

**CHAPTER 503****HOUSE BILL NO. 1303**

(Representatives Herbel, Drovdal)  
(Senators Krauter, Olafson)

**AGRICULTURAL PROPERTY ASSESSMENT**

AN ACT to create and enact subsections 9 and 10 to section 57-02-27.2 of the North Dakota Century Code, relating to use of modifiers and soil surveys in agricultural property assessment; to amend and reenact subsections 7 and 8 of section 57-02-27.2 of the North Dakota Century Code, relating to use of soil surveys, modifiers, and actual use of agricultural property for property tax assessment purposes; to provide for a report to the legislative council; and to provide an effective date.

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

<sup>245</sup> **SECTION 1. AMENDMENT.** Subsections 7 and 8 of section 57-02-27.2 of the North Dakota Century Code are amended and reenacted as follows:

7. Before February first of each year, the county director of tax equalization in each county shall provide to all assessors within the county an estimate of the average agricultural value of agricultural lands within each assessment district. The estimate must be based upon the average agricultural value for the county adjusted by the relative values of lands within each assessment district compared to the county average. In determining the relative value of lands for each assessment district compared to the county average, the county director of tax equalization, ~~whenever possible,~~ shall use soil type and soil classification data from detailed and general soil surveys. ~~When such data cannot be used, the county director of tax equalization shall use whatever previous assessment data is best suited to the purpose.~~
8. Each local assessor shall determine the relative value of each assessment parcel within the assessor's jurisdiction and shall determine the agricultural value of each assessment parcel by adjusting the agricultural value estimate for the assessment district by the relative value of the parcel. Each parcel must then be assessed according to section 57-02-27. If either a local assessor or a township board of equalization develops an agricultural value for the lands in its assessment district differing substantially from the estimate provided by the county director of tax equalization, written evidence to support the change must be provided to the county director of tax equalization. In determining the relative value of each assessment parcel, the local assessor shall apply the following considerations, which are listed in descending order of significance to the assessment determination:

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<sup>245</sup> Section 57-02-27.2 was also amended by section 3 of House Bill No. 1071, chapter 501, and section 2 of House Bill No. 1303, chapter 503.

- a. Soil type and soil classification data from detailed or general soil surveys.
- b. The schedule of modifiers that must be used to adjust agricultural property assessments within the county as approved by the state supervisor of assessments under subsection 9.
- c. Actual use of the property for cropland or noncropland purposes by the owner of the parcel.

<sup>246</sup> **SECTION 2.** Subsections 9 and 10 to section 57-02-27.2 of the North Dakota Century Code are created and enacted as follows:

9. Before February first of each year, the county director of tax equalization in each county shall provide to all assessors of agricultural property within the county a schedule of modifiers that must be used to adjust agricultural property assessments within the county and directions regarding how those modifiers must be applied by assessors. Before the schedule of modifiers is provided to assessors within the county, the county director of tax equalization shall obtain the approval of the state supervisor of assessments for use of the schedule within the county.
10. For any county that has not fully implemented use of soil type and soil classification data from detailed or general soil surveys for any taxable year after 2009, the tax commissioner shall direct the state treasurer to withhold five percent of that county's allocation each month from the state aid distribution fund under section 57-39.2-26.1 until that county has fully implemented use of soil type or soil classification data from detailed and general soil surveys. The amount withheld from the allocation must be withheld entirely from the portion of the allocation which may be retained by the county and may not reduce allocations to any political subdivisions within the county.

**SECTION 3. REPORT TO LEGISLATIVE COUNCIL.** During the 2007-08 interim, each county that has not fully implemented use of soil type and soil classification data from detailed and general soil surveys for property tax assessment purposes shall report to the legislative council the reason for failure to implement use of that information and the anticipated date when the county will have fully implemented use of that information.

**SECTION 4. EFFECTIVE DATE.** Sections 1 and 2 of this Act are effective for taxable years beginning after December 31, 2006.

Approved April 23, 2007  
Filed April 24, 2007

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<sup>246</sup> Section 57-02-27.2 was also amended by section 3 of House Bill No. 1071, chapter 501, and section 1 of House Bill No. 1303, chapter 503.