

FISCAL NOTE
Requested by Legislative Council
01/26/2015

Amendment to: SB 2339

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

SB 2339 expands the definition of farm buildings exempt from property taxation to include buildings used in agritourism related activities.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

If enacted, SB 2339 may cause some currently taxable property to become exempt. There is no information available regarding the agritourism businesses that may qualify for this exemption. The result would be a shift in property tax liabilities from these newly exempted properties onto other classes of property. The amount of this shift cannot be estimated.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*
- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 02/04/2015

FISCAL NOTE
Requested by Legislative Council
01/26/2015

Bill/Resolution No.: SB 2339

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

SB 2339 expands the definition of farm buildings exempt from property taxation to include buildings used in agritourism related activities.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

If enacted, SB 2339 may cause some currently taxable property to become exempt. There is no information available regarding the agritourism businesses that may qualify for this exemption. The result would be a shift in property tax liabilities from these newly exempted properties onto other classes of property. The amount of this shift cannot be estimated.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 02/04/2015

2015 SENATE AGRICULTURE

SB 2339

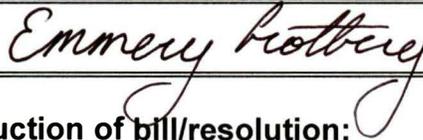
2015 SENATE STANDING COMMITTEE MINUTES

Agriculture Committee
Roosevelt Park Room, State Capitol

SB 2339
2/5/2015
Job #23278

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to the inclusion of buildings used in agritourism within the property tax exemption for the farm buildings

Minutes:

Attachments: #1-5

Chairman Miller: opened the hearing on SB 2261.

Senator Erbele, District 28: Introduced SB 2339 (see attachment #1)

Jay Doan, Rancher from McKenzie County: (4:57) (see attachment #2a-2c)

Senator Klein: (10:54) What you have done is taken a grainery and reconfigured it so that you can have folks in to give demonstration. Now this grainery which no longer houses grain or a tractor comes under a different set of tax law and that single building is being taxed. And our job here is to carve that out?

Jay Doan: Yes, this old barn was built in the 1950s. Traditionally, we had corn in there. We feel that there are better uses for this building especially in the way that society views agriculture, the normal person wants to understand agriculture but they don't have the opportunity to do so. This is a small part of it and we feel that agriculture tourism is promoting agriculture because it is hands on learning, seeing and experiencing agriculture as a whole.

Senator Klein: I thought I also heard you say something about how much income you earn off the farm and how that's calculated in the farm exemption? You're not looking at changing the homestead exemption as it stands, are you?

Vice Chairman Luick: The taxes you are talking about, are they property taxes or the income taxes off of that? Is it the assessor that says that because you are using that building now for this purpose, you are now to be paying property taxes on that specific building, is that what the problem is?

Jay Doan: Yes, under the law the way it is now states that since we are not using it or parking the tractor under there, under the law it states that it is no longer considered agricultural use for that building so we have to pay taxes on that building.

Senator Warner: A production green house is tax exempt now but the display greenhouse is not. I assume if you put a gift store within this area that it would be taxable because that is a commercial purpose. Another thing I wondered about was a commercial kitchen, do you not have a health inspected kitchen?

Jay Doan: This barn does not. We do offer wedding and receptions in the barn, we don't offer any catering.

Senator Warner: So the catering is a contracted service from someone who is running a commercial operation and is paying taxes on that?

Jay Doan: Correct.

Senator Larsen: I've heard a little bit about your business, have you done any research looking statewide concerning these types of agritourism and what's happening? What will the effect be? How many players are involved in this?

Jay Doan: I will defer that to the tourism department, they have a better understanding of the operators. I know that at one point we were the only all-inclusive guest ranch. I don't know if we still are, I know we have lost a couple but liability is a huge issue and the fact that operators don't want people on their land.

Chairman Miller: How familiar are you with the tax section relating to this? Are you aware that a bed and breakfast is exempt?

Jay Doan: Yes.

Chairman Miller: What are your feelings about the comparison of your business versus a bed and breakfast?

Jay Doan: Does it specifically state that they are excluded and they have to have a minimum acreage, or is it just bed and breakfast?

Chairman Miller: It'd be subsection 7 in section 15. "A farmer operating a bed and breakfast facility on a farm residence occupied by that farmer is entitled to the exemption under this section for that residence if the farmer and the residence would qualify for exemption under the section except for the use of the residence as a bed and breakfast facility."

The committee discussed the law and made some clarification.

Chairman Miller: (19:14) What is agritourism, is that defined in code?

Jay Doan: Yes, I passed out the definition (see attachment #2c). No one can fall under this exemption unless you're a farmer, you have least ten acres of land, and if you fall under that specific definition.

Senator Larsen: You've talked a little about the liabilities to have this operation, can you walk us through the costs of that?

Jay Doan: We have an umbrella and it is divided out under that umbrella, and someone else may need to speak to this. But I know if you involved horseback riding, there's a rider one that skyrockets your liability insurance. The bill that was passed in 2011 about inherent risk and liability has helped the landowner but we still need to make awareness.

Senator Larsen: Do people who come sign a release of liability?

Jay Doan: Yes we do and we have a posted warning sign, however it is merely a deterrent.

Opposition

Allan Vietmeier, Burleigh County Tax Director: (24:38) (see attachments #3a-3c)

Chairman Miller: I'm not familiar with Huff Hills, is it owned by a farmer?

Allan Vietmeier: Currently, I don't know who the owner is, that's Morton County's jurisdiction. But if it was owned by a farmer who made 50% of his income from farming, technically it could be exempt under this bill.

Chairman Miller: We don't know who owns Puff Hills, so we can't make that comparison.

Senator Oban: I do know who the owner is, no they are not a farmer, but that doesn't mean at some point they could be bought out by a farmer.

Senator Warner: Could we revisit the question I had earlier about catering and commercial kitchens and gift stores? We've been to the fall festival you mentioned, it seems to me that it would be exempted under current law because it could qualify as a display greenhouse. We talked about how production greenhouses are exempt but display greenhouses and greenhouses with retail activity are not. Is there some relevance between those extinctions?

Allan Vietmeier: Currently in the other section of the farm building exemption code, it says if that building is used for 50% or more of a farm purpose, the entire building is exempt. We are not allowed to split a building into sections. So I'm concerned that they would make sure that their building was 51% farm or agritourism purpose, therefore exempting their entire building.

Senator Klein: As you look at that grainery conversion, how do you determine its value?

Allan Vietmeier: Yes we would look at it and come up with a cost approach and depreciate it out for the condition and age of that building and then we would make adjustments for its location as well, we would do a market value on it similar to any other property we would have to assess. Our job is to determine a market value and when it goes from agricultural to a commercial function; we need to determine its market value. There is marketability for buildings like this.

Senator Klein: You have other areas in the state that are similar that you use for comparison? Have we reached an evaluation that seems extremely high?

Allan Vietmeier: Yes we would have to come up with a market value and then they would have the option to follow through with the informal appeals process, which is to go to their township board or come to the county commission that acts as the board and then go to the state board of equalization. If they still do not see the relief they feel is owed, they can file the formal appeals process which allows them to file an abatement which goes in front of the county commission and goes to district court. So they have the appeals process just like any other property if their value is not right. But yes we would have to come up with a comparable to determine what we have for value and put that value on.

Chairman Miller: Do you have any farmer in Burleigh County that their primary role is farming but they also have a farm shop that they use for nonfarm purposes? Do you have commercial properties on farms that you are assessing?

Allan Vietmeier: Currently in Burleigh County I do not have any activities like that that are being assessed per se, I do have some commercial entities that are being assessed separately. If the farmers don't meet the requirement to receive the farm residence exemption, we will put their house and the tax rolls and that says they make more than \$40,000 of off-farm income but we still leave their farm buildings exempted if their true purpose is as a farm function. I just have a hard time if that farm function includes a hunting and fishing resort setting with a liquor license and a bar and that kind of commercial enterprise, that's going to be competing against other commercial enterprises in the county.

