

Sixty-first  
Legislative Assembly  
of North Dakota

**SENATE BILL NO. 2247**

Introduced by

Senators J. Lee, Dever, Robinson

Representatives Berg, N. Johnson, Mueller

1 A BILL for an Act to amend and reenact subsections 35 through 42 of section 57-02-08 of the  
2 North Dakota Century Code, relating to property tax exemptions for new construction; and to  
3 provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Subsections 35 through 42 of section 57-02-08 of the  
6 North Dakota Century Code are amended and reenacted as follows:

- 7 35. Up to ~~seventy-five~~ one hundred fifty thousand dollars of the true and full value of all  
8 new single-family and condominium and townhouse residential property, exclusive  
9 of the land on which it is situated, is exempt from taxation for the first two taxable  
10 years after the taxable year in which construction is ~~begun~~ completed and the  
11 residence is occupied for the first time if all of the following conditions are met:
- 12 a. The governing body of the city, for property within city limits, or the governing  
13 body of the county, for property outside city limits, has approved the  
14 exemption of the property by resolution. A resolution adopted under this  
15 subsection may be rescinded or amended at any time. The governing body of  
16 the city or county may limit or impose conditions upon exemptions under this  
17 subsection, including limitations on the time during which an exemption is  
18 allowed.
- 19 b. Special assessments and taxes on the property upon which the residence is  
20 situated are not delinquent.
- 21 e. ~~The first owner after the builder resides on the property, or the builder still~~  
22 ~~owns the property. For purposes of this subsection, "builder" includes a~~  
23 ~~person who builds that person's own residence.~~

- 1           ~~For purposes of this subsection, "single family residential property" does not~~  
2           ~~include condominium or townhouse property.~~
- 3       36.   ~~Up to seventy five thousand dollars of the true and full value of each unit of all new~~  
4           ~~condominium and townhouse residential property, exclusive of the land on which it~~  
5           ~~is situated, is exempt from taxation for the first two taxable years after the taxable~~  
6           ~~year in which construction is begun if all of the following conditions are met:~~
- 7           ~~a.   The governing body of the city, for property within city limits, or the governing~~  
8           ~~body of the county, for property outside city limits, has approved the~~  
9           ~~exemption of the property by resolution. A resolution adopted under this~~  
10          ~~subsection may be rescinded or amended at any time. The governing body of~~  
11          ~~the city or county may limit or impose conditions upon exemptions under this~~  
12          ~~subsection, including limitations on the time during which an exemption is~~  
13          ~~allowed.~~
- 14          ~~b.   Special assessments and taxes on the property upon which the condominium~~  
15          ~~or townhouse is situated are not delinquent.~~
- 16          ~~c.   The first owner, after the builder, who resides in the condominium or~~  
17          ~~townhouse unit still owns the property.~~
- 18       37.   The governing body of the city, for property within city limits, or of the county, for  
19           property outside city limits, may grant a property tax exemption for the portion of  
20           fixtures, buildings, and improvements, used primarily to provide early childhood  
21           services by a corporation, limited liability company, or organization licensed under  
22           chapter 50-11.1 or used primarily as an adult day care center. However, this  
23           exemption is not available for property used as a residence.
- 24       ~~38.~~ 37.   a.   A pollution abatement improvement. As used in this subsection, "pollution  
25           abatement improvement" means property, exclusive of land and  
26           improvements to the land such as ditching, surfacing, and leveling, that is:
- 27           (1)   Part of an agricultural or industrial facility which is used for or has for its  
28           ultimate purpose the prevention, control, monitoring, reducing, or  
29           eliminating of pollution by treating, pretreating, stabilizing, isolating,  
30           collecting, holding, controlling, measuring, or disposing of waste  
31           contaminants; or

- 1                   (2)   Part of an agricultural or industrial facility and required to comply with  
2                               local, state, or federal environmental quality laws, rules, regulations, or  
3                               standards.
- 4           b.   The exemption under this subsection applies only to that portion of the  
5                   valuation of property attributable to the pollution abatement improvement on  
6                   which construction or installation was commenced after December 31, 1992,  
7                   and does not apply to the valuation of any property that is not a necessary  
8                   component of the pollution abatement improvement. The governing body of  
9                   the city, for property within city limits, or the governing board of the county, for  
10                  property outside city limits, shall determine whether the property proposed for  
11                  exemption is a pollution abatement improvement and may grant an exemption  
12                  for the pollution abatement improvement based upon the requirements of this  
13                  subsection.
- 14   ~~39.~~ 38.   The leasehold interest in property owned by the state which has been leased for  
15                   pasture or grazing purposes or upon which payments in lieu of property taxes are  
16                   made by the state.
- 17   ~~40.~~ 39.   Notwithstanding any other law, all property, including any possessory interest  
18                   therein, relating to any waterworks, mains, and water distribution system leased to  
19                   the state, or any agency or institution of the state, or to a private entity pursuant to  
20                   subsection 5 of section 40-33-01, subsection 12 of section 61-24.5-09, or  
21                   subsection 23 of section 61-35-12, which property is operated by, or providing  
22                   services to, a municipality or other political subdivision or agency of the state, or its  
23                   citizens.
- 24   ~~41.~~ 40.   Notwithstanding any other law, all property, including any possessory interest  
25                   therein, relating to any sewage systems and facilities for the collection, treatment,  
26                   purification, and disposal in a sanitary manner of sewage leased to the state, or  
27                   any agency or institution of the state, or to a private entity pursuant to section  
28                   40-34-19 or subsection 23 of section 61-35-12, which property is operated by, or  
29                   providing services to, a municipality or other political subdivision or agency of the  
30                   state, or its citizens.

1     ~~42.~~ 41.     Notwithstanding any other law, all property, including any possessory interest  
2                   therein, leased to a private entity pursuant to section 54-01-27, which property is  
3                   operated by, or providing services to, the state or its citizens.

4             **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
5     December 31, 2008.