# Guideline - Property Tax: Homestead Credit For Special Assessments

North Dakota Century Code § 57-02-08.3

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 (N.D.C.C.) § 57-02-08.1 for the current year. For example: special assessments for 2019 become due in 2020. The applicant for this credit must have qualified for the homestead credit pursuant to N.D.C.C. § 57-02-08.1 for the 2019 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 must not exceed $6,000, adjusted annually on January 1 of each year, based on the consumer price index.

## Lien Provisions

8. This credit for special assessment plus simple interest of six 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.

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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 for 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.

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