Terry Traynor, Assistant Executive Director, ND Association of Counties: (35:35) (see attachment #4)

Chairman Miller: Right now the farm is tax exempt so they're not paying tax; we're not shifting any burden on anyone.

Terry Traynor: Right now the home is tax exempt because it is part of the farm plant which is being supported by the agriculture land that is taxed as part of the whole plant. Now you are creating another function within there, a commercial business and this proposes to make that an exemption. Right now it is taxable. All across the state we have businesses that we believe would fall into this definition, they are being taxed as businesses right now and we are proposing to take them off the tax rolls.

Chairman Miller: So you believe that if we pass this there are several other business that are currently paying taxes that will no longer have to?

Terry Traynor: There are many hunting lodges and facilities across the state.

Chairman Miller: Are those owned by farmers?

Terry Traynor: We'll find out.

Chairman Miller: We can't make that assumption unless we know.

Senator Warner: Does the raising animals for hunting purpose constitute agriculture purposes?

Terry Traynor: There is probably a tax official that can better answer that question.

Senator Larsen: We try to embrace economic growth. Don't we tax exempt renaissance zones to help economic growth and this is a smaller micro chasm of a renaissance zone or of a tax exempt to help with economic growth?

Terry Traynor: I'm not familiar of how it works in a renaissance zone, I know there are income tax exemptions but I also know the money goes into a fund in lieu of going out to the school district or the city for improvements to the renaissance zones. So whether this is actually a total tax exemption or just that that money is redirected, I'm not familiar with that.

Neutral

Sara Otte Coleman, Director of the Tourism Division for the ND Department of Commerce: (40:10) (see testimony #5)

Senator Oban: I know you said you're not a tax specialist, but do you know how these other states tax agritourism similar to what is being proposed in this?

Sara Otte Coleman: I do now know the laws; I know every state has different laws. But we could do some research on that and get back to you.

Chairman Miller: How integral do you make the farm operation to the tourism component?

Sara Otte Coleman: I believe the draw and the interest and the intent is to show off what they do. Most of them start with that and build from there because we expect high amenities.

Senator Klein: We've talked about tax shift and I think at this point if I'm not mistaken the gentleman who brought the bill lives in the city and is paying taxes and is not exempt from the farm tax. What we are seeing here when the youth move back, they don't necessarily want to live on the farm. I see a lot of producers in my community and Bismarck who probably live in town and their spouses travel. I take a little issue that we are really shifting here. I think we are bringing more people out here with an opportunity to expand what is happening in the area of agriculture and still pay their fair share in their communities.

Chairman Miller: The bill states "However, the owner is not required to register as agritourism operator... to qualify the building as a farm building for purposes of this paragraph." Are you familiar with that and can you elaborate?

Sara Otte Coleman: That agritourism operator was in statute in order to claim the liability protection in that bill that was passed in 2011; I'm not sure why we wouldn't want them to register.

Senator Oban: Is there a cost involved in becoming registered in agritourism?

Sara Otte Coleman: No there is no cost, we provide the signage free and help facilitate as best we can.

Senator Larsen: You were talking about the signage, are you the ones that put out the brown attraction signs along the highway? Is that the signage you are talking about?

Sara Otte Coleman: Those signs are provided with programs run by the DOT, we help serve on some of those committees but we are not involved in that. These are the specific signs talking about the inherent risk of agritourism operations.

Vice Chairman Luick closed the hearing on SB 2339

2015 SENATE STANDING COMMITTEE MINUTES

Agriculture Committee
Roosevelt Park Room, State Capitol

SB 2339
2/12/2015
Job #23737

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to the inclusion of buildings used in agritourism within the property tax exemption for the farm buildings

Minutes:

Attachments: #1

Chairman Miller handed out amendments on SB 2339 (see attachment #1) Stated the amendment would help contain the bill to agritourism.

Senator Larsen: When you looked on the website to register, is there a fee to register?

Chairman Miller: It is free.

Senator Klein: There are currently only 29 registered, correct?

Chairman Miller: Very few; less than 50 for sure.

Senator Klein: That was the debate about whether this bill would include some of the recreational areas and lodges. This would narrow the bill down so you have to be registered under agritourism so this wouldn't be expansive tax burden to the counties and school districts.

Chairman Miller: The department of tourism is going to vet them and make sure that they are engaged in agriculture in order to fall under this requirement. The century code provides other restrictions: a revenue limit and other thresholds that can preclude someone.

Senator Klein moved to adopt the amendments as proposed by Senator Erbele (15.0977.01001) on SB 2339.

Senator Larsen seconded the motion.

Vice Chairman Luick: As it stands today, the law still requires that to be tax exempt you still have to have 50% or more income coming from a farm activity, correct?

Chairman Miller: Correct.

Vice Chairman Luick: Will this include agritourism as a farm acceptable industry?

Chairman Miller: Yes.

Senator Klein: I think the whole farm home exemption issue is something we don't want to challenge and I'm glad to hear that it tips the scales the other way. I have had my tax man send me a lengthy email about cleaning up that language because a spouse has a job in town and it tips the scale the other way. I suggested that I am not going to have my name on a bill that will remove the farm home exemption.

A Roll Call vote was taken. Yea: 6; Nay: 0; Absent: 0.

The amendment is adopted.

Senator Warner: The township treasuries often have very little. I think when we make tax exemptions we think that we are minimizing big government. Because of the way property taxes are allocated, the political subdivision determines how much money is available and they split that between the available rate payers. When we grant property exemptions we are making things difficult for our neighbors. Even though my name is on this bill, I do not feel comfortable supporting it.

Senator Larsen: It brings to my mind the tax exemptions folks get on the renaissance zones and they are getting more exemption than the \$10 on what he's been paying. These folks that are being innovative to try to spur some economic development far outweigh their little exemption. I think it's great for economic development in areas where people want to get out of town and want to experience our ND lifestyle.

Chairman Miller: We are trying to develop more opportunity and economic activity in rural areas. We want more young people engaged in alternative enterprises on the farm. It would have been a much better argument if the auditor who was here had made an assessment of this property. The thing of it is that I see often these assessors utilizing properties in Fargo and Bismarck and all over the state to try and determine the value of something. The reality of it is that the place has no value. It's an old grainery that has been modified to complement their operation which is agritourism.

Senator Klein moved Do Pass on SB 2339 as amended.

Senator Larsen seconded the motion.

Senator Oban: I appreciate what they are doing, but I also recognize that this isn't just turning an old barn into a conference room. These buildings are beautiful and elaborate and good for them, but I do struggle with shifting the burden because it is going to go somewhere. Maybe there are other ways we can encourage this. I did look into NCSL do to

embrace agritourism, and none of them are exempting property taxes on the building they use.

Chairman Miller: The state of ND is unique in our property tax exemptions.

Senator Warner: To comment briefly to Senator Larsen, the renaissance zone is an exemption from state income tax, so the state is taking the hit. The property tax is a local tax and we are not reimbursing those properties. We are making distinctions at the state level which will affect people at the county and political subdivision level. So they don't have anywhere to go but tax burden will shift to someone else. As soon as we grant an exemption for this property tax, it goes up for every single farmer around them.

Senator Klein: There was no tax before they remodeled the grainery, they were paying taxes on all of their land as the value of their land increased. Now, because they have done a good job of remodeling it, is that the cause to raise revenue? Because we now have traffic on the road?

Senator Oban: I think you raise a good point, it wasn't getting taxed before but now there are impacts with the property that wouldn't have been there otherwise.

Senator Klein: Are they taxed on their lodging facilities?

Chairman Miller: They are taxed on some of their facilities. The house where they have the bar is taxed, etc.

Senator Warner: I think we need to be careful about making this about such a particular issue. This could include all of a building used in agritourism, it could be brand new construction or a major conference center with a farm theme built on agriculture land. We are not dealing with one specific building owned by one specific person; we are making a state law that is going to stand for a long time.

