

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

HOUSE BILL NO. 1084
(Education Committee)

(At the request of the Board of University and School Lands)

AN ACT to amend and reenact section 15-08-26 of the North Dakota Century Code, relating to depreciation of school trust land surface improvement costs.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 15-08-26 of the North Dakota Century Code is amended and reenacted as follows:

15-08-26. Removal of or payment for improvements upon termination of lease. The lessee of any lands under the control of the board of university and school lands, within one hundred twenty days after the expiration date or cancellation date of a lease may remove any nonpermanent improvements placed upon ~~such the~~ lands by the lessee if ~~such the~~ removal can be accomplished without material damage to the land. Permanent improvements may not be placed on the land without written consent of the commissioner of university and school lands. A lessee requesting a permit to place permanent improvements on the land shall complete an application form prepared by the commissioner. ~~If a lessee desires payment for any approved permanent improvements, the commissioner shall determine the cost and may require the lessee to submit all documentation deemed necessary by the commissioner.~~ The cost of completing the permanent improvement is the lessee's expense. The commissioner may approve depreciation of all or a portion of the cost of the permanent improvement over a period not to exceed ten years. The commissioner may also require the lessee to submit all documentation deemed necessary by the commissioner to determine the cost. The cost may not include any reimbursements to the lessee and may be depreciated over a period not to exceed ten years. The next lessee or purchaser, in addition to paying the purchase price or rental of the land, shall pay to the preceding lessee the undepreciated cost, if any. The commissioner may cancel any undepreciated cost of constructing a permanent improvement if the lessee fails to offer the minimum bid for the land and the land is not leased at the next auction at which the land is offered or if the lessee fails to comply with the conditions of the lease agreement.

Permanent improvements placed on the property must be deemed the property of the state. For purposes of this section, permanent improvements include ~~such things as~~ buildings, wells, dams, waterholes, waterlines, and trees and nonpermanent improvements include ~~such things as~~ fences, corrals, water tanks, and feed bunks.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Fifty-sixth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1084.

House Vote: Yeas 97 Nays 1 Absent 0

Senate Vote: Yeas 45 Nays 3 Absent 1

Chief Clerk of the House

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.

Secretary of State