

Sixty-first
Legislative Assembly
of North Dakota

Introduced by

Finance and Taxation Committee

(At the request of the Office of State Tax Commissioner)

1 A BILL for an Act to amend and reenact sections 57-02-01 and 57-02-27.1 of the North Dakota
2 Century Code, relating to the definition of tract, lot, piece or parcel of real property or piece or
3 parcel of land for property tax purposes.

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

5 **SECTION 1. AMENDMENT.** Section 57-02-01 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **57-02-01. Definitions.** As used in this title, unless the context or subject matter
8 otherwise requires:

- 9 1. "Agricultural property" means platted or unplatted lands used for raising agricultural
10 crops or grazing farm animals, except lands platted and assessed as agricultural
11 property prior to March 30, 1981, shall continue to be assessed as agricultural
12 property until put to a use other than raising agricultural crops or grazing farm
13 animals. Agricultural property includes land on which a greenhouse or other
14 building is located if the land is used for a nursery or other purpose associated with
15 the operation of the greenhouse. The time limitations contained in this section may
16 not be construed to prevent property that was assessed as other than agricultural
17 property from being assessed as agricultural property if the property otherwise
18 qualifies under this subsection. Property platted on or after March 30, 1981, is not
19 agricultural property when any four of the following conditions exist:
- 20 a. The land is platted by the owner.
 - 21 b. Public improvements, including sewer, water, or streets, are in place.
 - 22 c. Topsoil is removed or topography is disturbed to the extent that the property
23 cannot be used to raise crops or graze farm animals.
 - 24 d. Property is zoned other than agricultural.

- 1 e. Property has assumed an urban atmosphere because of adjacent residential
2 or commercial development on three or more sides.
- 3 f. The parcel is less than ten acres [4.05 hectares] and not contiguous to
4 agricultural property.
- 5 g. The property sells for more than four times the county average true and full
6 agricultural value.
- 7 2. "Air carrier transportation property" means the operative property of each airline
8 whose property is assessed for taxation purposes pursuant to chapters 57-06 and
9 57-32.
- 10 3. "Assessed valuation" means fifty percent of the true and full value of property.
- 11 4. "Centrally assessed property" means all property which is assessed by the state
12 board of equalization under chapters 57-05, 57-06, and 57-32.
- 13 5. "Commercial property" means all property, or portions of property, not included in
14 the classes of property defined in subsections 1, 4, 11, and 12.
- 15 6. "Credits" means and includes every claim and demand for money or other valuable
16 thing, and every annuity or sum of money receivable at stated periods, due or to
17 become due, and all claims and demands secured by deeds or mortgages, due or
18 to become due.
- 19 7. "Governing body" means a board of county commissioners, city council, board of
20 city commissioners, school board, or board of education, or the similarly
21 constituted and acting board of any other municipality.
- 22 8. "Money" or "moneys" means gold and silver coin, treasury notes, bank notes, and
23 every deposit which any person owning the same or holding in trust and residing in
24 this state is entitled to withdraw as money or on demand.
- 25 9. "Municipality" or "taxing district" means a county, city, township, school district,
26 water conservation and flood control district, Garrison Diversion Conservancy
27 District, county park district, joint county park district, irrigation district, park district,
28 rural fire protection district, or any other subdivision of the state empowered to levy
29 taxes.
- 30 10. "Person" includes a firm, corporation, or limited liability company.

- 1 11. "Railroad property" means the operating property, including franchises, of each
2 railroad operated in this state, including any electric or other street or interurban
3 railway.
- 4 12. "Residential property" means all property, or portions of property, used by an
5 individual or group of individuals as a dwelling, including property upon which a
6 mobile home is located but not including hotel and motel accommodations required
7 to be licensed under chapter 23-09 nor structures providing living accommodations
8 for four or more separate family units nor any tract of land upon which four or more
9 mobile homes are located.
- 10 13. "Taxable valuation" signifies the valuation remaining after deducting exemptions
11 and making other reductions from the original assessed valuation, and is the
12 valuation upon which the rate of levy finally is computed and against which the
13 taxes finally are extended.
- 14 14. ~~"Tract", "lot", "piece or parcel of real property", or "piece or parcel of land" means~~
15 ~~any contiguous quantity of land in the possession of, owned by or recorded as the~~
16 ~~property of, the same claimant, person, or company.~~
- 17 15. "True and full value" means the value determined by considering the earning or
18 productive capacity, if any, the market value, if any, and all other matters that affect
19 the actual value of the property to be assessed. This shall include, for purposes of
20 arriving at the true and full value of property used for agricultural purposes, farm
21 rentals, soil capability, soil productivity, and soils analysis.
- 22 ~~16.~~15. "Unencumbered cash" means the total cash on hand in any fund, less the amount
23 belonging to the fund in closed banks and less the amount of outstanding warrants,
24 bills, accounts, and contracts which are chargeable against the fund.
- 25 ~~17.~~16. There shall be a presumption that a unit of land is not a farm unless such unit
26 contains a minimum of ten acres [4.05 hectares], and the taxing authority, in
27 determining whether such presumption shall apply, shall consider such things as
28 the present use, the adaptability to use, and how similar type properties in the
29 immediate area are classified for tax purposes.

30 **SECTION 2. AMENDMENT.** Section 57-02-27.1 of the North Dakota Century Code is
31 amended and reenacted as follows:

1 **57-02-27.1. Property to be valued at true and full value.** Beginning with the year
2 1981, all assessors and boards of equalization shall place the values of all items of taxable
3 property at the true and full value of the property except as otherwise specifically provided by
4 law, and the amount of taxes that may be levied on such property for the year 1981 and each
5 year thereafter must be limited as provided in this chapter. For the purposes of sections
6 57-02-27, 57-02-27.1, 57-02-27.2, and 57-55-04, the term "true and full value" has the same
7 meaning as provided in ~~subsection 15~~ of section 57-02-01, except that "true and full value" of
8 agricultural lands must be as determined pursuant to section 57-02-27.2.

9 The governing body of the city may establish valuations that recognize the supply of
10 vacant lots available for sale.