

**HOUSE BILL NO. 1439**

Introduced by

Representatives Bellew, Fisher, Karls, Koppelman, Toman

Senators Clemens, Kannianen

1 A BILL for an Act to amend and reenact subsection 9 of section 57-02-08 of the North Dakota  
2 Century Code, relating to a property tax exemption for property of churches; ~~to provide for~~  
3 ~~application~~; and to provide ~~a retroactive~~an effective date.

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

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

- 7 9. a. The land and any buildings on a parcel on which a church building is located, and  
8 which is owned by a religious corporation or organization and used  
9 predominantly for the religious purposes of the organization, must be deemed to  
10 be property used exclusively for religious purposes, and exempt from taxation.  
11 The land and any buildings on a parcel contiguous to the parcel on which a  
12 church building is located, which is owned by a religious corporation or  
13 organization, is exempt from taxation if any building located on the parcel is used  
14 predominantly for religious purposes.
- 15 b. If the parsonage and residence of the bishop, priest, rector, minister, or other  
16 clergy is located on property owned by the religious corporation or organization,  
17 which is not adjacent to the church, that residence, with usual outbuildings and  
18 land on which it is located, up to two acres [.81 hectare], must be deemed to be  
19 property used exclusively for religious purposes and is exempt from taxation.
- 20 c. Up to twenty acres [8.09 hectares] of undeveloped land owned by a religious  
21 corporation or organization for the purpose of a future church building or  
22 buildings or parsonage and residence as provided in subdivision b is exempt  
23 from taxation. This exemption expires ten years after the taxable year in which  
24 the property was acquired by the religious corporation or organization if

1 construction improvements to accommodate a church building or parsonage and  
2 residence have not commenced. For purposes of this subdivision, "undeveloped  
3 land" includes land undergoing construction or containing improvements to  
4 accommodate a future church building or parsonage and residence as provided  
5 in subdivision b before the building or parsonage and residence is completed and  
6 suitable for use.

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

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

17 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
18 December 31, 2022.