A BILL for an Act to amend and reenact section 10-06.1-01 and subsection 2 of section 10-06.1-12 of the North Dakota Century Code, relating to agricultural definitions, ownership exceptions for beekeeping, agriculture support services, cattle backgrounding and feedlot operations, and raising or producing of livestock by persons that have limited landholdings.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 10-06.1-01 of the North Dakota Century Code is amended and reenacted as follows:

10-06.1-01. Definitions.

For the purposes of this chapter, unless the language or context clearly indicates that a different meaning is intended:

1. "Agricultural support services" means the business of providing aerial or surface application services for others of seed, fertilizer, pesticides, soil amendments, or custom harvesting.

2. "Aquaculture agriculture" means the breeding, growing, or harvesting of fish or the growing of aquatic plants or crops.

3. "Beekeeping" means the breeding or rearing of bee colonies or the owning, maintenance, or management of bee apiaries.

4. "Cattle backgrounding" means the feeding or growing of cattle from weaning until the cattle enter a cattle finishing feedlot.

5. "Cattle finishing feedlot" means a parcel of land which contains a commercial operation, which is operated as a separate activity and not incidental to farming, for the feeding or growing of cattle for the purpose of expeditiously preparing the cattle for market.
6. "Custom harvesting" means the business of providing crop harvesting services for others.

7. a. "Farming or ranching" means cultivating:

   (1) Cultivating land for production of agricultural crops or livestock, or the
   (2) The raising or producing of livestock or livestock products, poultry or poultry
   products, milk or dairy products, or fruit or horticultural products. #

b. Notwithstanding subdivision a, "farming or ranching" does not include:

   (1) Beekeeping;
   (2) Agricultural support services;
   (3) The production of timber or forest products;
   (4) The growing or processing of marijuana under chapter 19-24.1;
   (5) Cattle backgrounding or cattle finishing feedlot operations, or the raising or
   producing of poultry, poultry products, milk, dairy products, swine, or swine
   products, by a person that has agricultural landholding not exceeding one
   hundred sixty acres [64.75 hectares];
   (6) Aquaculture agriculture, hydroponic agriculture, or greenhouse agriculture
   by a person that has agricultural landholding not exceeding forty acres
   [16.19 hectares]; or a
   (7) A contract whereby under which a processor or distributor of farm products
   or supplies provides grain, harvesting, or other farm services.

2-8. "Farming or ranching corporation" means a farm or ranch corporation, joint-stock
company, or association which, at all times, complies with the requirements of this
chapter.

3-9. "Farming or ranching limited liability company" means a farm or ranch limited liability
company which, at all times, complies with the requirements of this chapter.

10. "Greenhouse agriculture" means the growing of plants or crops primarily under a
controlled environment in a sheltered structure with walls and a roof, both made
primarily of transparent or translucent material.

11. "Hydroponic agriculture" means the growing of plants or crops with plant root
structures situated in sand, gravel, or a liquid nutrient solution rather than in soil.
"Nonprofit organization" means an organization or trust that has tax-exempt status
under at least one of the following sections of the Internal Revenue Code:

a. An organization that was in existence on December 31, 1984, and that is
organized and operated exclusively for religious, charitable, scientific, testing for
public safety, literary, or educational purposes, or for the prevention of cruelty to
children or animals under section 501(c)(3), or is a domestic fraternal
organization under section 501(c)(10).

b. A charitable, religious, educational, or scientific organization classified as either a
private foundation or as a public charity having status as an organization
described in section 509(a)(1) or (3).

c. A trust described in section 4947 for which a deduction is allowable under
section 170.

"Operating the farm or ranch" means engaging in personal labor or management
activities on or off the farm or ranch, which contribute to the farm or ranch operations.

SECTION 2. AMENDMENT. Subsection 2 of section 10-06.1-12 of the North Dakota
Century Code is amended and reenacted as follows:

2. Each shareholder or member must be related to each of the other shareholders or
members within one of the following degrees of kinship or affinity: parent, son,
daughter, stepson, stepdaughter, grandparent, grandson, granddaughter, brother,
sister, uncle, aunt, nephew, niece, great-grandparent, great-grandchild, first cousin,
second cousin, or the spouse or surviving spouse of a person so related.