

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 taxable years in which the lease is in effect
12 and the tenant has not achieved total sales of products and services exceeding five
13 million dollars in the preceding taxable year. A lessee shall file with the lessor by April
14 fifteenth of each year a financial statement for the preceding taxable year. If the lessee
15 fails to file the financial statement by April fifteenth or the financial statement shows
16 that the lessee achieved total sales of products and services exceeding five million
17 dollars in the preceding taxable year, the lessor shall terminate the leasehold interest
18 of that lessee within six months and provide written notice to the lessee to vacate the
19 leasehold property.

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

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24 this subsection is exempt for taxable years in which the lease is in effect and the

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2 dollars in the preceding taxable year. A lessee shall file with the lessor by April fifteenth
3 of each year a financial statement for the preceding taxable year. If the lessee fails to
4 file the financial statement by April fifteenth or the financial statement shows that the
5 lessee achieved total sales of products and services exceeding five million dollars in
6 the preceding taxable year, the lessor shall terminate the leasehold interest of that
7 lessee within six months and provide written notice to the lessee to vacate the
8 leasehold property.

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