

**SENATE BILL NO. 2185**

Introduced by

Senators Tomac, Stenehjem, Wardner

Representatives Drovdal, Nelson, Schmidt

1 A BILL for an Act to amend and reenact section 10-06.1-10 of the North Dakota Century Code,  
2 relating to payments in lieu of taxes on farmland or ranchland acquired by nonprofit  
3 organizations for conservation purposes; and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Section 10-06.1-10 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **10-06.1-10. Acquisition of certain farmland or ranchland by certain nonprofit**  
8 **organizations.** A nonprofit organization may acquire farmland or ranchland only in accordance  
9 with the following:

- 10 1. Unless it is permitted to own farmland or ranchland under section 10-06.1-09, the  
11 nonprofit organization must have been either incorporated in this state or issued a  
12 certificate of authority to do business in this state before January 1, 1985, or,  
13 before January 1, 1987, have been incorporated in this state if the nonprofit  
14 organization was created or authorized under Public Law No. 99-294 [100 Stat.  
15 418]. A nonprofit organization created or authorized under Public Law No. 99-294  
16 [100 Stat. 418] may acquire no more than twelve thousand acres [4856.228  
17 hectares] of land from interest derived from state, federal, and private sources held  
18 in its trust fund.
- 19 2. The land may be acquired only for the purpose of conserving natural areas and  
20 habitats for biota, and, after acquisition:
  - 21 a. The land must be maintained and managed for the purpose of conserving  
22 natural area and habitat for biota.
  - 23 b. Any agricultural use of the land is in accordance with the management of the  
24 land for conservation and agricultural use, and is by a sole proprietorship or

- 1 partnership, or a corporation or limited liability company allowed to engage in  
2 farming or ranching under section 10-06.1-12.
- 3 c. If any parcel of the land is open to hunting, it must be open to hunting by the  
4 general public.
- 5 d. The nonprofit organization must fully comply with all state laws relating to the  
6 control of noxious and other weeds and insects.
- 7 e. The nonprofit organization must make payments in lieu of property taxes on  
8 the property, calculated in the same manner as if the property was subject to  
9 full assessment and levy of property taxes.
- 10 3. Before any farmland or ranchland may be purchased by any nonprofit organization  
11 for the purpose of conserving natural areas and habitats for biota, the governor  
12 must approve the proposed acquisition. A nonprofit organization that desires to  
13 purchase farmland or ranchland for the purpose of conserving natural areas and  
14 habitats for biota shall first submit a proposed acquisition plan to the agriculture  
15 commissioner who shall convene an advisory committee consisting of the director  
16 of the parks and recreation department, the state engineer, the commissioner of  
17 agriculture, the state forester, the director of the game and fish department, the  
18 president of the North Dakota farmers union, the president of the North Dakota  
19 farm bureau, and the manager of the Garrison Diversion Conservancy District for  
20 acquisition plans containing lands within the Garrison Diversion Conservancy  
21 District, or their designees. The advisory committee shall hold a public hearing  
22 with the board of county commissioners concerning the proposed acquisition plan  
23 and shall make recommendations to the governor within forty-five days after  
24 receipt of the proposed acquisition plan. The governor shall approve or disapprove  
25 any proposed acquisition plan, or any part thereof, within thirty days after receipt of  
26 the recommendations from the advisory committee.
- 27 4. Land acquired in accordance with this section may not be conveyed to the United  
28 States or any agency or instrumentality of the United States.
- 29 5. On failure to qualify to continue ownership under subsection 2, the land must be  
30 disposed of within five years of that failure to qualify.

1           **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
2   December 31, 2000.