

Fifty-seventh
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1204

Introduced by

Representatives Klemin, Berg, Carlson

Senator Wardner

1 A BILL for an Act to amend and reenact subsection 15 of section 57-02-01 of the North Dakota
2 Century Code, relating to the definition of true and full value for property tax assessment
3 purposes relating to commercial rental property; and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Subsection 15 of section 57-02-01 of the North Dakota
6 Century Code is amended and reenacted as follows:

7 15. "True and full value" means the value determined by considering the earning or
8 productive capacity, if any, the market value, if any, and all other matters that affect
9 the actual value of the property to be assessed.

10 a. This ~~shall include~~ includes, for purposes of arriving at the true and full value of
11 property used for agricultural purposes, farm rentals, soil capability, soil
12 productivity, and soils analysis.

13 b. This includes, for purposes of arriving at the true and full value of commercial
14 rental property, the value determined by capitalization of the income from the
15 property in accordance with uniform standards of professional appraisal
16 practice unless this valuation method results in an unreasonable
17 determination, in which case other evidence of value may be considered. For
18 purposes of this subdivision, "commercial rental property" means commercial
19 property in which at least fifty percent of commercially usable space is leased
20 to lessees that are unaffiliated with the owner or lessor and does not include
21 property in which at least fifty percent of commercially usable space is leased
22 for living quarters.

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