Senator Larsen: I just look at the economic engine and development that is going to happen with that agritourism. I have seen other places like this and it drew people from all over country to that little spot and we dumped a pile of money there. So that's how I'm looking at it, I think we are going to have economic development from these things and if they grow, they'll bring money in.

Senator Klein called question.

A Roll Call vote was taken. Yea: 4; Nay: 2; Absent: 0.

Do Pass carries.

Senator Larsen will carry the bill.

15.0977.01001
Title.02000

Prepared by the Legislative Council staff for
Senator Erbele

February 6, 2015

2/12/15
Jone

PROPOSED AMENDMENTS TO SENATE BILL NO. 2339

Page 1, line 16, replace "However, the" with "The"

Page 1, line 16, remove "is not required to"

Page 1, line 17, replace "register" with "must be registered with the division of tourism"

Renumber accordingly

REPORT OF STANDING COMMITTEE

SB 2339: Agriculture Committee (Sen. Miller, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS** (4 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2339 was placed on the Sixth order on the calendar.

Page 1, line 16, replace "However, the" with "The"

Page 1, line 16, remove "is not required to"

Page 1, line 17, replace "register" with "must be registered with the division of tourism"

Renumber accordingly

2015 HOUSE FINANCE AND TAXATION

SB 2339

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2339
3/17/2015
24988

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A bill relating to the inclusion of buildings used in agritourism within the property tax exemption for farm buildings.

Minutes:

Attachment #1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14

Chairman Headland: Opened hearing.

Senator Erbele: Introduced bill. Distributed testimony; see attachment #1. Ended testimony at 4:30

Representative Steiner: Do you know how much tax we are talking about here?

Chairman Headland: I think we'll have somebody who could answer that question for us.

Representative Trottier: Will the person who has one of these units on their farm have to show their tax statement to the county assessor?

Senator Erbele: I would think it would be the same as how they determine if you're exempt as a farmer and on the income thresholds I would think it would have to be the same way.

Senator Joe Miller: Distributed proposed amendments; see attachment #2. We passed this bill out of the Ag Committee and tried to tighten it up as best we could to try and give the Division of Tourism some oversight so this doesn't get out of control. After we looked at the definition of agritourism we figured we might need to add another amendment to that to close it down a bit further. I support the concept of this bill. You have a situation where people are trying to make additional income, to expand the farm, and branch out into new endeavors. These are buildings that are not taxed currently. It's very difficult to determine the value of a building in the middle of nowhere.

Chairman Headland: By our current law every building on every farm is supposed to be assessed.

Senator Miller: Yes, but you're going to change the assessed value of that building because you're going to change the purpose of the building. How are you supposed to determine the value of a concert hall or a winery or something that is in the middle of a farm away from any metropolitan area? I think this is a great way to encourage more youthful endeavors and get people back on the farm.

Representative Dennis Johnson: I think this bill is an excellent opportunity to showcase agriculture as we get more removed from the farm. I can visualize something like this happening to showcase agriculture and bring back memories for the people that can come and visit that operation or for the next generation to see how things used to be. This doesn't remove any revenues that are being generated now because this is a new project. I would like to see this opportunity to be tax exempt. If there are people willing to invest their time and talents into preserving agriculture heritage in North Dakota I think this is certainly a minimal investment on our part to promote this. I would like to see favorable consideration on this bill.

Dana Hager, North Dakota Department of Agriculture: Distributed testimony. See attachment #3.

Jay Doan, Black Leg Ranch in McKenzie, North Dakota: Distributed testimony. See attachment #4. There are three bullet points from the Ag census that I would like to point out; from 2007 to 2012 we've lost over 95,000 farms and over seven million acres in farms. The average age of a farmer is 58 plus years old which is a continuing 30 year trend of steady increase. We are at a 20% decrease in beginning farmers. Agritourism is a direct and vital part of agriculture. Today's farms and ranches are not our parents or our grandparents. We cannot limit our agricultural views as to how many bushels of wheat one grows or how many head of cattle one raises. The fields and pastures of farming and ranching are constantly evolving. We must stay on the forefront of this evolution and continue supporting our young farmers and ranchers. When I was giving those dollar figures it was kind of nice hearing that \$2 million is a small tax incentive. I would appreciate your do pass vote.

Chairman Headland: Can you give us an idea of repurposing a building; are you talking a major renovation that would make it unusable as a farm building in the future?

Jay Doan: I wouldn't say it would be unusable as a farm building. The building we are talking about is 4,300 square feet; an old corn quonset that we store corn on each side. Rats have come up under the concrete and destroyed it so the concrete would have to be replaced and it needs a new roof. We are willing to make that investment in this building but it's not saying we couldn't turn it back into a parking area for a tractor.

Chairman Headland: I'm just trying to figure out what we're talking about here. Are you completely renovating the appearance of the building; are you putting living quarters in it? What exactly are you doing?

Jay Doan: We are putting on a steel roof with steel siding on this building. The concrete has to be replaced for liability purposes. We'd like to add in public bathrooms.

Chairman Headland: It's really not unusual to have bathrooms in the shop. I'm just trying to get an idea of how this all came to fruition here.

Andrew Holle, dairy farmer south of Mandan: Every two years we have Breakfast on a Farm and we had 3,000 people last year in attendance. We open the doors, let them come in, and show them what agriculture is about. I'm in support of this bill because as we grow in our dairy business we are looking more towards the future of doing more tours and things. Outside of Breakfast on a Farm we probably have 1,500 to 2,000 people on our farm every year from international people to the local elementary school. We want to continue to educate the community and part of the world about what happens on these farms. They think we beat our animals and that we destroy the land because the Bismarck, Mandan, and greater communities are disconnected about what happens on a farm. We want to continue this tourism part of our dairy farm. If we repurposed part of our building to allow tourism to come in we shouldn't be taxed at a higher rate to help educate the local public about what is going on.

Representative Strinden: How much do people pay for these activities?

Andrew Holle: We don't charge anything. We may further down the road with the addition of a new building or repurposing a building. Right now it's out of our own cash flow; we get some money from donations from NDA and our time to help educate people.

Chairman Headland: Is there further testimony in support? We will take opposition.

Allan Vietmeier, Burleigh County Tax Director: Distributed testimony in opposition. See attachments #5, 6, 7, 8, 9, and 10. Handout #6 is Black Leg Ranch. This place has a liquor license and has a bar. This isn't just agritourism to inform people of the farm and what it is; it's also a full scale operation needed to diversify their farm. They are competing with other businesses that are operating in the same premise. The North Dakota Association of Assessing Officers are all in opposition of this bill.

Chairman Headland: What building are we talking about? Is it just this front page building or the other building?

Allan Vietmeier: Currently the front page building is the one they refer to as the barn that is getting refurbished. I don't see anywhere in the legislation that buildings currently on the tax rolls can't go off the tax rolls. An exemption is something that has to be applied and qualified for every year. Buildings can change what their exemption is all the time. Churches that are on the tax rolls go off all the time and vice versa. I have a feeling that all those buildings would be claimed to be part of their agritourism operation and some of those buildings are currently on the tax rolls. As of February 1 all of their buildings are to be assessed because that's the legal assessment date. A rough assessment of this lodge which has two housing quarters they use and now this barn is upwards of \$400,000.

Chairman Headland: So you currently have the ability to determine whether this particular building should be on the tax rolls or not by purpose? You already have the ability to exempt it if it's used as an agricultural facility.

Allan Vietmeier: That is correct. The county tax director has the authority to grant exemptions if they are applied for. All buildings are to be assessed every year with all property characteristics listed then certain buildings are to be exempted off according to the exemption. If they were to apply for a farm building exemption on this building but I went out there and determined it was still used for a farm purpose then it would be exempt. But if it's used for other purposes it would currently be taxable.

Chairman Headland: If they fix this building up and in the summer time they use it to host some events but in the winter time they park machinery in it, how are you going to look at that?

