is located shall enter
27 the amount of the canceled reduction as omitted property on the assessment roll of
28 property that has escaped taxation.

29 10. Determinations concerning eligibility for a reduction under this section may be
30 appealed through the informal equalization process and formal abatement process.

- 1 11. This section does not reduce the liability of any individual for special assessments
2 levied upon any property.
- 3 12. Before April first of each year, the county auditor of each county shall certify to the tax
4 commissioner, on forms prescribed by the tax commissioner, the full name of each
5 individual for whom the reduction under this section was allowed for the preceding
6 year, the legal description of the property, the taxable value of the property, the dollar
7 amount of each reduction in taxable value allowed, and the total of the tax mill rates
8 for the preceding year of all taxing districts in which the property was situated,
9 exclusive of any state mill rates, and any other information prescribed by the tax
10 commissioner.
- 11 13. By June first of each year, the tax commissioner shall review the certifications under
12 subsection 12, make any required corrections, and certify to the state treasurer for
13 payment to each county the sum of the amounts computed by multiplying the
14 reduction allowed for each qualifying property in the county for the preceding year by
15 the total of the tax mill rates for the preceding year of all taxing districts, exclusive of
16 any state mill rates, in which the property was situated. In reviewing certifications, the
17 tax commissioner may refer to any income tax return information or other information
18 available to the tax commissioner.
- 19 14. By June twenty-fifth of each year, the state treasurer shall distribute moneys to
20 counties in the amounts certified by the tax commissioner under subsection 13.
- 21 15. Upon receipt of the payment from the state treasurer, the county treasurer shall
22 apportion and distribute the payment without delay to the county and to the taxing
23 districts of the county on the same basis as property taxes for the preceding year were
24 apportioned and distributed.
- 25 16. The tax commissioner shall certify annually to the state treasurer for deposit in the
26 state medical center fund the amount computed by multiplying one mill times the
27 reduction allowed under this section for the preceding year for all eligible property in
28 the state.
- 29 17. Supplemental certifications by the county auditor and the tax commissioner and
30 supplemental payments by the state treasurer may be made after the dates prescribed
31 in this section to make corrections resulting from errors or the approval of any

1 application for equalization or abatement filed by an individual or entity because all or
2 part of the reduction under this section was not allowed.

3 **SECTION 4. APPROPRIATION.** There is appropriated out of any moneys in the general
4 fund in the state treasury, not otherwise appropriated, the sum of \$330,000,000, or so much of
5 the sum as may be necessary, to the state treasurer for the purpose of distribution to counties
6 under the senior citizens property tax credit under section 3 of this Act, for the biennium
7 beginning July 1, 2023, and ending June 30, 2025.

8 **SECTION 5. EFFECTIVE DATE.** Section 3 of Act is effective for taxable years beginning
9 after December 31, 2022.