

**Sixty-ninth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 7, 2025**

SENATE BILL NO. 2369
(Senator Cleary)

AN ACT to amend and reenact subsection 4 of section 57-39.2-04 of the North Dakota Century Code, relating to exempt sales from educational, religious, or charitable activities conducted by a nonprofit organization in a publicly or privately owned facility; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:


SECTION 1. AMENDMENT. Subsection 4 of section 57-39.2-04 of the North Dakota Century Code is amended and reenacted as follows:

4. a. Gross receipts from sales of tickets, or admissions to state, county, district, and local fairs.
- b. Gross receipts from educational, religious, or charitable activities when the entire amount of net receipts is expended for educational, religious, or charitable purposes. The exemption in this subdivision does not apply to:
 - (1) Gross receipts from taxable sales in excess of ten thousand dollars for an event not otherwise exempt under subdivision c, d, or e if the activities are held in a publicly owned facility for which is not an event otherwise exempt under subdivision c, d, or e fair market rent has not been paid; or
 - (2) Gross receipts from activities if the seller competes with retailers by maintaining inventory, conducting retail sales on a regular basis from a permanent or seasonal location, or soliciting sales from a website prepared for or maintained by the seller.
- c. Gross receipts derived by an institution of higher education located in this state from tickets or admissions to athletic, musical, dramatic, or scholastic events held, sponsored, hosted, or controlled by the institution of higher education, in which the primary performers or participants consist of students of an institution of higher education.
- d. Gross receipts derived by any public school district if such receipts are expended in accordance with section 15.1-07-10 or 15.1-07-11.
- e. Gross receipts of a nonprofit music or dramatic arts organization that is exempt from federal income taxation and is organized and operated for the presentation of live public performances of musical or theatrical works on a regular basis.

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


President of the Senate


Speaker of the House

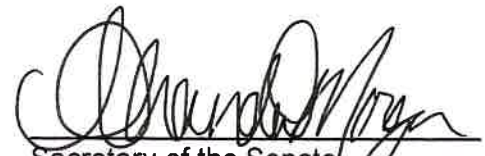

Secretary of the Senate


Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-ninth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2369.

Senate Vote: Yeas 47 Nays 0 Absent 0

House Vote: Yeas 67 Nays 26 Absent 1


Secretary of the Senate

Received by the Governor at 3:50 M. on March 24, 2025.

Approved at 10:58 A M. on March 25, 2025.


Governor

Filed in this office this 26th day of March, 2025,
at 12:52 o'clock P M.


Secretary of State