Allan Vietmeier: The exemption filing process is built on honesty. I have to assume that when people file for an exemption on that building they are telling me what is true. We also have to use logic and hope that the assessment officials in that area are keeping an eye on that as well. I would think that if it was used as a farm purpose for more than 50% of the year it is exempt. If they are just cleaning it out every once in a while to have a wedding in it that's one thing but if they are refurbishing it and its intended purpose is not to be a farm building anymore then we need to look at it differently.

Representative Froseth: If this bill was amended on subsection b line 17 to add language that it would also have to be approved by the county tax auditor would that help?

Allan Vietmeier: Not at all. We want property tax reform and property tax transparency so I don't think passing another exemption is the way to go. These businesses have the ability to file for five year expanding business exemptions and new business exemptions. They are also ag sector businesses so they are allowed to pay a ten year pilot payment in lieu of tax after that I think extending a forever exemption for something that is not an ag related purpose is not where we are headed in this session. If there was language that said they have to qualify as a farmer just like the farm residence exemption then maybe it would be a little more palatable but right now by giving the discretion of the county tax director you're putting it into our hands so if we deny it they are going to question why we're denying them in this county and they aren't in the county next door. That would open up a whole new can of worms.

Representative Kading: In the Black Leg Ranch is the lodge, bar, and dining all tax exempt now?

Allan Vietmeier: No, the grand lodge facility is on the tax rolls. They still have two housing quarters they use for the Rolling Plains Adventures which is another part of Black Leg Ranch and those were off the tax rolls up until this year. They were claiming farm residence exemption for labor housing on those. For the 2015 assessment those will be going on.

Chairman Headland: If I were to advertise I was going to give tours of our ag property and have a horse and buggy taking them across our land, am I going to open up our ag property for the possibility of agritourism and qualify for an exemption or is it specific to a building?

Allan Vietmeier: Exemptions are specific to the property itself. If Andrew's dairy farm south of Mandan is there just to support his dairy farm and he invites people out once a year then the use of his buildings doesn't change; they are still farm buildings and used for an ag purpose. If the Doan family was just sweeping that building out on a weekend to have a party then we would still consider it an ag building if on Monday morning everything went back into the building and it was full of bales and things. Just because you have some people out to your farm and you give them tours we aren't going to take all your buildings and tax them because you would still fall under the farm building exemptions. When the farm buildings use changes to where they are very specific to what they are used for we don't feel that adding an agritourism line to the farm building section your giving an exemption for something that isn't the intended purpose of the farm building exemption in my opinion.

Terry Traynor, Association of Counties: Distributed testimony in opposition. See attachment #11, 12, 13.

Representative Trottier: In the beginning of the bill it says "the exclusion of buildings used in agritourism within the property tax exemption for farm buildings."

Terry Traynor: That's correct; it's in subparagraph A which is farm buildings. It's not in subparagraph B which is farm homes and that's the distinction we would like to make.

Pete Hanebutt, North Dakota Farm Bureau: This is a tough one for us because obviously we love agritourism but this is an awfully slippery slope for us as well. I've consistently come to this committee and said we don't need to give exemptions to everybody and it would be disingenuous of me to say that we just want an exemption for agritourism. The current system works pretty well if it's applied right and that's why we are going to oppose this bill.

Chairman Headland: Further opposition? Are there any questions for the tax department? Neutral testimony?

Sara Otte Coleman, North Dakota Department of Tourism: Distributed neutral testimony. See attachment #14. The amendments presented by Senator Miller help further define agritourism which we think is good overall in serving good policy for the state.

Representative Strinden: Speaking of the best vehicle for something like this I was wondering if agritourism could fit into any of the current grant programs you have at the Department of Tourism?

Sara Otte Coleman: Absolutely. We have some infrastructure grant programs and marketing programs for which agritourism is applicable and has received several of those grants.

Chairman Headland: Closed hearing.

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2339
3/23/2015
25258

- Subcommittee
 Conference Committee

Committee Clerk Signature *Mary Brucher*

Explanation or reason for introduction of bill/resolution:

A bill relating to the inclusion of buildings used in agritourism within the property tax exemption for farm buildings.

Minutes:

Attachment #1

Representative Froseth: Distributed proposed amendments 15.0977.02004. See attachment #1. The amendment further defines what a qualified farmer would be to qualify for agritourism. **Made a motion to adopt the amendment.**

Representative Trottier: Seconded.

Representative Haak: Does this mean they would have to be a farmer to participate in agritourism and qualify for this exemption?

Representative Froseth: Correct.

Representative Haak: What happens if the spouse works off the farm and makes the majority of the money? Do they still qualify as a farmer? Would they qualify for this exemption?

Representative Froseth: I think to qualify as a farmer for the property tax exemption. Fifty one percent of the income must be derived from the farm. I'm not sure how the husband and wife would file their taxes, separately or jointly.

Representative Dockter: You are correct.

Representative Froseth: Is it joint?

Representative Dockter: Yes.

Representative Froseth: What if they file separate returns and have separate occupations?

Chairman Headland: It doesn't matter; it's a combination of all money earned from nonfarm. I'm going to reject this amendment. I am unable to support anything that changes the farm language in the section of the farm home exemption. If we can find another way to do this I'll look at supporting it but I am unwilling to go there in this area of the century code because once we open that up for discussion in conference committee we could lose the farm home exemption and lose it all. I think this is a dangerous area to go. I don't think we have to bring the farm home exemption into this. If we're trying to help agritourism we go to different areas of century code probably where agritourism is already being discussed.

Representative Steiner: Is the farm home up to \$250,000 that is exempt and beyond that are you taxed?

Chairman Headland: It's on the farm house itself which is the only building discussed in the farm home exemption which is another reason why I would be against bringing other buildings into that farm home exemption. The other buildings on a farm when used for farm purposes are exempt. We put the farm home exemption at risk when we open up this area of century code.

Representative Trottier: Is there an "or" in property tax exemption for farm homes so that it is 51% and if you're over 51% or if you make over \$30,000 or \$40,000?

Chairman Headland: There are different ways that farm homes can receive their exemption; if more than 50% of the income is from the farm or if it's a building used to house corporate farm employees. There is a \$40,000 limitation so if you earn over \$40,000 of non-farm income you no longer qualify for the exemption.

Representative Froseth: With the 51% and the other limitations on income I don't see any dangers in it. If you look at the definitions under 53-13 it says "agritourism activity means any activity including farming and ranching activity or any historical or natural attraction is viewed and enjoyed by members of the general public for educational, recreation, or entertainment purposes regardless of whether the member of the general public pays to participate in an activity or to view or to enjoy the attraction." The agritourism definition is pretty broad. You have the limitations of income that would qualify for the property tax exemption.

Chairman Headland: All your discussing there that if they're registered the exemption is going to come in section 53-13.01 which is where the farm home exemption is, right?

Representative Froseth: No. The exemption is in the tax code.

Chairman Headland: That's just talking about definitions. On the top of the bill it talks about amending 57-02.08 so is that where the farm home exemption is at?

Representative Froseth: It must be.

Representative Trottier: If someone has a farm with a building on it and they sell \$10,000 worth of seed a year, is that building exempt?

Chairman Headland: No, that would be on the tax rolls. If you're running a business outside of farming they are going to assess that building. All the buildings are assessed but they are going to tax it.

Representative Trottier: What about a hog building?

Chairman Headland: That's used for farming though.

Representative Froseth: Wouldn't it be up to the discretion of the assessor and the county equalization board to determine whether it's a commercial operation or a farm income operation then decide if its agritourism or commercial tourism?

Chairman Headland: Today it is but we're throwing agritourism under the farm home exemption.

Representative Trottier: What if you don't register as agritourism? You could just charge people to come on to the farm.

Chairman Headland: You can see the difficulty we're having with this bill. We don't have to act on this bill now. I can talk to the tax department and see if there's a different way. I can't go along with adding language to the farm home exemption.

Representative Trottier: If it gets to conference it could put the whole farm home in jeopardy so that scares me a little bit too.

Chairman Headland: We have an amendment on the table so we need to either act on it or withdraw it.

Representative Froseth: Let's act on it.

Voice vote: Motion failed to adopt the amendment .02004.

