Sixty-eighth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 3, 2023

HOUSE BILL NO. 1439
(Representatives Bellew, Fisher, Karls, Koppelman, Toman)
(Senators Clemens, Kannianen)

AN ACT to amend and reenact subsection 9 of section 57-02-08 of the North Dakota Century Code, relating to a property tax exemption for property of churches; to provide for application; and to provide a retroactive effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

9. a. The land and any buildings on a parcel on which a church building is located, and which is owned by a religious corporation or organization and used predominantly for the religious purposes of the organization, must be deemed to be property used exclusively for religious purposes, and exempt from taxation. The land and any buildings on a parcel contiguous to the parcel on which a church building is located, which is owned by a religious corporation or organization, is exempt from taxation if any building located on the parcel is used predominantly for religious purposes.

   b. If the parsonage and residence of the bishop, priest, rector, minister, or other clergy is located on property owned by the religious corporation or organization, which is not adjacent to the church, that residence, with usual outbuildings and land on which it is located, up to two acres [.81 hectare], must be deemed to be property used exclusively for religious purposes and is exempt from taxation.

   c. Up to twenty acres [8.09 hectares] of undeveloped land owned by a religious corporation or organization for the purpose of a future church building or buildings or parsonage and residence as provided in subdivision b is exempt from taxation. This exemption expires ten years after the taxable year in which the property was acquired by the religious corporation or organization if construction improvements to accommodate a church building or parsonage and residence have not commenced. For purposes of this subdivision, "undeveloped land" includes land undergoing construction or containing improvements to accommodate a future church building or parsonage and residence as provided in subdivision b before the building or parsonage and residence is completed and suitable for use.

   d. The exemption for a building used for the religious purposes of the owner continues to be in effect if the building in whole, or in part, is rented to another otherwise tax-exempt corporation or organization, provided no profit is realized from the rent.

SECTION 2. RETROACTIVE EFFECTIVE DATE - APPLICATION. This Act is retroactively effective and applies for taxable years beginning after December 31, 2020. The limitation on time for filing an abatement claim under section 57-23-04 does not apply to refunds of taxes paid or cancellation of taxes levied for taxable year 2021 or 2022 on property exempt from taxation under this Act. The board of county commissioners shall direct refund of taxes paid or cancellation of taxes levied on property exempt from taxation under this Act.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-eighth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1439.

House Vote:	Yeas 91	Nays 3	Absent 0
Senate Vote:	Yeas 45	Nays 2	Absent 0

Chief Clerk of the House

Received by the Governor at _____M. on _____, 2023.

Approved at _____M. on _____, 2023.

Governor

Filed in this office this _____day of _____, 2023,

at _____ o'clock _____M.

Secretary of State