



Guideline

Property Tax

Homestead Credit for Special Assessments

North Dakota Century Code § 57-02-08.3

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Tax Commissioner

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The North Dakota Legislature extended provisions of the Senior Citizens Property Tax Credit Act to include an additional homestead credit for the portion of any special assessment that becomes due for the same year for which a person received the homeowner's property tax credit. This credit is granted only at the election of the qualifying person.

Eligibility

1. The applicant must have qualified for the property tax credit provided for in North Dakota Century Code § 57-02-08.1 for the current year. For example: special assessments for 2005 become due in 2006. The applicant for this credit must have qualified for the homestead credit pursuant to N.D.C.C. § 57-02-08.1 for the 2005 assessment year.
2. This additional credit is available at the election of the qualifying person.

Credit Provisions

3. The applicant must submit the application to the county auditor no later than February 1 of the year in which the installment of the special assessment becomes payable.
4. An application must be made each year for that year's installment of the special assessment.
5. The credit cannot be applied to delinquent special assessments.
6. The credit is applied to special assessments levied by any taxing district.
7. The total amount of credits allowed for any one property cannot exceed \$6,000 excluding any interest charged by the governing body levying the special assessment.

Lien Provisions

8. This credit for special assessment plus simple interest of nine percent per year creates a lien against the homestead in favor of the state. Interest accrues from June 1 of the year in which the installment of the special assessment becomes payable.
9. The county auditor files a notice of lien with the recorder.
10. The lien remains against the property from June 1 in the year the credit is allowed until the lien is fully satisfied. Liens must be paid in full; partial payments are not allowed.

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11. The lien must be fully satisfied before any title may be transferred because of sale, death, or otherwise.
12. When a transfer occurs between spouses because of the death of one of them, the lien need not be satisfied until the property is again transferred.
13. This lien has precedence over all other liens except general tax liens and previous special assessment liens.
14. If the county acquires the property by tax deed, the appraised price for the annual sale must be sufficient to cover homestead credit for special assessments, in addition to all other requirements.
15. This lien remains an encumbrance on the property after the county auditor has issued a tax deed to the county.

Procedure For Satisfying The Lien

16. The individual who has received the credit, or the individual's representative, should contact the tax commissioner and request information regarding the amount necessary to satisfy the lien.
17. The tax commissioner will certify the amount due.
18. If the amount of the lien is greater than the market value of the property, the state may accept the amount of the market value of the property as payment in full on the lien.
19. Upon receipt of the amount due, the tax commissioner will authorize the county auditor to release the lien by filing a satisfaction of lien with the recorder.

State Funding Of Credit

20. Prior to March 1 of each year, the county auditor certifies to the tax commissioner the amount of credits allowed.
21. On or before June 1 of each year, the tax commissioner audits the credits and certifies to the state treasurer the amounts for payment to each county.
22. The county treasurer apportions payment from the state to each special assessment district.
23. Supplemental certifications and payments may be made to correct errors.

STATE OF NORTH DAKOTA
APPLICATION FOR HOMESTEAD CREDIT FOR SPECIAL ASSESSMENTS

Application must be filed with the county auditor prior to February 1st of the year in which special assessment installment becomes payable.

TO: Cass County Auditor PARCEL # _____

Applicant's Name: _____

Applicant's Address: _____

Telephone Number: _____

Legal Description:

Addition _____ Lot _____ Block _____ City _____

I reside on the above described property and I qualify for the senior citizen or disabled person's property tax credit provided in NDCC § 57-02-08.1. I hereby claim the homestead credit for special assessment on this property as provided for in NDCC § 57-02-08.3.

The special assessment credit I claim is for the annual installment payable in the year of _____.

I understand that the credit allowed by this claim creates a LIEN in favor of the state against this property for the amount of the credit plus interest in the amount of 9% per year from the time the credit is taken until the lien is satisfied.

Signature of Applicant: _____ Date: _____

To be completed by the County Auditor

Application is: Approved Denied (in whole or in part)

Reason for Denial: Applicant is not qualified for the property tax credit provided in Section 57-02-08.1

Total special assessment credit for this property excluding interest exceeds \$6,000

Other: _____

Special Assessment Improvement Districts:

<u>Number</u>	<u>Name</u>	<u>Amount of Credit</u>
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_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Total Amount of Credit for this application: _____

I, as county auditor, hereby certify that a lien of record has been filed against the above described property with the Register of Deeds.

County Auditor: _____ Date: _____