Representative Steiner: We heard that we're going to shift property tax from one set of taxpayers to another and we're already giving a lot of farm exemptions. I think this isn't a good direction to go. If you want to go this direction and you find a way for this to work then I want to study all farm tax exemptions and see where we line up to the urban people.

Chairman Headland: I don't know a way that we can permanently exempt a building for agritourism. If we can come up with some kind of incentive for moving that direction that isn't long lasting under a different area of century code I'd be willing to listen. I can't really stress enough the dangers of putting this into the same area of code as our farm home exemption.

Representative Trottier: Cities give all kinds of abatements, right?

Representative Steiner: Our city doesn't.

Representative Trottier: Small towns give three and five year exemptions so maybe that's a possibility here.

Representative Dockter: All the emails I received have asked us to reject this bill because it will jeopardize the current exemption. Unless we can find something that will make it work I will oppose this bill.

Representative Haak: Could a local economic development be allowed to give a property tax exemption to this or aren't they allowed to do that now?

Chairman Headland: I think they technically could. If we want to clarify that agritourism could fall under that then I would be willing to take a look at that.

Representative Klein: There are possibilities now with going through the commerce department. It wouldn't jeopardize what you're referring to, the farm home; it would be a complete and separate area.

Representative Froseth: As our state becomes more urbanized with a variety of people coming in to work in the oil fields and other different industries in the state I think agritourism has great potential to expand and be a big advantage to the state to build tourism. Tourism is our number three economy right now and it is just starting. Tourism is mostly new money into the state. I think we should try and do what we can to promote tourism. I see that danger of losing some of the exemptions we have now but I think there is a lot of potential for farmers. Farmers need the extra income they could get off of agritourism.

Chairman Headland: I couldn't agree with you more. The intent is to expand agritourism in the state. I just think there is a less dangerous way for us to move forward without jeopardizing the farm home exemption. I think we'll just rest on that and see if we can come up with something.

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2339
3/25/2015
25408

- Subcommittee
 Conference Committee

Committee Clerk Signature

Mary Brucker

Explanation or reason for introduction of bill/resolution:

A bill relating to the inclusion of buildings used in agritourism within the property tax exemption for farm buildings.

Minutes:

Attached amendment #1

Representative Trottier: Distributed proposed amendments 15.0977.03000; see attachment #1.

Donnita Wald, General Counsel with the Office of State Tax Commissioner: Explained proposed amendments. This has to be all or part of a building used by a farmer and located at a current or historic agriculture, horticulture or agribusiness operation and includes farming and ranching activities that is viewed or enjoyed by members of the public for education, recreation, or entertainment purposes. It doesn't matter whether the public pays or not. The agribusiness must be registered with the division of tourism as an agritourism operator under chapter 53-13 which was in the original bill. That is what they need to do in order to qualify for the exemption. If they don't register they don't get the exemption. This exemption sunsets in five years so it's effective for the first five taxable years beginning after December 31, 2014; 2019.

Chairman Headland: In section 2 the act is effective the first five years beginning...what does that mean?

Donnita Wald: The 2015 tax year is what you pay in 2016.

Chairman Headland: This whole section is gone after five years?

Donnita Wald: No, it's assessed in 2015, valued February 1, 2015 and paid in 2017. It's good for only five years so after that five year period is up the exemption no longer exists for those farmers who applied to commerce. Three years into this program they would only get two years of the exemption.

Representative Froseth: After that five year period the agritourism laws go back to what they are today?

Donnita Wald: That is correct.

Representative Trottier: I was thinking that it would be if you started this in 2017 it would continue on for five years after that.

Donnita Wald: That is not how the effective date is written right now. This is a five year program that you need to get in at the get go.

Representative Trottier: I think we could live with this.

Representative Hatlestad: It seems that the county could do that now by granting that exemption for up to five years so we wouldn't necessarily need this bill, is that correct?

Donnita Wald: Under the new and expanding business exemption they could get it for maybe up to ten years or do a payment in lieu of taxes. The thing that's different between what's happening with this amendment and the new and expanding business exemption is that in the new and expanding business exemption that is discretionary with the county officials whether or not to grant that.

Chairman Headland: All they have to do to qualify for this exemption is register with tourism?

Donnita Wald: You have to register with tourism but you also have to meet all of the other qualifications in the exemption.

Representative Schneider: I have in my notes that Senator Erbele said it would be on farm buildings not now taxed so it would just be moving to another function. Is that correct? Does it apply to entities that are now being taxed and therefore decreases the availability of current property tax?

Donnita Wald: This bill could either exempt partially those buildings that might be on the tax rolls. If they are on the tax rolls completely and not used as part of the farm plant then it would be a brand new exemption. This isn't tied to the farm exemption right now. Under this amendment it's irrelevant whether or not that building is being taxed or exempt or partially taxed.

Chairman Headland: Is there any other areas where the state tells the county that this property has to be exempt?

Donnita Wald: In 57-02-08 there's a whole list of different kinds of properties that are exempt from property taxation. The only ones I can think of off the top of my head is the charitable education, church buildings, land around the church buildings, and rectories. Some counties used to tax those properties not on the footprint. There are many exemptions; at least 18 that I can think of.

Representative Trottier: This is similar to the renaissance zone exemption other than there are no income tax exemptions with this where this is with the renaissance zone.

Donnita Wald: The renaissance zone is similar to the new and expanding business exemption for the property tax part of those. The locals have to grant that property tax exemption.

Chairman Headland: This looks to me like its wide open. All they have to do is go register. There isn't anything that indicates they have to have people viewing. What would preclude anybody from going in and registering a building and not pay taxes for five years?

Representative Trottier: This is for people who get their farmstead allowance and this would overtake that and for five years you get to keep your farmstead exemption. If you're already exempt and you wanted to fix up a building and call it agritourism you still aren't going to be taxed on it.

Chairman Headland: I don't think there is anything in this that says they have to fix anything up or do anything; all they have to do is register and they get a five year exemption.

Donnita Wald: When we were drafting this our intent was that a building had to be used by a farmer.

Representative Froseth: Does the Department of Tourism have a set of criteria they have to meet before they register a building for this purpose?

Chairman Headland: Maybe.

Representative Schneider: If we say the new and expanding credit is available to folks who might otherwise fit under this do we know how many of the entities that are currently registered applied for and received or rejected that money?

Donnita Wald: I'm not aware of how many exemptions or partial exemptions the county has granted for property tax purposes. I've heard of one. The chapter for agritourism uses some of the same language that's in this exemption but the purpose of this chapter in my mind is to limit the liability for those farm and ranchers who have people come to their farm and possibly slip on ice.

Vice Chairman Owens: This is a hog house correct?

Donnita Wald: Yes.

Vice Chairman Owens: Subparagraph 43 of 0208 lists a couple other exemptions so this would become forty four. The definition of a farmer, meaning 51% of your income comes from farming, is restricted to subsection 15 so I'm assuming it would not apply to this new subsection forty four.

Donnita Wald: We didn't cross reference subsection 15 in this amendment. We could.

Vice Chairman Owens: The requirement of 51% of your income would not apply necessarily.

Donnita Wald: No, not necessarily.

Representative Hatlestad: New and expanding business would allow the county to determine length, say yes or no, and everything would be on an individual basis so it wouldn't necessarily be a blanket exemption. Wouldn't that make it a lot easier?

Donnita Wald: You'd have to ask Terry Traynor about ease of assessment. In some respects it would be the same but in some respects it would be harder for them.

Chairman Headland: The way I see this it isn't written so it's optional.

Donnita Wald: If you're this then you get it. We could put in Vice Chairman Owens' thought that we cross reference a definition of a farmer from the exemption.

Chairman Headland: We have to do something because I can't support this amendment as written.

Representative Trottier: Made a motion to adopt the amendment 15.0977.03000.

Representative Mitskog: Seconded.

Representative Trottier: I know there are a lot of businesses out there in some counties that are doing agritourism for weddings and such. There are some counties turning a blind eye to this and some that are overly aggressive. This was to address those that are over aggressive and it may bring to light some of those that are currently turning a blind eye to it saying they have to get registered with the tourism department. It's instructing the county tax director that this is the way it is and you have five years of this exemption.

