

OPINION
51-23

August 13, 1951 (OPINION)

CORPORATIONS

RE: No Limit on Amount of Real Estate Held by Educational Corporation

We have your letter of August 10, 1951, wherein you ask for an opinion, and the reason for your coming to this office is that the question involved is of a statewide and public nature and of extreme importance to the people of the state as a whole.

In view of that situation we shall vary from the custom of this office that opinions are not given to persons outside of public offices.

Your question relates to an organization that is religious, educational, and, to a certain extent, benevolent.

You inquire whether the limitations contained in section 10-0807 of the 1949 Supplement to the North Dakota Revised Code of 1943 apply to such corporations.

You will note that the above-noted section restricts the real estate holdings of religious and charitable corporations. You will also note that section 10-0801 of the 1943 Code provides for formation of religious, educational, and benevolent corporations, but said section contains no restriction as to the amount of real estate that may be held by such corporation so formed.

By reason of the fact that holdings of religious and charitable corporations are tax exempt, we believe that the Legislature felt that the practice of such corporations holding real estate might be abused, and for that reason inserted the limitation of \$500,000.00.

We can take judicial notice of the fact that at the time the limitation was inserted there were educational corporations in the estate holding real estate in excess of \$500,000.00, and it is likely that other educational organizations will be formed that will acquire real estate in excess of \$500,000.00, and we are of the opinion that it was not the intent of the Legislature to limit the amount of property that can be held by corporations for educational purposes.

It is, therefore, our opinion that property owned by any corporation in this state for educational purposes is not subject to the limitations contained in section 10-0807 of the 1949 Supplement to the North Dakota Revised Code of 1943.

ELMO T. CHRISTIANSON

Attorney General