

SENATE BILL NO. 2088

Introduced by

Education Committee

(At the request of the Board of University and School Lands)

1 A BILL for an Act to amend and reenact sections 15-04-09, 15-04-10, 15-06-26, and 15-07-20
2 of the North Dakota Century Code, relating to leasing and sale of school trust lands.

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

4 **SECTION 1. AMENDMENT.** Section 15-04-09 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **15-04-09. Notice of leasing - Publication - Posting.** Each year at such time as in its
7 judgment is for the best interests of the state, the board of university and school lands shall
8 advertise and offer for lease the lands to be leased. All lands to be leased or offered for lease
9 within the respective counties must be advertised for lease by the board by publication once
10 each week for a period of three weeks prior to the day of leasing in the official county
11 newspaper where ~~said~~ the land is situated and in such other newspapers as the board deems
12 appropriate. ~~A list of the lands to be offered for leasing must be filed with the county treasurer~~
13 ~~of the county wherein such lands are situated at least ten days prior to the day of leasing.~~ If, in
14 the opinion of the board, the land that will be leased in any county will not be sufficient to
15 warrant the expense of advertisement in a newspaper by description of each tract or parcel, the
16 notice may be given by general advertisement.

17 **SECTION 2. AMENDMENT.** Section 15-04-10 of the 1997 Supplement to the North
18 Dakota Century Code is amended and reenacted as follows:

19 **15-04-10. Leasing to be by auction - Requirements governing.** The commissioner
20 of university and school lands, or such other person appointed by the commissioner, shall
21 conduct the leasing of the lands. The leasing must be at public auction, to the highest bidder;
22 ~~and must be held at the county seat.~~ The auction must commence on the day and time
23 specified in the advertisement for the leasing. Notice must be given when the land is offered for
24 lease, that all bids are subject to approval by the board. ~~Lands that have not been subdivided~~

1 ~~specially must be offered for lease in tracts of one quarter section each, except as provided in~~
2 ~~section 15-08-25. Lands specially subdivided may be offered for lease in the smallest~~
3 ~~subdivision thereof.~~

4 **SECTION 3. AMENDMENT.** Section 15-06-26 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **15-06-26. Manner of sale - Purchase price.** At the time appointed for the sale, the
7 commissioner of university and school lands, the commissioner's deputy, or any other person
8 appointed by the commissioner shall proceed to sell or offer for sale the land so advertised to
9 be sold at public auction to the highest bidder. The sale must be held at the county seat, in the
10 county in which the land is situated. ~~Lands that have not been subdivided specially must be~~
11 ~~offered in tracts of one quarter section, and those subdivided must be sold in the smallest~~
12 ~~subdivision thereof. No~~ A tract may not be sold for less than the fair market value thereof or for
13 less than ten dollars per acre [.40 hectare]. ~~If the tract to be sold consists of grant lands once~~
14 ~~sold on contract and the contract has been canceled, and the lands form a single farm unit, the~~
15 ~~entire tract may be sold as a single tract and farm unit.~~

16 **SECTION 4. AMENDMENT.** Section 15-07-20 of the North Dakota Century Code is
17 amended and reenacted as follows:

18 **15-07-20. Leasing of nongrant lands.** The board of university and school lands may
19 lease nongrant lands under ~~such~~ reasonable rules ~~and regulations~~ as it may establish. ~~Such~~
20 The rules ~~and regulations~~ may provide for leasing with or without advertisement or competitive
21 bidding. Leases made under ~~the provisions of~~ this section must be for cash only, and the rental
22 must be collected in advance except that the board may collect a share of a conservation
23 reserve program payment paid by the federal government. ~~No~~ A lease of nongrant lands may
24 not extend for a period of more than ~~four~~ five years, ~~except pasture lands may be leased for a~~
25 ~~period of five years and~~ any land accepted into the conservation reserve program may have a
26 lease term that coincides with the term of the conservation reserve program contract if so
27 provided in the lease. Leases may be renewed at the discretion of the board. When nongrant
28 lands are leased without advertisement or competitive bidding, the board shall determine the
29 rental by taking into consideration the nature and adaptability of the lands and the
30 improvements thereon.