

HOUSE BILL NO. 1071

Introduced by

Representatives Drovdal, Kempenich, Hatlestad, Rust

Senator Lyson

1 A BILL for an Act to amend and reenact subsection 1 of section 57-02-01 of the North Dakota
2 Century Code, relating to retention of property tax status as agricultural property for property
3 previously devoted to agricultural uses which is being used for mineral extraction and for which
4 the surface owner owns none of the subsurface mineral rights; 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 Century
7 Code is amended and reenacted as follows:

8 1. "Agricultural property" means platted or unplatted lands used for raising agricultural
9 crops or grazing farm animals, except lands platted and assessed as agricultural
10 property prior to March 30, 1981, shall continue to be assessed as agricultural
11 property until put to a use other than raising agricultural crops or grazing farm animals.
12 Agricultural property includes land on which a greenhouse or other building is located
13 if the land is used for a nursery or other purpose associated with the operation of the
14 greenhouse. The time limitations contained in this section may not be construed to
15 prevent property that was assessed as other than agricultural property from being
16 assessed as agricultural property if the property otherwise qualifies under this
17 subsection.

18 a. Property platted on or after March 30, 1981, is not agricultural property when any
19 four of the following conditions exist:

20 ~~a.~~(1) The land is platted by the owner.

21 ~~b.~~(2) Public improvements, including sewer, water, or streets, are in place.

22 ~~c.~~(3) 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.~~(4) Property is zoned other than agricultural.

1 e-(5) Property has assumed an urban atmosphere because of adjacent
2 residential or commercial development on three or more sides.

3 f-(6) The parcel is less than ten acres [4.05 hectares] and not contiguous to
4 agricultural property.

5 g-(7) The property sells for more than four times the county average true and full
6 agricultural value.

7 b. Lands assessed as agricultural property until put to use for extraction of oil,
8 natural gas, potash, or uranium must continue to be assessed as agricultural
9 property if:

10 (1) The surface owner does not own any of the mineral rights underlying the
11 property for oil, natural gas, potash, or uranium; and

12 (2) The remainder of the surface owner's parcel of property on which the
13 subsurface mineral activity is occurring continues to qualify for assessment
14 as agricultural property under this subsection.

15 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
16 December 31, 2010.