

**Fifty-sixth Legislative Assembly, State of North Dakota, begun in the  
Capitol in the City of Bismarck, on Tuesday, the fifth day of January,  
one thousand nine hundred and ninety-nine**

SENATE BILL NO. 2264  
(Senator St. Aubyn)  
(Representative Dalrymple)

AN ACT to amend and reenact section 55-10-08 of the North Dakota Century Code, relating to the authority of the state historical board and superintendent of the state historical board to prohibit the alteration or demolition of historic sites.

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

**SECTION 1. AMENDMENT.** Section 55-10-08 of the North Dakota Century Code is amended and reenacted as follows:

**55-10-08. Duties of the state and governmental subdivisions in regard to state historic sites - Historic easements - Prohibitions.**

1. The state, its departments and agencies, each city, county, school district, and other body corporate and politic, are by this chapter notified of the existence of state historic sites on land and water areas in North Dakota listed in the state historic sites registry, as defined in subsection 4 of section 55-10-02.
2. ~~Neither the~~ The state ~~nor~~ or any of the instrumentalities of government enumerated in subsection 1 may not demolish or cause to alter the physical features or historic character of any site listed in the state historic sites registry, defined in subsection 4 of section 55-10-02, as a state historic site without first obtaining the prior approval thereof from the superintendent of the state historical board upon authorization of the state historical board. It is the responsibility of the state or instrumentalities of government enumerated in subsection 1 to cooperate with the state historical board in identifying and implementing any reasonable alternative to demolition or alteration of any state historic site before the board approves such demolition or alteration.
3. The state or any of the instrumentalities of government enumerated in subsection 1 may acquire fee title to a state historic site, or property listed in the national register of historic places, or may acquire a historic easement with respect to a privately owned state historic site, or property listed in the national register of historic places, and buildings and structures thereon when restored, reconstructed, or improved in accordance with plans approved by the superintendent of the state historical board. A historic easement is:
  - a. A nonpossessory interest in the real property, imposing limitations or affirmative obligations the purposes of which include preserving the historic aspects of the property as so restored, reconstructed, or improved;
  - b. Created and capable of being conveyed, recorded, assigned, released, modified, terminated, or otherwise altered or affected in the same manner as other easements, except as otherwise provided in this subsection; provided, that no right or duty in favor of or against a holder or another party having a right of enforcement arises under a historic easement before it is accepted by the holder and the acceptance is recorded;
  - c. Held by the grantee for the benefit of its citizens and the people of the state generally;
  - d. Specifically enforceable by the grantee or, if so provided by the grant, by the state or another instrumentality of government enumerated in subsection 1;

- e. Binding upon the holder of the servient tenement and ~~his~~ that person's successors and assigns;
  - f. Limited to a term of years provided in the grant and approved by the superintendent of the state historical board, not exceeding the estimated useful life of the real property as restored, reconstructed, or improved, and not less than the term of any loan made by the holder to finance in whole or in part the cost of the restoration, reconstruction, or improvement;
  - g. Subject to no other legal limitation upon the duration of estates or of restraint on the alienation thereof, except the limitation contained in section 47-05-02.1; and
  - h. Subordinate to any interest existing when the easement is created, in the real property affected thereby, unless the owner of the interest is the grantor of the easement or consents to it.
4. A historic easement is valid even though:
- a. It is not appurtenant to an interest in real property;
  - b. It can be or has been assigned to another holder;
  - c. It is not of a character that has been recognized traditionally at common law;
  - d. It imposes a negative burden;
  - e. It imposes affirmative obligations upon the owner of an interest in the burdened property or upon the holder;
  - f. The benefit does not touch or concern real property; or
  - g. There is no privity of estate or of contract.
5. A project comprising the acquisition of a state historic site or of a historic easement with reference thereto, and the restoration, reconstruction, and improvement of the site and buildings and structures thereon to preserve physical characteristics of historic importance, is declared to be a proper and necessary purpose for the expenditure of public funds. The proceeds of tax increments or bonds or both may be expended by a city for such a project within an urban renewal area, when determined by the governing body to be desirable for the redevelopment, rehabilitation, and conservation of the area in accordance with the provisions of chapter 40-58.
6. If any state agency or department or a city, county, school district, or other political subdivision objects to any decision of the state historical board to disallow alteration or demolition of a site listed on the state historical sites registry, ~~such political subdivision the~~ objecting party may submit the objection to arbitration as provided in this subsection. Arbitration may also be demanded by either the board or ~~such political subdivision the~~ objecting party if the board or the ~~political subdivision~~ objecting party determines that the other has failed to cooperate in identifying or implementing reasonable alternatives to demolition or alteration. The party desiring arbitration shall make a written demand therefor of the other and in such demand shall name three arbitrators. The demand must also set forth the objections which the party desires to submit to arbitration, with reference to the particular state historic site. ~~Such~~ The demand must be made within ninety days of a decision by the board. The demand must be served upon the other party, which, within ten days, shall name in writing three arbitrators, and in connection therewith shall set forth in writing its response to the objections set forth in the demand served upon it and any additional objections which it desires to submit to arbitration on its part. The six arbitrators so selected shall name a seventh arbitrator. If the party proceeded against fails or refuses to name three arbitrators, the moving party may apply ex parte to the judge of the district court of the county in which the state historical site in question, or any part thereof, may be located, for the appointment of the unnamed arbitrators, and if upon the appointment of

three arbitrators by each of the parties, the six so appointed have been unable to agree upon a seventh arbitrator within five days, then either party, upon five days' notice may apply to ~~such the~~ district court for the appointment of ~~such the~~ seventh arbitrator. The political subdivision may select its arbitrators from among the governing board of the affected political subdivision, from any regular or special committee appointed by the governing board, whether serving on such governing board or not, or from any combination thereof. A state agency may select its arbitrators from its officers or employees. The state historical board may select its arbitrators from among the board itself, from an executive committee of the board, or from any combination thereof. When a panel of arbitrators has been appointed, a submission in writing must be acknowledged by the parties thereto in the same manner as a conveyance of real property and may fix the time on or before which the award must be made. The submission must provide for the entry of judgment upon the award by the district court of the county within which the state historical site or some part thereof is located. The submission must also provide that each party shall bear its own arbitration costs and expenses, however the costs and expenses relating to the seventh arbitrator must be borne equally by both parties to the dispute. The seven arbitrators shall proceed to resolve the controversies brought before them, and the decision of the arbitrators, or a majority of them, must be given in writing to the ~~board or the officials~~ parties concerned and is binding upon both parties. Thereafter, the arbitration must proceed in accordance with the provisions of chapter ~~32-29.1~~ 32-29.2.

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President of the Senate

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Speaker of the House

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Secretary of the Senate

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Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Fifty-sixth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2264.

Senate Vote:      Yeas    47            Nays    0            Absent    2

House Vote:      Yeas    97            Nays    0            Absent    1

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Secretary of the Senate

Received by the Governor at \_\_\_\_\_ M. on \_\_\_\_\_, 1999.

Approved at \_\_\_\_\_ M. on \_\_\_\_\_, 1999.

\_\_\_\_\_  
Governor

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 1999,  
at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

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Secretary of State