

Fifty-ninth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1517

Introduced by

Representatives Vigesaa, Carlisle, Haas, Metcalf, Nicholas

Senator Syverson

1 A BILL for an Act to amend and reenact subsection 1 of section 57-02-01 and subdivision a of
2 subsection 15 of section 57-02-08 of the North Dakota Century Code, relating to classification
3 of greenhouse property as agricultural property for assessment purposes and property exempt
4 from taxation; and to provide an effective date.

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

6 **SECTION 1. AMENDMENT.** Subsection 1 of section 57-02-01 of the North Dakota
7 Century Code is amended and reenacted as follows:

- 8 1. "Agricultural property" means platted or unplatted lands used for raising
9 agricultural crops or grazing farm animals, except lands platted and assessed as
10 agricultural property prior to March 30, 1981, shall continue to be assessed as
11 agricultural property until put to a use other than raising agricultural crops or
12 grazing farm animals. Agricultural property includes land on which a greenhouse
13 or other building is located if the land is used for a nursery or other purpose
14 associated with the operation of the greenhouse. The time limitations contained in
15 this section may not be construed to prevent property that was assessed as other
16 than agricultural property from being assessed as agricultural property if the
17 property otherwise qualifies under this subsection. Property platted on or after
18 March 30, 1981, is not agricultural property when any four of the following
19 conditions exist:
- 20 a. The land is platted by the owner.
 - 21 b. Public improvements including sewer, water, or streets are in place.
 - 22 c. Topsoil is removed or topography is disturbed to the extent that the property
23 cannot be used to raise crops or graze farm animals.
 - 24 d. Property is zoned other than agricultural.

- 1 e. Property has assumed an urban atmosphere because of adjacent residential
2 or commercial development on three or more sides.
- 3 f. The parcel is less than ten acres [4.05 hectares] and not contiguous to
4 agricultural property.
- 5 g. The property sells for more than four times the county average true and full
6 agricultural value.

7 **SECTION 2. AMENDMENT.** Subdivision a of subsection 15 of section 57-02-08 of the
8 North Dakota Century Code is amended and reenacted as follows:

- 9 a. All farm structures and improvements located on agricultural lands.
- 10 (1) This subsection must be construed to exempt farm buildings and
11 improvements only, and may not be construed to exempt from taxation
12 industrial plants, or structures of any kind not used or intended for use
13 as a part of a farm plant, or as a farm residence.
- 14 (2) "Farm buildings and improvements" includes a greenhouse or other
15 building used primarily for the growing of horticultural or nursery
16 products from seed, cuttings, or roots, if not used on more than an
17 occasional basis for a showroom for the retail sale of horticultural or
18 nursery products. A greenhouse or building used primarily for display
19 and sale of grown horticultural or nursery products is not a farm
20 building or improvement.
- 21 (3) Any structure or improvement used primarily in connection with a retail
22 or wholesale business other than farming, any structure or
23 improvement located on platted land within the corporate limits of a city,
24 or any structure or improvement located on railroad operating property
25 subject to assessment under chapter 57-05 is not exempt under this
26 subsection. For purposes of this paragraph, "business other than
27 farming" includes processing to produce a value-added physical or
28 chemical change in an agricultural commodity beyond the ordinary
29 handling of that commodity by a farmer prior to sale.
- 30 ~~(3)~~ (4) The following factors may not be considered in application of the
31 exemption under this subsection:

- 1 (a) Whether the farmer grows or purchases feed for animals raised
2 on the farm.
- 3 (b) Whether animals being raised on the farm are owned by the
4 farmer.
- 5 (c) Whether the farm's replacement animals are produced on the
6 farm.
- 7 (d) Whether the farmer is engaged in contract feeding of animals on
8 the farm.

9 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
10 December 31, 2004.