Representative Froseth: In cross referencing with 53-13 we could add the language I proposed earlier adding "and qualifies a farmer as defined in subsection b."

Donnita Wald: That would put it in the farm exemption and I don't think that would be good to do.

Representative Froseth: Ok, scratch that.

Representative Steiner: I think there are too many problems and this is too wide open. If we really want to help farmers I think we should look at \$2 million in SBARE and let them research crops because that's what farmers do is grow crops.

Representative Hatlestad: As long as we already have a law in the books that allows the county to do this on an individual basis I think this wastes our time.

Representative Trottier: I don't disagree with Representative Hatlestad but we heard in testimony that there is some over-aggressiveness by some county tax directors. We also

heard testimony that we've gone through some really good times in agriculture and we realize that it is about to turn so if this can bring some young people home from the farm as a part time business, it's a five year exemption and without going over \$40,000 income they lose it all.

Representative Mitskog: Your website talks about projects in the state and references North Dakota ranking as one of the top three economic drivers. Visitors are expressing interests in agritourism destinations. When the commerce department and your tourism division fields questions do you know how many people from out of state are looking for agritourism types of vacations in North Dakota?

Justin Dever, Department of Commerce: No, I don't. The director of tourism would have that information.

Representative Strinden: We received an email about the types of grants available for agritourism. Can you explain these grants?

Justin Dever: There are a few different grants agritourism could apply for; APUC (Agricultural Product Utilization Commission) could help tourism. We also have some marketing grants and small infrastructure grants they can apply for.

Representative Schneider: There is one exemption that's property owned by lodges and it mentions farmers clubs. Can you tell me what a farmers club is and how it fits in? I found it in 57-02-08 subsection eleven.

Donnita Wald: Was that 57-02-08?

Representative Schneider: Yes in subsection 11.

Donnita Wald: This amendment deals with clubs like the Elks, Moose Lodge, sororities, fraternities, and things like that. I'm not sure what the farm club is but in Wing, North Dakota it was called a Chat and Chew.

Vice Chairman Owens: But even as a Chat and Chew it wouldn't be nonprofit and it would be serving food so it wouldn't fall under that category as tax exempt.

Donnita Wald: When that was enacted it meant the North Dakota Farm Bureau or 4-H.

Representative Schneider: It's just the portion that sells food at a profit that's not exempt so in theory there could be a lot of other things that are agritourism under here especially if they can be nonprofit.

Vice Chairman Owens: It says all parts would be taxed.

Voice vote: Amendment in question.

Roll call vote on the amendment: 5 yes 9 no 0 absent
Motion failed to adopt the amendment.

Vice Chairman Owens: I'm hearing that a study is needed on agritourism because there are too many questions. First we heard it would just be farm buildings shifting from one exemption to another if we passed it then we were talking about a farmer and not talking about a farmer and now we come up with this new and expanding thing with county discretion. Made a motion for a do not pass.

Representative Steiner: Seconded.

Representative Trottier: It's really no different than the renaissance zone. Farmers are excluded from renaissance zones and the renaissance zone gives income tax credits and property tax exemptions for many years. I understand the negative side of this with farmers getting exemptions already for all of their property but this takes that one building and they could lose their exemption because of that. The renaissance is what we're looking for to expand businesses and create better buildings in the state and I think we're separating those two people in those two groups.

Representative Hatlestad: I think agritourism is a great idea. I think it needs to be done on a single project by itself and the county has the authority to do that now under new business. I think they would be in a better position to make that decision than we would with a blanket bill.

Representative Schneider: I'd like to see us support agritourism in the future. I hoped it could be at this time but I would support it if it came up next time as well.

Representative Strinden: I agree that agritourism is very important. I probably would support this bill if it was maybe an income tax exemption. I like the entrepreneur side of it but when you get into property tax exemptions it gets pushed off onto the rest of the taxpayers in the county. I agree with Representative Hatlestad that the counties should be able to make that choice on an individual basis. In the future I would like to be able to do something for agritourism.

Vice Chairman Owens: I never thought that much about agritourism before but there were many questions about this since we heard the bill. It was mentioned that a study is needed because there are questions that haven't been answered and I agree with that.

Representative Strinden: If we want to amend this into a study should we do not pass it now or could I have a study drawn up and added this afternoon?

Chairman Headland: Right now we're discussing a do not pass on the bill sent to us from the senate.

Representative Strinden: If we do not pass it then it's gone so if you want a study then we would have to withdraw the do not pass recommendation.

Chairman Headland: That would be correct. I don't see anybody offering to take back their motions.

Vice Chairman Owens: I don't have time to do it now.

Chairman Headland: We're all struggling with this because we want to promote agritourism but we don't want to tell the counties that they have to do something. We don't want to have a wide open piece of legislation that can be taken advantage of so I'm going to go along with whatever the committee wants to do.

Roll call vote: 9 yes 5 no 0 absent

Motion carried for a do not pass.

Representative Haak will carry this bill.

15.0977.02004
Title.

Prepared by the Legislative Council staff for
Representative Froseth
March 20, 2015

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2339

Page 1, line 17, after "53-13" insert "and qualify as a farmer as defined in subdivision b"

Renumber accordingly

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2339

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new subsection to section 57-02-08 of the North Dakota Century Code, relating to creation of an exemption for buildings used by a farmer in farming or ranching related agritourism; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new subsection to section 57-02-08 of the North Dakota Century Code is created and enacted as follows:

All or part of a building used by a farmer and located at a current or historic agricultural, horticultural or agribusiness operation, including farming and ranching activities that is viewed or enjoyed by members of the general public, for educational recreational, or entertainment purposes, regardless of whether the member of the general public pays to participate in the activity or to view or enjoy the attraction. The agribusiness must be registered with the division of tourism as an agritourism operator under chapter 53-13 in order to qualify the building as exempt for purposes of this paragraph.

SECTION 2. EFFECTIVE DATE. This Act is effective for the first five taxable years beginning after December 31, 2014."

Renumber accordingly

Date: 3-23-15
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2339

House Finance and Taxation Committee

Subcommittee

Amendment LC# or Description: 15.0977.02004

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Rep. Froseth Seconded By Rep. Trottier

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN HEADLAND			REP HAAK		
VICE CHAIRMAN OWENS			REP STRINDEN		
REP DOCKTER			REP MITSKOG		
REP TOMAN			REP SCHNEIDER		
REP FROSETH					
REP STEINER					
REP HATLESTAD					
REP KLEIN					
REP KADING					
REP TROTTIER					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Voice vote = Motion fails.

Date: 3-25-15
Roll Call Vote #: |

**2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2339**

House Finance and Taxation Committee

Subcommittee

Amendment LC# or Description: 15.0977.03000

- Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Rep. Trottier Seconded By Rep. Mitskog

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN HEADLAND		✓	REP HAAK		✓
VICE CHAIRMAN OWENS		✓	REP STRINDEN	✓	
REP DOCKTER		✓	REP MITSKOG	✓	
REP TOMAN		✓	REP SCHNEIDER	✓	
REP FROSETH	✓				
REP STEINER		✓			
REP HATLESTAD		✓			
REP KLEIN		✓			
REP KADING		✓			
REP TROTTIER	✓				

Total (Yes) 5 No 9

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Voice vote = Motion failed.
Trottier's amendment
- attachment 1

Date: 3-25-15
 Roll Call Vote #: 2

**2015 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2339**

House Finance and Taxation Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Rep. Owens Seconded By Rep. Steiner

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN HEADLAND	✓		REP HAAK	✓	
VICE CHAIRMAN OWENS	✓		REP STRINDEN	✓	
REP DOCKTER	✓		REP MITSKOG		✓
REP TOMAN	✓		REP SCHNEIDER		✓
REP FROSETH		✓			
REP STEINER		✓			
REP HATLESTAD	✓				
REP KLEIN	✓				
REP KADING	✓				
REP TROTTIER		✓			

Total (Yes) 9 No 5

Absent 0

Floor Assignment Rep. Haak

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2339, as engrossed: Finance and Taxation Committee (Rep. Headland, Chairman)
recommends **DO NOT PASS** (9 YEAS, 5 NAYS, 0 ABSENT AND NOT VOTING).
Engrossed SB 2339 was placed on the Fourteenth order on the calendar.

