

Introduced by

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 tax credit for special assessments; to provide for application; and to  
3 provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Section 57-02-08.3 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **57-02-08.3. Homestead credit for special assessments - Certification - Lien.**

- 8 1. Any person who has qualified for the property tax credit provided for in section  
9 57-02-08.1 may elect to also qualify for an additional homestead credit against that  
10 person's homestead for the portion of any special assessment levied by a taxing  
11 district which becomes due for the same year. The total amount of credits allowed for  
12 any one property must not exceed ~~six~~fifteen thousand dollars excluding any interest  
13 charged by the body levying the special assessment. This credit may be granted only  
14 at the election of the qualifying person. The person making the election shall do so by  
15 filing with the county auditor a claim for the special assessment credit on a form  
16 prescribed by the tax commissioner. The claim must be filed with the county auditor on  
17 or before February first of the year in which the special assessment installment thereof  
18 becomes payable.
- 19 2. a. By March first of each year, the county auditor of each county shall certify to the  
20 state tax commissioner, on forms prescribed by the tax commissioner, the  
21 following information:
- 22 (1) The name and address of each person for whom the special assessment  
23 credit provided for in subsection 1 was allowed for the preceding year.

- 1           (2) The amount of credit allowed for the special assessment installment thereof  
2           due for the preceding year.
- 3           (3) The total amount of the special assessment credits due in each special  
4           assessment district.
- 5           (4) Other information that the tax commissioner requires.
- 6           b. The tax commissioner shall audit the certifications, make such corrections as  
7           may be required, and certify to the state treasurer for payment to each county by  
8           June first of each year the sum of the amounts computed by adding the credits  
9           allowed for portions of special assessments which were due for each homestead  
10          in the county for the preceding year. No more than the portion of special  
11          assessments due for the preceding year shall be allowed as a credit for any  
12          homestead in any year.
- 13          c. The county treasurer upon receipt of the payment from the state treasurer shall  
14          forthwith apportion and distribute the payment to each special assessment district  
15          in the county according to the total credits allowed for each respective special  
16          assessment district.
- 17          d. Supplemental certifications by the county auditor and by the state tax  
18          commissioner and supplemental payments by the state treasurer may be made  
19          after the dates prescribed herein to make such corrections as may be necessary  
20          because of errors therein.
- 21          3. a. Any credit allowed under subsection 1, plus interest in the amount of ~~nine~~four  
22          percent per year from June first of the year for which the special assessment  
23          installment for which a credit is taken becomes payable, creates a lien in favor of  
24          the state against the property upon which the special assessment credit is  
25          allowed and remains a lien upon the property from the time the credit is allowed  
26          until the lien is fully satisfied by depositing the amount of the lien in the state  
27          general fund. If the amount of the lien exceeds the market value of the property,  
28          the state may accept the amount of the market value of the property as payment  
29          in full on the lien.
- 30          b. (1) Except as otherwise provided in this subdivision, a transfer of title to the  
31          homestead because of sale, death, or otherwise may not be made without

1                   the lien being satisfied. When a credit under subsection 1 is allowed, the  
2                   county auditor shall cause a notice of lien of record to be filed against  
3                   subject property with the recorder.

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

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

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

16                  **SECTION 2. APPLICATION.** This Act applies to credits granted after the effective date of  
17                  this Act.

18                  **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
19                  December 31, 2018.