

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
8 all new single-family and condominium and townhouse residential property,
9 exclusive of the land on which it is situated, is exempt from taxation for the first two
10 taxable years after the taxable year in which construction is ~~begun~~ completed and
11 the residence is owned and occupied for the first time if all of the following
12 conditions are met:
- 13 a. The governing body of the city, for property within city limits, or the governing
14 body of the county, for property outside city limits, has approved the
15 exemption of the property by resolution. A resolution adopted under this
16 subsection may be rescinded or amended at any time. The governing body
17 of the city or county may limit or impose conditions upon exemptions under
18 this subsection, including limitations on the time during which an exemption is
19 allowed.
- 20 b. Special assessments and taxes on the property upon which the residence is
21 situated are not delinquent.
- 22 e. ~~The first owner after the builder resides on the property, or the builder still~~
23 ~~owns the property. For purposes of this subsection, "builder" includes a~~
24 ~~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~~
11 ~~of the city or county may limit or impose conditions upon exemptions under~~
12 ~~this 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 e. ~~The first owner, after the builder, who resides in the condominium or~~
17 ~~townhouse unit still owns the property.~~
- 18 ~~37.~~ 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 ~~44.~~ 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.