

Sixty-second
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1245

Introduced by

Representatives Dosch, D. Johnson, Maragos

Senators Hogue, Lyson, Wardner

1 A BILL for an Act to amend and reenact sections 40-57.3-01 and 40-57.3-01.1 and
2 subsection 22 of section 57-39.2-04 of the North Dakota Century Code, relating to city lodging
3 tax and state sales tax application to hotel, motel, and tourist court stays of thirty days or more;
4 and to provide an effective date.

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

6 **SECTION 1. AMENDMENT.** Section 40-57.3-01 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **40-57.3-01. City lodging tax - Imposition - Amount - Disposition.**

9 The governing body of any city may, by ordinance, impose a city tax, not to exceed two
10 percent, upon the gross receipts of retailers on the leasing or renting of hotel, motel, or tourist
11 court accommodations within the city ~~for periods of less than thirty consecutive calendar days or~~
12 ~~one month~~. The tax imposed by this section shall be in addition to the state sales tax on rental
13 accommodations provided in chapter 57-39.2 and any city which imposes the tax upon gross
14 receipts described in this section shall deposit all proceeds in the city visitors' promotion fund.
15 Moneys deposited in the city visitors' promotion fund shall be spent only as provided in this
16 chapter. This chapter applies to all cities and does not limit the authority of a home rule city to
17 levy any taxes authorized by other provisions of law.

18 **SECTION 2. AMENDMENT.** Section 40-57.3-01.1 of the North Dakota Century Code is
19 amended and reenacted as follows:

20 **40-57.3-01.1. City lodging and restaurant tax - Imposition - Amount - Disposition -**
21 **Referral.**

22 In addition to the tax under section 40-57.3-01, the governing body of any city may, by
23 ordinance, impose a city tax, at a rate not to exceed one percent, upon the gross receipts of
24 retailers on the leasing or renting of hotel, motel, or tourist court accommodations within the city

1 ~~for periods of less than thirty consecutive calendar days or one month~~ and upon the gross
2 receipts of a restaurant from any sales of prepared food or beverages, not including alcoholic
3 beverages for consumption off the premises where purchased, which are subject to state sales
4 taxes. For purposes of this section, "restaurant" means any place where food is prepared and
5 intended for individual portion service for consumption on or off the premises and "prepared"
6 includes heating prepackaged food. Accommodations, food, and beverages may all, each, or in
7 any combination be subjected to the tax under this section, if all items in any category which are
8 taxable under state law are taxable, except as otherwise provided in this section. The tax
9 imposed under this section is in addition to state sales taxes on rental accommodations and
10 restaurant sales and any city which imposes the tax under this section shall deposit all
11 proceeds in the city visitors' promotion capital construction fund. Moneys deposited in the city
12 visitors' promotion capital construction fund shall be spent only as provided in this chapter. An
13 ordinance adopted under this section may not become effective sooner than sixty days after it is
14 adopted by the governing body of the city. The provisions of chapter 40-12 with regard to
15 referral of ordinances apply to an ordinance adopted under this section except that a petition to
16 refer an ordinance adopted under this section must be presented to the governing body of the
17 municipality before four p.m. on the sixtieth day after the ordinance described in the petition was
18 adopted by the governing body of the municipality. Revenues from a tax imposed under this
19 section may not be pledged under section 40-57.3-03 to payment of bonds or evidences of
20 indebtedness until after the time has passed for filing a referral petition against an ordinance
21 under this section or, if a referral petition is filed, until after the referral petition has been
22 submitted to the vote of the electors of the municipality.

23 **SECTION 3. AMENDMENT.** Subsection 22 of section 57-39.2-04 of the North Dakota
24 Century Code is amended and reenacted as follows:

- 25 22. Gross receipts from the leasing or renting of factory manufactured homes, including
26 mobile homes, modular living units, or sectional homes, whether or not placed on a
27 permanent foundation, for residential housing for periods of thirty or more consecutive
28 days ~~and the gross receipts from the leasing or renting of a hotel or motel room or~~
29 ~~tourist court accommodations occupied by the same person or persons for residential~~
30 ~~housing for periods of thirty or more consecutive days.~~

- 1 **SECTION 4. EFFECTIVE DATE.** This Act is effective for taxable events occurring after
- 2 June 30, 2011.