2015 TESTIMONY

SB 2339

#1

SB 2339

2/5/15

Chairman Miller and members of the Senate Agriculture Committee. For the record my name is Robert Erbele Senator from District 28. I am presenting SB 2339 to you today on behalf of a constituent to discuss a property tax exemption for farm buildings used in the agri-tourism business that is part of a working farm or ranch.

Although this may be construed to be a tax issue, I believe that this discussion needs to begin in the Ag committee to bring to light new definitions of what agricultural production can entail in the 21st Century.

As the number of people on farms and ranches continue to shrink and more people's connection to the farm is being removed by multiple generations, it is becoming increasingly important for agriculture to tell its story of where food comes from and the stewardship of the land that farmers are engaged in to bring food to everyone's table.

This is where agribusinesses such as agritourism and value add agricultural enterprises become essential tools in telling agriculture's story.

This bill seeks to make the statement that farms and ranches who use their working operations to promote agriculture to the non farming community are doing a vital service to the agricultural community. To facilitate these visits to the farms some of the farm buildings may need to be repurposed to accommodate the visitors to the farm.

In essence the farming operation doesn't change all that much because production of crops and/or livestock is still the mainstay of the farm, but you are just inviting others in to observe and partake in what you do. Just because an old machine shed no longer houses a tractor and

may now have some tables and chairs should not mean that the operation is no longer a working farm or ranch.

Are we willing to let agriculture producers add to their bottom line by promoting and educating the general public about their food sources without penalizing them with a tax that may take away their incentive to embark on such an enterprise?

What is the face of agriculture today? I know it is not the same as it was for my grandfather, father, or even myself. For the future of the my sons and all those in their generation we may need to consider expanding our view of production agriculture. Thank you for time and I hope you can give a favorable outcome to his bill

Senate Bill 2339

Thursday, February 5th, 2015
10:15am – Roosevelt Park room

Chairman Miller and honorable members of the Committee, my name is Jay Doan and I am a fifth generation rancher from McKenzie, North Dakota. I am part owner and operator of Black Leg Ranch which currently produces Black Angus cattle. Black Leg Ranch was homesteaded in 1882 by my Great Great Grandfather, George Doan, and is one of the oldest working cattle ranches in this state still in operation today.

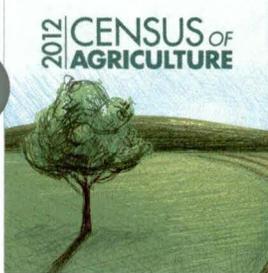
As a current producer and participant in the agritourism industry, I sincerely appreciate the time to speak with you today in favor of Senate Bill 2339. Senate Bill 2339 expands the inclusion of buildings used in agritourism with the property tax exemption for farm buildings. As defined under "Farmer" in subsection 15 of section 57-02-08 of the North Dakota Century Code, only farmers and ranchers currently making 50% or more of their income who normally devotes the major portion of time to the activities of producing products of the soil, poultry, livestock, or dairy farming in such products' unmanufactured state will qualify. So my question to you is, why are we penalizing our younger generation farmers and ranchers from thinking outside the fence?

Senate Bill 2339 will provide the younger generation farmer and rancher more opportunity to stay or come back to North Dakota. I was one of those young generations that moved out of North Dakota because I did not see any opportunity on the ranch. As the ranch diversified, this gave the

ability to provide for multiple families making a living off of the land. My brother, Jeremy, and I have expanded the ranch into a diverse value added agricultural business. For example, we have hosted over 16 countries on the ranch educating them on the importance of agriculture, soil health and family operated farms and ranches. Too many times our out-of-state guests tell us that we need to tell our story and spread the word of agriculture. They continue by saying that people, where they come from, believe we are beating our animals and abusing the land. Who better to spread the message of agriculture than our family-owned farms and ranches. Specifically relating to this Bill, we are in the process of converting an old grain quonset into a meeting/gathering area for the many bus loads of kids and adults that come out to learn about the farm/ranch industry and soil health practices we use. But as the law states currently, unless we are storing grain or parking a tractor inside, this barn will be taxed outside of agriculture.

In conclusion, agritourism is very much a direct and vital part of agriculture. Today's farms and ranches are not our parent's or grandparent's farms and ranches. We cannot limit our agricultural views as to how many bushels of wheat one grows or how many head of cattle one raises. The fields and pastures of farming and ranching are constantly evolving. We must stay on the forefront of this evolution and continue to support our young farmers and ranchers. I thank you, Chairman Miller and

members of the committee, for your time and would appreciate your DO
PASS vote on Senate Bill 2339.



Preliminary Report Highlights

U.S. Farms and Farmers

Issued February 2014

A farm is "any place from which \$1,000 of agricultural products were produced and sold, or normally would have been sold, during the Census year."

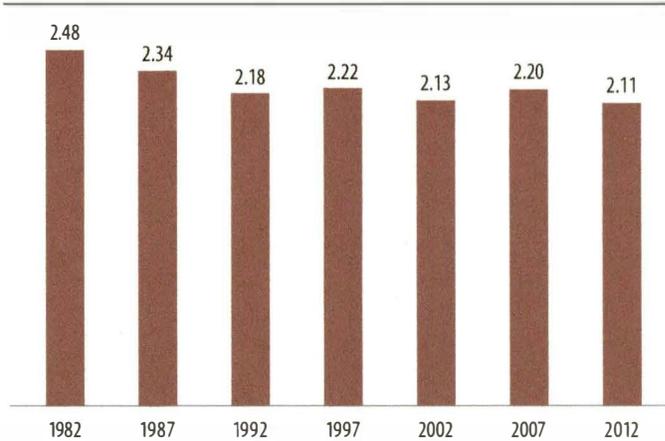
Farms: Numbers, Acreage, Size

	2007	2012	% change 2007 - 12
No. of Farms	2,204,792	2,109,363	-4.3*
Land in farms (acres)	922,095,840	914,603,026	-0.8
Avg farm size (acres)	418	434	+3.8*

Source: USDA NASS, 2012 Census of Agriculture, Preliminary Report.

- In 2012, the United States had 2.1 million farms – down 4.3 percent from the last agricultural Census in 2007. This continues a long-term trend of fewer farms (Fig. 1).
- Between 2007 and 2012, the amount of land in farms in the United States declined from 922 million acres to 915 million acres. This decline of less than one percent was the third smallest decline between Censuses since 1950.
- In 2012, the average farm size was 434 acres. This was a 3.8 percent increase over 2007, when the average farm was 418 acres.
- Middle-sized farms declined in number between 2007 and 2012. The number of large (1,000 plus acres) and very small (1 to 9 acres) farms did not change significantly in that time.

Fig. 1
Number of U.S. Farms, 1982 - 2012 (millions)



Source: USDA NASS, 2012 Census of Agriculture, Preliminary Report.

Understanding the Numbers

* = statistically significant change

The 2012 Census of Agriculture Preliminary Report contains a measure of relative reliability (the coefficient of variation) for every data item published. This Highlights document does not include these numbers, but it shows through an asterisk (*) every number that is a statistically significant change from the 2007 Census to the 2012 Census (i.e., two or more standard errors).

Practical significance and statistical significance are not necessarily the same thing. Some changes that are statistically significant may be of high practical importance, others may be inconsequential in practice. But it is important to know what the data say to know how to use them. Look for the asterisk to know which changes are statistically significant.

To learn more about statistical significance and Census methodology, go to the frequently asked questions at www.agcensus.usda.gov.



