

Sixty-seventh  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1099

Introduced by

Finance and Taxation Committee

(At the request of the Tax Commissioner)

1 | A BILL for an Act to amend and reenact subsection 3 of section 5-01-01, subsection 3 of section  
2 | 5-03-09, section 57-01-06, and subsection 5 of section 57-39.2-23 of the North Dakota Century  
3 | Code, relating to the definition of beer; the authority of the tax commissioner to waive penalties  
4 | for late or nonfiled alcoholic beverage tax returns; sales, market, and productivity studies for  
5 | property tax purposes; and disclosure of county lodging taxes and county lodging and  
6 | restaurant taxes information to a county governing body; and to provide an effective date.

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

8 | **SECTION 1. AMENDMENT.** Subsection 3 of section 5-01-01 of the North Dakota Century  
9 | Code is amended and reenacted as follows:

- 10 | 3. "Beer" means any malt beverage containing one-half of one percent or more of alcohol  
11 | by volume and includes an alcoholic beverage made by the fermentation of malt  
12 | substitutes, including rice, grain of any kind, glucose, sugar, or molasses, which has  
13 | not undergone distillation.

14 | **SECTION 2. AMENDMENT.** Subsection 3 of section 5-03-09 of the North Dakota Century  
15 | Code is amended and reenacted as follows:

- 16 | 3. If a supplier fails to file the required report as required by this section, there is imposed  
17 | a penalty of twenty-five dollars per month for each calendar month or fraction of a  
18 | month during which the delinquency continues beginning with the month during which  
19 | the report was due. Any assessed penalty may be waived by the tax commissioner for  
20 | good cause upon request by the supplier.

21 | **SECTION 3. AMENDMENT.** Section 57-01-06 of the North Dakota Century Code is  
22 | amended and reenacted as follows:

1       **57-01-06. Sales, market, and productivity study - Contents not to be included.**

2       Any sales, market, and productivity study which may be made by the state tax  
3 commissioner may not include the following:

- 4       1. Property owned or used by public utilities.
- 5       2. Property classified as personal property.
- 6       3. A sale when the grantor and the grantee are of the same family or corporate affiliate, if  
7       known.
- 8       4. A sale which resulted as a settlement of an estate.
- 9       5. ~~All sales to or from a government or governmental agency.~~
- 10      6. All forced sales, mortgage foreclosures, and tax sales.
- 11      ~~7.6.~~ All sales to or from religious, charitable, or nonprofit organizations.
- 12      ~~8.7.~~ All sales where there is an indicated change of use by the new owner.
- 13      ~~9.8.~~ All transfer of ownership of property for which is given a quitclaim deed.
- 14      ~~10.9.~~ Sales of property not assessable by law.
- 15      ~~11.10.~~ Agricultural lands of less than eighty acres [32.37 hectares].

16       **SECTION 4. AMENDMENT.** Subsection 5 of section 57-39.2-23 of the North Dakota  
17 Century Code is amended and reenacted as follows:

- 18       5. The commissioner may make information pertaining to county lodging taxes, county  
19       lodging and restaurant taxes, city lodging taxes, city lodging and restaurant taxes, or  
20       city or county sales and use taxes, contained in tax returns, reports, related schedules  
21       and documents, and reports of an audit or investigation available upon request to no  
22       more than two duly elected or appointed members of the governing body of a city or  
23       county for which collection and administration of the tax is required by statute or a tax  
24       collection agreement administered under section 57-01-02.1. The governing body of  
25       the city or county or its members may not divulge or make known in any manner the  
26       business affairs, operations, or other information acquired from the commissioner  
27       under this subsection concerning any person, corporation, limited liability company, or  
28       other entity unless the disclosure is by judicial order and for tax administration  
29       purposes only.

30       **SECTION 5. EFFECTIVE DATE.** Section 1 of this Act is effective for taxable periods  
31 beginning after June 30, 2021.