

Sixty-seventh  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1099

Introduced by

Finance and Taxation Committee

(At the request of the Tax Commissioner)

1 A BILL for an Act to amend and reenact subsection 3 of section 5-03-09, section 57-01-06,  
2 subsection 8 of section 57-02-08, and subsection 5 of section 57-39.2-23 of the North Dakota  
3 Century Code, relating to the authority of the tax commissioner to waive penalties for late or  
4 nonfiled alcoholic beverage tax returns; sales, market, and productivity studies for property tax  
5 purposes; a property tax exemption for public hospitals; and disclosure of county lodging taxes  
6 and county lodging and restaurant taxes information to a county governing body; and to provide  
7 an effective date.

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

9 **SECTION 1. AMENDMENT.** Subsection 3 of section 5-03-09 of the North Dakota Century  
10 Code is amended and reenacted as follows:

11 3. If a supplier fails to file the required report as required by this section, there is imposed  
12 a penalty of twenty-five dollars per month for each calendar month or fraction of a  
13 month during which the delinquency continues beginning with the month during which  
14 the report was due. Any assessed penalty may be waived by the tax commissioner for  
15 good cause upon request by the supplier.

16 **SECTION 2. AMENDMENT.** Section 57-01-06 of the North Dakota Century Code is  
17 amended and reenacted as follows:

18 **57-01-06. Sales, market, and productivity study - Contents not to be included.**

19 Any sales, market, and productivity study which may be made by the state tax  
20 commissioner may not include the following:

- 21 1. Property owned or used by public utilities.
- 22 2. Property classified as personal property.
- 23 3. A sale when the grantor and the grantee are of the same family or corporate affiliate, if  
24 known.

- 1       4.   A sale which resulted as a settlement of an estate.
- 2       5.   ~~All sales to or from a government or governmental agency.~~
- 3       6.   All forced sales, mortgage foreclosures, and tax sales.
- 4       ~~7.6.~~ All sales to or from religious, charitable, or nonprofit organizations.
- 5       ~~8.7.~~ All sales where there is an indicated change of use by the new owner.
- 6       ~~9.8.~~ All transfer of ownership of property for which is given a quitclaim deed.
- 7       ~~10.9.~~ Sales of property not assessable by law.
- 8       ~~11.10.~~ Agricultural lands of less than eighty acres [32.37 hectares].

9       **SECTION 3. AMENDMENT.** Subsection 8 of section 57-02-08 of the North Dakota Century  
10 Code is amended and reenacted as follows:

- 11       8.   a. All buildings belonging to institutions of public charity, including public hospitals  
12           and nursing homes licensed pursuant to section 23-16-01 under the control of  
13           religious or charitable institutions, used wholly or in part for public charity,  
14           together with the land actually occupied by such institutions not leased or  
15           otherwise used with a view to profit.
- 16       b. Up to fifty acres [20.23 hectares] of undeveloped land owned by an institution of  
17           public charity for the purpose of a future public hospital or nursing home is  
18           exempt from taxation. This exemption expires ten years after the taxable year in  
19           which the property was acquired by the institution of public charity if construction  
20           improvements to accommodate a public hospital or nursing home have not  
21           commenced.
- 22       c. The exemption provided by this subsection includes any dormitory, dwelling, or  
23           residential-type structure, together with necessary land on which such structure is  
24           located, owned by a religious or charitable organization recognized as tax  
25           exempt under section 501(c)(3) of the United States Internal Revenue Code  
26           which is occupied by members of said organization who are subject to a religious  
27           vow of poverty and devote and donate substantially all of their time to the  
28           religious or charitable activities of the owner.

29       **SECTION 4. AMENDMENT.** Subsection 5 of section 57-39.2-23 of the North Dakota  
30 Century Code is amended and reenacted as follows:

1           5. The commissioner may make information pertaining to county lodging taxes, county  
2           lodging and restaurant taxes, city lodging taxes, city lodging and restaurant taxes, or  
3           city or county sales and use taxes, contained in tax returns, reports, related schedules  
4           and documents, and reports of an audit or investigation available upon request to no  
5           more than two duly elected or appointed members of the governing body of a city or  
6           county for which collection and administration of the tax is required by statute or a tax  
7           collection agreement administered under section 57-01-02.1. The governing body of  
8           the city or county or its members may not divulge or make known in any manner the  
9           business affairs, operations, or other information acquired from the commissioner  
10          under this subsection concerning any person, corporation, limited liability company, or  
11          other entity unless the disclosure is by judicial order and for tax administration  
12          purposes only.

13          **SECTION 5. EFFECTIVE DATE.** Section 3 of this Act is effective for taxable years  
14          beginning after December 31, 2020.