

**HOUSE BILL NO. 1130**

Introduced by

Representative Keiser

Senator Poolman

1 A BILL for an Act to create and enact a new subsection to section 57-40.3-04 of the North  
2 Dakota Century Code, relating to a motor vehicle excise tax exemption for donations of motor  
3 vehicles to a nonprofit organization that donates motor vehicles to individuals with  
4 demonstrated need of a motor vehicle to enable them to become self-sufficient members of the  
5 workforce; and to provide an effective date.

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

7 **SECTION 1.** A new subsection to section 57-40.3-04 of the North Dakota Century Code is  
8 created and enacted as follows:

9 A motor vehicle donated to a qualified nonprofit organization that is exempt from  
10 federal taxation under Internal Revenue Code section 501(c)(3) [26 U.S.C. 501(c)(3)] if  
11 that organization is organized or incorporated in this state, has its certificate of  
12 incorporation or certificate of authority in good standing with the secretary of state, and  
13 has an established program with the primary purpose of receiving donations of motor  
14 vehicles that it then donates to individuals with demonstrated need of a motor vehicle  
15 necessary to the individual's effort to become a self-sufficient member of the  
16 workforce.

17 a. An exemption under this subsection is rescinded if the organization has not  
18 transferred title to a donated motor vehicle and donated that motor vehicle to an  
19 individual with demonstrated need of a motor vehicle necessary to the individual's  
20 effort to become a self-sufficient member of the workforce within ninety days after  
21 taking possession or ownership of the motor vehicle, in which case the  
22 organization shall pay the tax based on the retail value of the motor vehicle, as  
23 determined by the national automobile dealers association official used car guide,  
24 at the time it took possession or ownership.

1           **b.** An exemption under this subsection is rescinded if the organization sells a  
2           donated motor vehicle for more than five hundred dollars after taking possession  
3           or ownership of the motor vehicle, in which case the organization shall pay the  
4           tax based on the retail value of the motor vehicle, as determined by the national  
5           automobile dealers association official used car guide, at the time it took  
6           possession or ownership.

7           **c.** The commissioner shall issue a certificate of exemption to a qualified nonprofit  
8           organization exempted by this subsection. The qualified nonprofit organization  
9           shall present the certificate of exemption to the registrar whenever the exemption  
10          under this subsection is claimed.

11          **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable events occurring after  
12          June 30, 2015.