

Sixty-fifth  
Legislative Assembly  
of North Dakota

**HOUSE BILL NO. 1424**

Introduced by

Representatives K. Koppelman, Karls, Kasper, B. Koppelman, Marschall, Satrom, Simons

Senators Burckhard, Clemens, D. Larson, Luick, Myrdal

1 A BILL for an Act to amend and reenact subsection 9 of section 57-02-08 and section  
2 57-02-14.1 of the North Dakota Century Code, relating to the property tax exemption for  
3 property of churches; and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Subsection 9 of section 57-02-08 of the North Dakota Century  
6 Code is amended and reenacted as follows:

- 7 9. a. All ~~buildings~~real property owned by any religious corporation or organization and  
8 used for the religious purposes of the organization, and if on the same parcel,  
9 dwellings with usual outbuildings, intended and ordinarily used for the residence  
10 of the bishop, priest, rector, or other minister in charge of services, land directly  
11 under and within the perimeter of those buildings, and improved off-street parking  
12 ~~or~~and reasonable landscaping or sidewalk area ~~adjoining~~serving the main church  
13 building, ~~and up to a maximum of five additional acres [2.02 hectares]~~ must be  
14 deemed to be property used exclusively for religious purposes, and exempt from  
15 taxation, whether the real property consists of one tract or more.
- 16 b. If the residence of the bishop, priest, rector, or other minister in charge of  
17 services is located on property not adjacent to the church, that residence with  
18 usual outbuildings and land on which it is located, ~~up to two acres [.81 hectare],~~  
19 ~~is exempt from taxation and not leased or otherwise used with a view to profit.~~  
20 must be deemed to be property used exclusively for religious purposes and is  
21 exempt from taxation.
- 22 c. Any real property owned by any religious corporation or organization and used to  
23 further the religious purposes of the organization and not leased or otherwise  
24 used with a view to profit must be deemed to be property used exclusively for

1                    religious purposes and exempt from taxation. Earnings derived from the provision  
2                    of goods or services on property owned by a religious corporation or organization  
3                    may not be viewed as profits for purposes of this subsection.

4            b.d.    The exemption for a building used for the religious purposes of the owner  
5                    continues to be in effect if the building in whole, or in part, is rented to another  
6                    otherwise tax-exempt corporation or organization, provided no profit is realized  
7                    from the rent.

8            **SECTION 2. AMENDMENT.** Section 57-02-14.1 of the North Dakota Century Code is  
9                    amended and reenacted as follows:

10           **57-02-14.1. Tax exemption certificate for real property to be filed - Exceptions.**

11           Any person, corporations, limited liability companies, associations, or organizations owning  
12           real property located within a municipality which claims that such real property is exempt from  
13           assessment and taxation shall file with the assessor and with the county auditor a certificate  
14           setting out all facts on which the claim for exemption is based, including the names of owners,  
15           the date such property was acquired, the legal description, the use to which the property was  
16           put during the twelve months preceding the assessment date, and any other information which  
17           the assessor may request. This certificate shall be filed with the assessor and the county auditor  
18           each year before the assessment date. If the certificate is not filed as provided herein, the  
19           assessor shall regard the property as nonexempt property and shall assess it as such. The  
20           provisions of this section shall not apply in any case when the real property is owned by a  
21           religious corporation or organization and not leased or otherwise used with a view to profit, the  
22           United States, or the state of North Dakota or any of its departments, institutions, agencies, or  
23           political subdivisions.

24           **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
25           December 31, 2016.