

**FIRST ENGROSSMENT
with Senate Amendments**

Sixtieth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1303

Introduced by

Representatives Herbel, Drovdal

Senators Krauter, Olafson

1 A BILL for an Act to create and enact subsections 9 and 10 to section 57-02-27.2 of the North
2 Dakota Century Code, relating to use of modifiers and soil surveys in agricultural property
3 assessment; to amend and reenact subsections 7 and 8 of section 57-02-27.2 of the North
4 Dakota Century Code, relating to use of soil surveys, modifiers, and actual use of agricultural
5 property for property tax assessment purposes; and to provide an effective date.

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

7 **SECTION 1. AMENDMENT.** Subsections 7 and 8 of section 57-02-27.2 of the North
8 Dakota Century Code are amended and reenacted as follows:

- 9 7. Before February first of each year, the county director of tax equalization in each
10 county shall provide to all assessors within the county an estimate of the average
11 agricultural value of agricultural lands within each assessment district. The
12 estimate must be based upon the average agricultural value for the county
13 adjusted by the relative values of lands within each assessment district compared
14 to the county average. In determining the relative value of lands for each
15 assessment district compared to the county average, the county director of tax
16 equalization, ~~whenver possible,~~ shall use soil type and soil classification data
17 from detailed and general soil surveys. ~~When such data cannot be used, the~~
18 ~~county director of tax equalization shall use whatever previous assessment data is~~
19 ~~best suited to the purpose.~~
- 20 8. Each local assessor shall determine the relative value of each assessment parcel
21 within the assessor's jurisdiction and shall determine the agricultural value of each
22 assessment parcel by adjusting the agricultural value estimate for the assessment
23 district by the relative value of the parcel. Each parcel must then be assessed
24 according to section 57-02-27. If either a local assessor or a township board of

equalization develops an agricultural value for the lands in its assessment district differing substantially from the estimate provided by the county director of tax equalization, written evidence to support the change must be provided to the county director of tax equalization. In determining the relative value of each assessment parcel, the local assessor shall apply the following considerations, which are listed in descending order of significance to the assessment determination:

- a. Soil type and soil classification data from detailed and general soil surveys.
- b. The schedule of modifiers that must be used to adjust agricultural property assessments within the county as approved by the state supervisor of assessments under subsection 9.
- c. Actual use of the property for cropland or noncropland purposes by the owner of the parcel.

SECTION 2. Subsections 9 and 10 to section 57-02-27.2 of the North Dakota Century Code are created and enacted as follows:

9. Before February first of each year, the county director of tax equalization in each county shall provide to all assessors of agricultural property within the county a schedule of modifiers that must be used to adjust agricultural property assessments within the county and directions regarding how those modifiers must be applied by assessors. Before the schedule of modifiers is provided to assessors within the county, the county director of tax equalization shall obtain the approval of the state supervisor of assessments for use of the schedule within the county.
10. For any county that has not fully implemented use of soil type and soil classification data from detailed and general soil surveys for any taxable year after 2009, the tax commissioner shall appoint a qualified individual as a special assessor who shall make a reassessment of all of the agricultural property in the county using soil type and soil classification data from detailed and general soil surveys. The board of county commissioners shall pay any costs of the reassessment under this subsection. If the board of county commissioners has not paid the cost of the reassessment within thirty days after completion of the

1 reassessment, the state tax commissioner shall certify to the state treasurer the
2 cost of the reassessment and that amount must be withheld by the state treasurer
3 from the county general fund allocation from the state aid distribution fund to that
4 county under subsection 1 of section 57-39.2-26.1 in the next ensuing allocation
5 and each ensuing allocation until the cost of the reassessment is fully paid. The
6 state treasurer shall pay the withheld amount to the special assessor.

7 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
8 December 31, 2006.