

Fifty-ninth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2242

Introduced by

Senators Cook, O'Connell, Wardner

Representatives R. Kelsch, Porter, Williams

1 A BILL for an Act to amend and reenact subdivision a of subsection 15 of section 57-02-08 of
2 the North Dakota Century Code, relating to ownership of a residence by a corporation, limited
3 liability company, limited liability partnership, or limited partnership as a disqualifying factor for
4 the farm building property tax exemption; and to provide an effective date.

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

6 **SECTION 1. AMENDMENT.** Subdivision a of subsection 15 of section 57-02-08 of the
7 North Dakota Century Code is amended and reenacted as follows:

- 8 a. All farm structures and improvements located on agricultural lands.
- 9 (1) This subsection must be construed to exempt farm buildings and
10 improvements only, and may not be construed to exempt from taxation
11 industrial plants, or structures of any kind not used or intended for use
12 as a part of a farm plant, or as a farm residence.
- 13 (2) Any structure or improvement used primarily in connection with a retail
14 or wholesale business other than farming, any structure or
15 improvement located on platted land within the corporate limits of a city,
16 or any structure or improvement located on railroad operating property
17 subject to assessment under chapter 57-05 is not exempt under this
18 subsection. For purposes of this paragraph, "business other than
19 farming" includes processing to produce a value-added physical or
20 chemical change in an agricultural commodity beyond the ordinary
21 handling of that commodity by a farmer prior to sale.
- 22 (3) Any structure or improvement owned by a corporation, limited liability
23 company, limited liability partnership, or limited partnership and

1 occupied as a residence by any individual is not exempt under this
2 subdivision.

3 (4) The following factors may not be considered in application of the
4 exemption under this subsection:

5 (a) Whether the farmer grows or purchases feed for animals raised
6 on the farm.

7 (b) Whether animals being raised on the farm are owned by the
8 farmer.

9 (c) Whether the farm's replacement animals are produced on the
10 farm.

11 (d) Whether the farmer is engaged in contract feeding of animals on
12 the farm.

13 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
14 December 31, 2004.