

Sixty-second
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2342

Introduced by

Senators Miller, Dotzenrod, Luick

Representatives Headland, Kingsbury, Paur

1 A BILL for an Act to create and enact a new subdivision to subsection 5 of section 4-01-23, a
2 new subsection to section 6-09.13-03, and a new section to chapter 57-39.2 of the North
3 Dakota Century Code, relating to eligible uses of the agriculture partnership in assisting
4 community expansion fund and a sales and use tax refund for qualifying subsurface field tile
5 systems; to amend and reenact subsection 3 of section 6-09.13-01 of the North Dakota Century
6 Code, relating to eligible uses for the agriculture partnership in assisting community expansion
7 fund; and to provide for a legislative management study.

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

9 **SECTION 1.** A new subdivision to subsection 5 of section 4-01-23 of the North Dakota
10 Century Code is created and enacted as follows:

11 Implementation of soil health management practices designed to control and
12 when needed reduce salinity, excess water, and erosion and increase organic
13 matter. These practices include subsurface field tile, crop rotation, strip tilling,
14 shelterbelts, animal grazing patterns, and cover crops.

15 **SECTION 2. AMENDMENT.** Subsection 3 of section 6-09.13-01 of the North Dakota
16 Century Code is amended and reenacted as follows:

17 3. "Farm business" means any business conducted by the farmer or farmer's family,
18 which is integrated into the farm operation and is intended to supplement farm income
19 to allow the farmer to continue farming. ~~¶~~The term may include nontraditional
20 agricultural, manufacturing, processing, value-added processing, targeted service
21 industries, or other activities calculated to produce income, and subsurface field tiling
22 projects.

23 **SECTION 3.** A new subsection to section 6-09.13-03 of the North Dakota Century Code is
24 created and enacted as follows:

1 Subsurface field tiling projects.

2 **SECTION 4.** A new section to chapter 57-39.2 of the North Dakota Century Code is created
3 and enacted as follows:

4 **Sales tax refund for subsurface field tile drainage system.**

5 The owner of a subsurface field tile drainage system within the boundaries of a drainage
6 project authorized by chapter 61-21 may apply for a refund of a portion of the sales or use tax
7 due and paid on the qualifying subsurface field tile system. The tax eligible for refund includes
8 tax paid by the system owner and tax paid by contractors installing the system and is equal to
9 two percentage points of the sales or use tax imposed under this chapter or chapter 57-40.2 on
10 tangible personal property incorporated into the subsurface field tile system. Application for a
11 refund must be made at the times and in the manner directed by the tax commissioner and
12 must include sufficient information to permit the tax commissioner to verify the qualifying
13 drainage project, the purchase and use of the tangible personal property, and the sales and use
14 taxes paid.

15 **SECTION 5. LEGISLATIVE MANAGEMENT STUDY - SUBSURFACE FIELD TILING.**

16 During the 2011-12 interim, the legislative management shall consider studying the laws and
17 rules relating to subsurface field tiling. The legislative management shall report its findings and
18 recommendations, together with any legislation required to implement the recommendations, to
19 the sixty-third legislative assembly.