

Sixty-second  
Legislative Assembly  
of North Dakota

## ENGROSSED 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. Land that was assessed as agricultural property at the time the land was put to  
8 use for extraction of oil, natural gas, ~~potash, or uranium~~ or subsurface minerals as  
9 defined in section 38-12-01 must continue to be assessed as agricultural property  
10 if the remainder of the surface owner's parcel of property on which the  
11 subsurface mineral activity is occurring continues to qualify for assessment as  
12 agricultural property under this subsection.

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