

Sixty-first
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1382

Introduced by

Representatives Onstad, S. Meyer

1 A BILL for an Act to amend and reenact section 57-06-03 of the North Dakota Century Code,
2 relating to assessment of oil or gas pipeline property; and to provide an effective date.

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

4 **SECTION 1. AMENDMENT.** Section 57-06-03 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **57-06-03. Operative property defined.** The term "operative property" means any and
7 all property reasonably necessary for use by any company mentioned in section 57-06-02
8 exclusively in the operation and conduct of the particular kind of business engaged in by it. Any
9 such property held under a contract for the purchase thereof must be considered for all
10 purposes of taxation as the property of the company holding the same. Any such property, real
11 or personal, held by any company under a rental lease must be assessed by the state board of
12 equalization in the name of such company, if an agreement in writing between the owner
13 thereof and such company is filed with the tax commissioner requesting that such leased
14 property be so assessed. Whenever any property of a public utility company required to be
15 assessed by the state board of equalization under the provisions of this chapter is used partly
16 for operative purposes and partly for other purposes, either by the company or by others, all
17 such property must be assessed by the state board of equalization as operative property of the
18 company. Notwithstanding any other provision of law, all oil or gas pipeline property that is not
19 exempt from ad valorem taxation is subject to assessment by the state board of equalization
20 under this chapter.

21 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
22 December 31, 2009.