

Fifty-ninth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1031

Introduced by

Legislative Council

(Economic Development Committee)

1 A BILL for an Act to amend and reenact subsection 11 of section 40-58-20 of the North Dakota
2 Century Code, relating to the availability of property and income tax exemptions for new and
3 expanding businesses in urban renewal areas; and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Subsection 11 of section 40-58-20 of the North Dakota
6 Century Code is amended and reenacted as follows:

7 11. As an alternative to the sale of bonds to be amortized with tax increments as
8 provided in this section, the governing body of a municipality may grant, in its
9 discretion, ~~grant~~ a total or partial tax exemption for the project in order to provide
10 assistance to a project developer in a development or renewal area, pursuant to
11 agreement with the municipality. ~~However, if a developer of a development or~~
12 ~~renewal project receives a tax exemption for that project pursuant to this~~
13 ~~subsection, that project developer may not receive a tax exemption for that project~~
14 ~~under section 40-57.1-03, 40-57.1-04, 40-57.1-04.1, or 40-57.1-04.3.~~ The amount
15 of annual tax exemption under this subsection is limited to the tax increment as
16 defined in this section as it applies to the development or renewal project and may
17 extend for a period not to exceed fifteen years. In determining the total amount of
18 the tax exemption to be authorized, the municipality shall give due consideration to
19 the same elements as are involved in the sale of bonds to be amortized by tax
20 increments. The amount to be reimbursed, by tax exemption, to the project
21 developer must be all or a portion of eligible public costs which have been paid by
22 the project developer, plus interest on those costs at a rate not to exceed ten
23 percent per annum. The amount of tax exemption must be an amount sufficient to

1 reimburse the project operator for those eligible costs, amortized pursuant to the
2 agreement between the project developer and the municipality.

3 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
4 December 31, 2004.