

Introduced by

Senators Holmberg, Campbell, Cook

Representatives Owens, Sanford, Trottier

1 A BILL for an Act to amend and reenact sections 57-57-02 and 57-57-06 of the North Dakota
2 Century Code, relating to the forest stewardship tax; and to provide an effective date.

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

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

6 **57-57-02. Eligibility for forest stewardship tax - Application.**

7 This chapter applies ~~in any~~ to any forested property in a county in which the county
8 commission has approved ~~by resolution~~ the application of this chapter to ~~all qualifying that~~
9 property within the county. The upon application filed by the owner or agent of the owner, having
10 any tract of contiguous forest which consists of:

- 11 1. Natural forest cover ten acres [4.05 hectares] or larger in size;
- 12 2. Planted forest cover five acres [2.02 hectares] or larger in size and not less than sixty
13 feet [18.29 meters] in width; or
- 14 3. Any combination of natural and planted forest cover ten acres [4.05 hectares] or larger
15 in size,

16 May to obtain forest stewardship tax treatment for the property, the owner, or agent of the owner,
17 of qualifying property must file an application with the county commission of the county in which
18 the property is located setting forth a description of property that the owner desires to place
19 under the forest stewardship tax and on which land the owner will practice forestry maintain the
20 forest cover. If the county commission has approved application of this chapter ~~within the~~
21 ~~county for the property,~~ the county commission shall forward ~~each~~ the application received to the
22 state forester for a determination of whether the property qualifies under this chapter. Any
23 property that was subject to the tax under this chapter on December 31, 2012, continues to be
24 qualified for the forest stewardship tax until the forest cover ceases to qualify under

1 subsections 1 through 3, but is subject to assessment and taxation as provided in section
2 57-57-06. The state forester shall prescribe the form for application blanks and make them
3 available to all interested persons. Property approved for forest stewardship tax treatment under
4 this section is classified as agricultural property for all purposes, except as provided in section
5 57-57-06, but must be excluded from calculations of agricultural value for the county under
6 section 57-02-27.2.

7 **SECTION 2. AMENDMENT.** Section 57-57-06 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **57-57-06. Liability, rate, and collection of the tax - Lieu tax.**

10 The owner shall pay to the county treasurer, at the time taxes on other real property are
11 due, a forest stewardship tax ~~computed at a rate of fifty cents per acre~~assessed in the same
12 manner as other property taxes for agricultural property but based on a true and full value of
13 fifty percent of the county average agricultural value per acre for noncropland in lieu of true and
14 full value as calculated for other property classified as agricultural property. The tax is a part of
15 the total real property taxes on the land of the owner and subject to collection in the same
16 manner as any other real property taxes. ~~The payment of taxes under this chapter is in lieu of all~~
17 ~~ad valorem taxes by the state, counties, towns, townships, school districts, and other~~
18 ~~municipalities upon any property rights attached to the forest.~~ It is expressly provided that the
19 forest stewardship tax is not in lieu of income taxes nor excise taxes upon the sale of forest
20 products or services that may be derived from the forest.

21 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
22 December 31, 2012.