

**HOUSE BILL NO. 1219**

Introduced by

Representatives Froelich, DeKrey, Kerzman

Senator Erbele

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 the definition of agricultural property for property tax assessment and  
3 classification purposes; and to provide an effective date.

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

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

7 1. "Agricultural property" means platted or unplatted lands used primarily for raising  
8 agricultural crops or grazing farm animals, except lands platted and assessed as  
9 agricultural property prior to March 30, 1981, shall continue to be assessed as  
10 agricultural property until put to a use other than raising agricultural crops or  
11 grazing farm animals. The time limitations contained in this section may not be  
12 construed to prevent property that was assessed as other than agricultural property  
13 from being assessed as agricultural property if the property otherwise qualifies  
14 under this subsection.

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

- 17 ~~a.~~ (1) The land is platted by the owner.  
18 ~~b.~~ (2) Public improvements including sewer, water, or streets are in place.  
19 ~~c.~~ (3) Topsoil is removed or topography is disturbed to the extent that the  
20 property cannot be used to raise crops or graze farm animals.  
21 ~~d.~~ (4) Property is zoned other than agricultural.  
22 ~~e.~~ (5) Property has assumed an urban atmosphere because of adjacent  
23 residential or commercial development on three or more sides.

- 1                    f. ~~(6)~~    The parcel is less than ten acres [4.05 hectares] and not contiguous to  
2    agricultural property.
- 3                    g. ~~(7)~~    The property sells for more than four times the county average true and  
4    full agricultural value.
- 5                    b.    Property is not agricultural property when both of the following conditions  
6    exist:
- 7    (1)    The property sold for more than the county average true and full  
8    agricultural value.
- 9    (2)    The owner of the property is not directly engaged as a farmer, as that  
10     term is defined in subsection 15 of section 57-02-08, in raising  
11     agricultural crops or grazing farm animals on the property or on  
12     property that is located within two miles [3.22 kilometers] of the  
13     property.

14                    **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
15    December 31, 2002, and applies retroactively for purposes of consideration of property sales  
16    occurring after December 31, 1992.