

FIRST ENGROSSMENT

ENGROSSED 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 not otherwise exempt under subdivision c, d, or e if the activities are
15 held in a publicly owned facility for which is not an event otherwise exempt
16 under subdivision c, d, or e fair market rent has not been paid; or
- 17 (2) Gross receipts from activities if the seller competes with retailers by
18 maintaining inventory, conducting retail sales on a regular basis from a
19 permanent or seasonal location, or soliciting sales from a website prepared
20 for or maintained by the seller.
- 21 c. Gross receipts derived by an institution of higher education located in this state
22 from tickets or admissions to athletic, musical, dramatic, or scholastic events

1 held, sponsored, hosted, or controlled by the institution of higher education, in
2 which the primary performers or participants consist of students of an institution
3 of higher education.

4 d. Gross receipts derived by any public school district if such receipts are expended
5 in accordance with section 15.1-07-10 or 15.1-07-11.

6 e. Gross receipts of a nonprofit music or dramatic arts organization that is exempt
7 from federal income taxation and is organized and operated for the presentation
8 of live public performances of musical or theatrical works on a regular basis.

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