

**SENATE BILL NO. 2279**

Introduced by

Senators Myrdal, Luick, Weber, Weston

Representatives Grueneich, Monson

1 A BILL for an Act to amend and reenact subdivision a of subsection 15 of section 57-02-08 of  
2 the North Dakota Century Code, relating to the farm structure and improvements property tax  
3 exemption; and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Subdivision a of subsection 15 of section 57-02-08 of the North  
6 Dakota Century Code is amended and reenacted as follows:

7 a. ~~All farm~~Farm structures and improvements ~~located on agricultural lands as~~  
8 provided in this subdivision.

9 (1) This ~~subsection~~subdivision must be construed to exempt farm buildings and  
10 improvements ~~only~~located on land used for an agricultural operation,  
11 ~~and with the exception of farm residences and structures used by a farmer to~~  
12 provide housing for a farm employee, which must be located on agricultural  
13 land. This subdivision may not be construed to exempt from taxation  
14 industrial plants, or structures of any kind not used or intended for use as a  
15 part of a farm plant, or as a farm residence.

16 (2) "Farm buildings and improvements" used or intended for use as a part of a  
17 farm plant includes a:

18 (a) A greenhouse or other building used primarily for the growing of  
19 horticultural or nursery products from seed, cuttings, or roots, if not  
20 used on more than an occasional basis for a showroom for the retail  
21 sale of horticultural or nursery products. A greenhouse or building  
22 used primarily for display and sale of grown horticultural or nursery  
23 products is not a farm building or improvement.

- 1                   (b) An agricultural commodity storage structure used exclusively for  
2                   personal use which is permanently affixed to the land. To qualify for an  
3                   exemption under this subdivision, an agricultural commodity storage  
4                   structure may not be rented to an individual who is not a direct relative  
5                   of the owner of the structure.
- 6                   (3) Any structure or improvement used primarily in connection with a retail or  
7                   wholesale business other than farming, any structure or improvement,  
8                   except an agricultural commodity storage structure as provided in  
9                   subparagraph b of paragraph 2, located on platted land within the corporate  
10                  limits of a city, any structure or improvement used by a manufacturing  
11                  facility as defined in section 19-24.1-01, or any structure or improvement  
12                  located on railroad operating property subject to assessment under chapter  
13                  57-05 is not exempt under this subsection. For purposes of this paragraph,  
14                  "business other than farming" includes processing to produce a value-added  
15                  physical or chemical change in an agricultural commodity beyond the  
16                  ordinary handling of that commodity by a farmer prior to sale.
- 17                  (4) The following factors may not be considered in application of the exemption  
18                  under this subsection:
- 19                   (a) Whether the farmer grows or purchases feed for animals raised on the  
20                   farm.
- 21                   (b) Whether animals being raised on the farm are owned by the farmer.
- 22                   (c) Whether the farm's replacement animals are produced on the farm.
- 23                   (d) Whether the farmer is engaged in contract feeding of animals on the  
24                   farm.
- 25                  (5) To claim the exemption for an agricultural commodity storage structure  
26                  under this subdivision, the owner of an agricultural commodity storage  
27                  structure annually shall file an application with the county auditor on forms  
28                  prescribed by the tax commissioner.
- 29                  (6) For purposes of this subdivision:
- 30                   (a) "Agricultural commodities" include barley, buckwheat, canola, corn,  
31                   crambe, flaxseed, hay, hemp, lentils, mustard seed, oats, peas,

1 potatoes, safflower, sorghum, soybeans, sunflower seed, sesame  
2 seed, and wheat, all whether harvested as whole grain or other than  
3 whole grain.

4 (b) "Direct relative" means a spouse, child, parent, brother, sister,  
5 grandparent, aunt, uncle, niece, or nephew, whether by blood,  
6 adoption, or marriage.

7 (c) "Land used for an agricultural operation" means a single tract or  
8 multiple tracts of platted or unplatted agricultural or commercial land,  
9 which are not required to be contiguous, used for raising agricultural  
10 crops, grazing farm animals, storing or preserving agricultural  
11 commodities in a structure as provided in subparagraph b of  
12 paragraph 2, or other similar operations normally associated with  
13 farming and ranching.

14 (d) "Personal use" means the use of a structure exclusively for post-  
15 harvest storage and preservation of agricultural commodities  
16 produced by the owner of the structure or a direct relative of the  
17 owner. The term does not include the use of a structure to store or  
18 preserve agricultural commodities produced by individuals other than  
19 the owner of the structure or the owner's direct relatives. For purposes  
20 of this subparagraph, "preserve" means the ordinary handling of  
21 agricultural commodities prior to sale and does not include processing  
22 that results in a value-added physical or chemical change to the  
23 agricultural commodity.

24 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
25 December 31, 2022.