

SENATE BILL NO. 2369

Introduced by

Senator Cleary

1 A BILL for an Act to amend and reenact subsection 4 of section 57-39.2-04 of the North Dakota
2 Century Code, relating to exempt sales from educational, religious, or charitable activities
3 conducted by a nonprofit organization in a publicly or privately owned facility; and to provide an
4 effective date.

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

6 **SECTION 1. AMENDMENT.** Subsection 4 of section 57-39.2-04 of the North Dakota
7 Century Code is amended and reenacted as follows:

- 8 4. a. Gross receipts from sales of tickets, or admissions to state, county, district, and
9 local fairs.
- 10 b. Gross receipts from educational, religious, or charitable activities when the entire
11 amount of net receipts is expended for educational, religious, or charitable
12 purposes. The exemption in this subdivision does not apply to:
- 13 (1) Gross receipts from taxable sales in excess of ten thousand dollars for an
14 event if the activities are held in a publicly owned facility which is not an
15 event otherwise exempt under subdivision c, d, or e, or f; or
- 16 (2) Gross receipts from activities if the seller competes with retailers by
17 maintaining inventory, conducting retail sales on a regular basis from a
18 permanent or seasonal location, or soliciting sales from a website prepared
19 for or maintained by the seller.
- 20 c. Gross receipts derived by an institution of higher education located in this state
21 from tickets or admissions to athletic, musical, dramatic, or scholastic events
22 held, sponsored, hosted, or controlled by the institution of higher education, in
23 which the primary performers or participants consist of students of an institution
24 of higher education.

- 1 d. Gross receipts derived by any public school district if such receipts are expended
2 in accordance with section 15.1-07-10 or 15.1-07-11.
- 3 e. Gross receipts of a nonprofit music or dramatic arts organization that is exempt
4 from federal income taxation and is organized and operated for the presentation
5 of live public performances of musical or theatrical works on a regular basis.
- 6 f. Gross receipts derived by a nonprofit organization from educational, religious, or
7 charitable activities conducted by the nonprofit organization in a publicly or
8 privately owned facility, provided the nonprofit organization pays fair market rent
9 for the use of the facility and the entire amount of net receipts is expended for
10 educational, religious, or charitable purposes.

11 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable events occurring after
12 June 30, 2025.