

Introduced by

1 A BILL for an Act to amend and reenact subsections 16 and 34 of section 57-02-08 of the North  
2 Dakota Century Code, relating to property tax status of leasehold interests in certain buildings  
3 at state institutions of higher education; and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Subsections 16 and 34 of section 57-02-08 of the North  
6 Dakota Century Code are amended and reenacted as follows:

7 16. Property now owned, or hereafter acquired, by a corporation organized, or hereafter  
8 created, under the laws of this state for the purpose of promoting athletic and  
9 educational needs and uses at any state educational institution in this state, and not  
10 organized for profit. The leasehold interest of a lessee of a portion of a building that is  
11 exempt under this subsection is exempt for the first three taxable years in which the  
12 lease is in effect. The leasehold interest exemption may be extended for that lessee  
13 for up to three additional taxable years by approval of the governing body of the city,  
14 for property inside city limits, or the governing body of the county, for property not  
15 within city limits. At the conclusion of any leasehold interest exemption under this  
16 subsection, the leasehold interest is subject to assessment and taxation under section  
17 57-02-26 as property of the leaseholder. The leasehold interest of a lessee of a portion  
18 of a building exempt under this subsection is exempt if that lessee would be entitled to  
19 a property tax exemption under another provision of law if that lessee owned that  
20 property and in that case the leasehold interest is not subject to valuation under  
21 section 57-02-14.

22 34. Any building located on land owned by the state if the building is used at least in part  
23 for academic or research purposes by students and faculty of a state institution of  
24 higher education.

1           The leasehold interest of a lessee of a portion of a building that is exempt under  
2           this subsection is exempt for the first three taxable years in which the lease is in effect.  
3           The leasehold interest exemption may be extended for that lessee for up to three  
4           additional taxable years by approval of the governing body of the city, for property  
5           inside city limits, or the governing body of the county, for property not within city limits.  
6           At the conclusion of any leasehold interest exemption under this subsection, the  
7           leasehold interest is subject to assessment and taxation under section 57-02-26 as  
8           property of the leaseholder. The leasehold interest of a lessee of a portion of a building  
9           exempt under this subsection is exempt if that lessee would be entitled to a property  
10          tax exemption under another provision of law if that lessee owned that property and in  
11          that case the leasehold interest is not subject to valuation under section 57-02-14.

12          **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
13          December 31, 2015.