

Introduced by

Senators Erbele, Klein, Myrdal

Representatives D. Anderson, Beltz, Nelson

1 A BILL for an Act to create and enact a new section to chapter 57-02 of the North Dakota
2 Century Code, relating to a property tax credit for agricultural property owned by an individual or
3 entity that operates a farming or ranching operation; and to provide an effective date.

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

5 **SECTION 1.** A new section to chapter 57-02 of the North Dakota Century Code is created
6 and enacted as follows:

7 **Qualifying farmland or ranchland credit - Qualification - Application - Certification -**
8 **State reimbursement.**

- 9 1. A taxpayer is entitled to a credit of one thousand five hundred fifty dollars against the
10 property tax due on the taxpayer's qualifying farmland or ranchland as provided in this
11 section. The credit may not exceed the amount of property tax due against the
12 qualifying farmland or ranchland.
- 13 2. Persons who are co-owners of the property but who are not spouses or dependents
14 each are entitled to a percentage of a credit under subsection 1 equal to their
15 ownership interests in the property.
- 16 3. To apply for the credit under this section, an owner shall sign and file with the tax
17 commissioner by August first of each year an application containing a verified
18 statement of facts establishing the owner's property meets the eligibility requirements
19 to be considered qualifying farmland or ranchland under this section as of the date of
20 the application on a form and in the manner prescribed by the tax commissioner.
- 21 4. By October first of each year, the tax commissioner shall:
- 22 a. Review the applications received under subsection 3 and determine which
23 applicants qualify for the credit under this section; and

- 1 b. Provide to each county director of tax equalization a copy of each approved or
2 rejected application which identifies property located in the county.
- 3 5. The tax commissioner may request additional documentation from the applicant when
4 making the determination of eligibility.
- 5 6. Determinations of eligibility for a credit under this section may be appealed through the
6 equalization and abatement process.
- 7 7. The county auditor shall apply the credit under this section to each parcel of qualifying
8 farmland or ranchland on the corresponding property tax statement.
- 9 8. A credit under this section is valid for the entire taxable year for which the claim was
10 approved, without regard to any change of ownership of the property which occurs
11 after the claim was approved for the taxable year.
- 12 9. This section does not reduce the liability of any owner for special assessments levied
13 upon any property.
- 14 10. Before January fifteenth of each year after 2025, the county auditor of each county
15 shall certify to the tax commissioner the sum of the credits which were applied to
16 property taxes owed on qualifying farmland or ranchland in the county for the
17 preceding year.
- 18 11. By March fifteenth of each year after 2025, the tax commissioner shall review the
19 certifications under subsection 10, make any required corrections, and certify to the
20 state treasurer for payment to each county the sum of the credits allowed under this
21 section in the county for the preceding year. In reviewing certifications, the tax
22 commissioner may refer to any income tax return information or other information
23 available to the tax commissioner.
- 24 12. Within fourteen days of receiving the payment from the state treasurer, the county
25 treasurer shall apportion and distribute the payment without delay to the county and to
26 the taxing districts of the county on the same basis property taxes under this chapter
27 for the preceding taxable year were apportioned and distributed.
- 28 13. Supplemental certifications by the county auditor and the tax commissioner and
29 supplemental payments by the state treasurer may be made after the dates prescribed
30 in this section to make corrections necessary because of errors.

1 14. The tax commissioner shall prescribe, design, and make available all forms necessary
2 to effectuate this section. Application forms must include the full name and address of
3 the applicant and any other information prescribed by the tax commissioner. The
4 county director of tax equalization shall make these forms available to applicants upon
5 request.

6 15. For purposes of this section:

7 a. "Farming or ranching" has the same meaning as in section 10-06.1-01.

8 b. "Owned" means an individual or entity holds a present ownership interest,
9 including ownership in fee simple, holds a present life estate or other terminable
10 present ownership interest, or is a purchaser under a contract for deed. The term
11 does not include a mere right of occupancy or a tenancy under a lease.

12 c. "Qualifying farmland or ranchland" means agricultural property as defined in
13 section 57-02-01 which is owned by an individual or entity that operates a
14 farming or ranching operation.

15 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
16 December 31, 2024.