

Sixty-second
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1246

Introduced by

Representatives Weisz, Belter

Senator Hogue

1 A BILL for an Act to amend and reenact subsection 9 of section 57-02-08 of the North Dakota
2 Century Code, relating to the property tax exemption for church property; to repeal subsection 7
3 of section 57-02-08 of the North Dakota Century Code, relating to a property tax exemption for
4 certain church property; to provide for a legislative management study; and to provide an
5 effective date.

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

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

9 9. All ~~real property, not exceeding two twenty acres [.81 hectare][8.09 hectares] in extent,~~
10 ~~owned by any religious corporation or organization, upon which there is a building~~
11 ~~used for the religious services of the organization, or upon which there is a dwelling~~
12 ~~with usual outbuildings, intended and ordinarily used for the residence of the bishop,~~
13 ~~priest, rector, or other minister in charge of services,~~buildings owned by any religious
14 corporation or organization and used for the religious services of the organization, and
15 if on the same parcel, dwellings with usual outbuildings, intended and ordinarily used
16 for the residence of the bishop, priest, rector, or other minister in charge of services,
17 land directly under and within the perimeter of those buildings, improved off-street
18 parking or reasonable landscaping or sidewalk area adjoining the main church
19 building, and up to a maximum of two additional acres [.81 hectare] must be deemed
20 to be property used exclusively for religious services, and exempt from taxation,
21 whether the real property consists of one tract or more. If the residence of the bishop,
22 priest, rector, or other minister in charge of services is located on property not adjacent
23 to the church, that residence with usual outbuildings and land on which it is located, up
24 to two acres [.81 hectare], is exempt from taxation. The exemption for a building used

1 for the religious services of the owner continues to be in effect if the building in whole,
2 or in part, is rented to another otherwise tax-exempt corporation or organization,
3 provided no profit is realized from the rent. ~~All real property owned by any religious-~~
4 ~~corporation or organization and used as a parking lot by persons attending religious-~~
5 ~~services is exempt from taxation. All taxes assessed or levied on any of the property,~~
6 ~~while the property is used for religious purposes, are void.~~

7 **SECTION 2. REPEAL.** Subsection 7 of section 57-02-08 of the North Dakota Century Code
8 is repealed.

9 **SECTION 3. LEGISLATIVE MANAGEMENT STUDY - SALES TAX EXEMPTION FOR**
10 **CHARITABLE NONPROFITS.** During the 2011-12 interim, the legislative management shall
11 consider studying the feasibility and desirability of extending the sales tax exemption on
12 purchases of tangible property to all charitable nonprofit organizations so that all such
13 organizations are treated equally and fairly under state law. The legislative management also
14 may undertake a comparative analysis of the efficacy of sales tax exemptions and rate
15 reductions, including, for each exemption or reduction, a detailed analysis of the fiscal impact to
16 the state; benefits to the state economy from eliminating or retaining the exemption or rate
17 reduction; the relationship of the exemption or rate reduction to tax policies of other states and
18 to federal or state laws or regulations; and who are the beneficiaries of each exemption or rate
19 reduction, specifically including the extent to which the benefits flow to out-of-state concerns.
20 The legislative management shall report its findings and recommendations, together with any
21 legislation required to implement the recommendations, to the sixty-third legislative assembly.

22 **SECTION 4. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
23 December 31, 2010.