

**SENATE BILL NO. 2088
with House Amendments**

Fifty-sixth
Legislative Assembly
of North Dakota

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 create and enact a new section to chapter 15-04 of the North Dakota
2 Century Code, relating to payments for county services benefiting school trust lands; and to
3 amend and reenact sections 15-04-10, 15-06-26, and 15-07-20 of the North Dakota Century
4 Code, relating to leasing and sale of school trust lands.

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

6 **SECTION 1. AMENDMENT.** Section 15-04-10 of the 1997 Supplement to the North
7 Dakota Century Code is amended and reenacted as follows:

8 **15-04-10. Leasing to be by auction - Requirements governing.** The commissioner
9 of university and school lands, or such other person appointed by the commissioner, shall
10 conduct the leasing of the lands. The leasing must be at public auction, to the highest bidder,
11 and must be held at the county seat. The auction must commence on the day and time
12 specified in the advertisement for the leasing. Notice must be given when the land is offered
13 for lease, that all bids are subject to approval by the board. ~~Lands that have not been~~
14 ~~subdivided specially must be offered for lease in tracts of one quarter section each, except as~~
15 ~~provided in section 15-08-25. Lands specially subdivided may be offered for lease in the~~
16 ~~smallest subdivision thereof.~~

17 **SECTION 2.** A new section to chapter 15-04 of the North Dakota Century Code is
18 created and enacted as follows:

19 **County services benefiting school trust lands - Payment.** On or before March first
20 of each year, the board of university and school lands shall pay a fee to the board of county
21 commissioners of each county in which the state retains original grant lands. The board of
22 county commissioners shall forward a prorated portion of any fee received under this section to
23 the organized townships in which the original grant lands are located for use in the repair,
24 maintenance, and construction of roads and bridges and shall use the remainder of the fee for

1 the repair, maintenance, and construction of roads and bridges in unorganized townships in
2 which original grant lands are located. The total fees paid under this section may not exceed
3 five percent of the net revenue generated during that period from the original grant lands in that
4 county. For purposes of this section, net revenue means the gross revenue from surface
5 management, less any administrative and operating expenses, but does not include any
6 moneys that must be deposited in a permanent trust fund.

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

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

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

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

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- 1 rental by taking into consideration the nature and adaptability of the lands and the
- 2 improvements thereon.