Value of Agricultural Sales

	2007	2012	% change 2007 - 12
All Products (\$ billions)	\$297.2	\$394.6	32.8*
Crops (\$ billions)	\$143.6	\$212.4	47.9*
Livestock (\$ billions)	\$153.6	\$182.2	18.7*

Source: USDA NASS, 2012 Census of Agriculture, *Preliminary Report*.

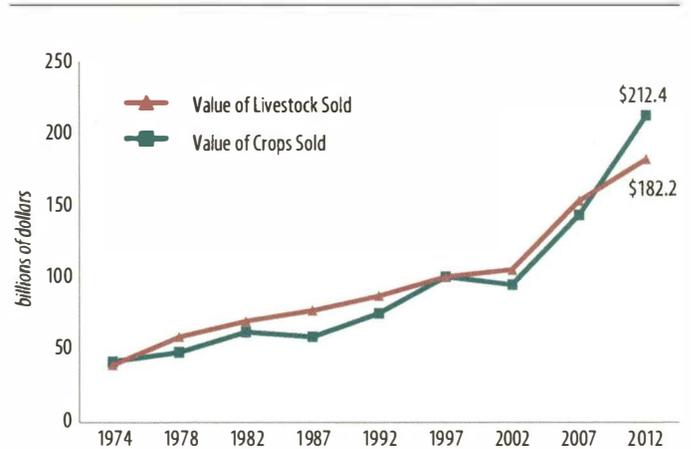
- In 2012, the market values of crops, livestock, and total agricultural products were each record highs.
- U.S. farms sold nearly \$395 billion in agricultural products in 2012. This was 33 percent – \$97.4 billion – more than agricultural sales in 2007.
- Crop sales were \$68.7 billion more in 2012 than 2007 (a 48 percent increase) and livestock sales were up \$28.6 billion (a 19 percent increase).
- In 2012, crop sales exceeded livestock sales (Fig. 3) for only the second time in Census history; the other time was in 1974.
- Per farm agricultural sales averaged \$187,000 in 2012. This was an increase of more than \$52,000 (or 39 percent) over 2007.
- From 2007 to 2012, the percent of farms with sales and government payments of \$1 million or more increased, but most farms in the United States are small – 75 percent had sales of less than \$50,000 in 2012. (Fig. 4)

About the Census of Agriculture

The Census of Agriculture accounts for all U.S. farms and ranches and the people who operate them. The 2012 Census *Preliminary Report* released in February 2014 provides an early look at some Census results.

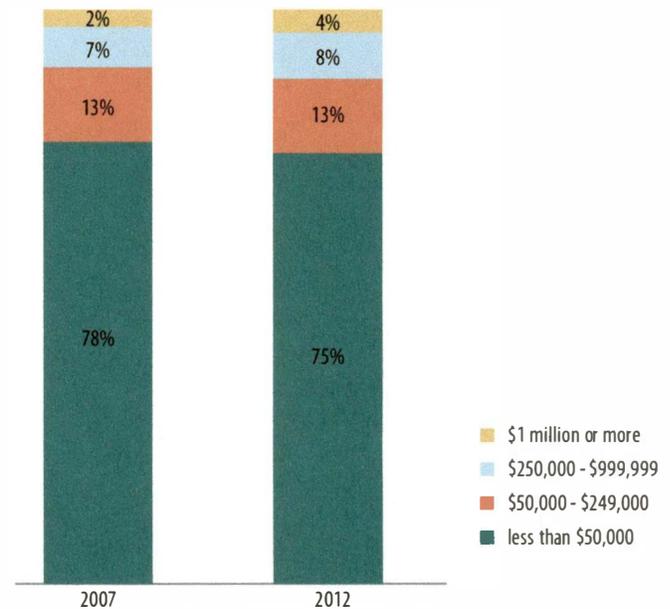
This document highlights some *Preliminary Report* results. The full report, to be released in May 2014, will provide comprehensive data at national, state, and county levels on many additional aspects of American agriculture. Access the *Preliminary Report*, learn more about Census methodology, and find final results at www.agcensus.usda.gov.

Fig. 3
Value of U.S. Crop and Livestock Sales, 1974 - 2012



Source: USDA NASS, 2012 Census of Agriculture, *Preliminary Report* and prior Census of Agriculture data.

Fig. 4
U.S. Farms by Economic Class, 2007 and 2012



Source: USDA NASS, 2012 Census of Agriculture, *Preliminary Report*.

U.S. Farmers: Selected Characteristics

The 2012 Census Preliminary Report focuses on principal operators (the person primarily responsible for the day-to-day operation of the farm). Details for all farm operators will be available in the full report.

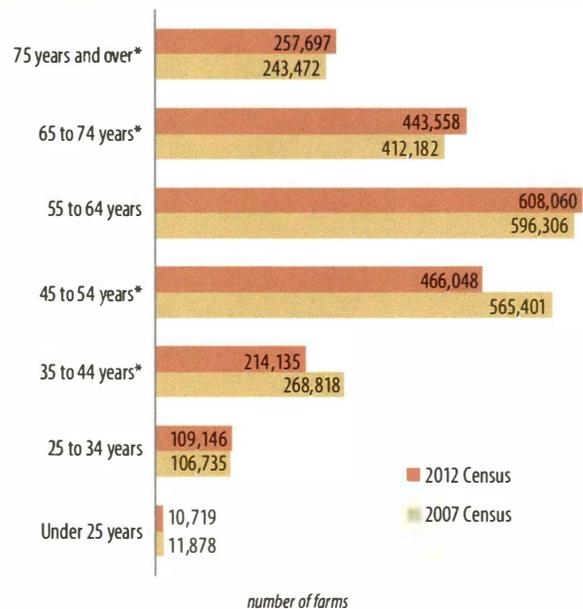
Among 2.1 million principal farm operators in 2012:

- 92% non-Hispanic white, 8% minority
- 86% men, 14% women
- 78% in current operation 10 years or more, 22% in operation less than 10 years
- 75% had 2012 agricultural sales of less than \$50,000, 25% had sales of \$50,000 or more
- 48% called farming their primary occupation, 52% had a different primary occupation
- 6% under 35 years old, 61% 35 to 54 years, and 33% 65 and older

Source: USDA NASS, 2012 Census of Agriculture, Preliminary Report.

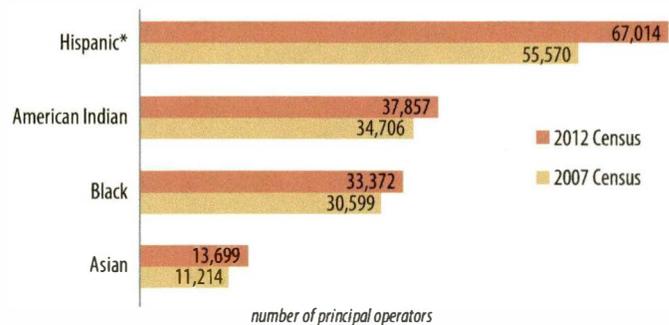
- In 2012, the average age of principal farm operators was 58.3 years, up 1.2 years since 2007, and continuing a 30-year trend of steady increase. The older age groups all increased in number between 2007 and 2012. (Fig. 5)
- In 2012, the number of beginning farmers – on their current operation less than 10 years – was down 20 percent from 2007. Nearly 172,000 farmers were on their current operation less than 5 years.
- 1.0 million operators considered farming their principal occupation in 2012. The number who identified something other than farming as their primary occupation was 9 percent lower in 2012 than 2007.
- The Census counted more minority-operated farms in 2012 than in 2007 (Fig. 6). Hispanic principal operators increased by 21 percent.
- In 2012, more than 90 percent of female farmers operated farms with sales less than \$50,000. More than a third of Asian farmers operated farms with sales of \$50,000 or more. (Fig. 7)

Fig. 5
Principal Operators by Age Group, 2007 and 2012



Source: USDA NASS, 2012 Census of Agriculture, Preliminary Report.

Fig. 6
Minority Principal Operators, 2007 and 2012



Source: USDA NASS, 2012 Census of Agriculture, Preliminary Report.

Fig. 7
Share of Farms by Economic Class for Selected Groups, 2012

Principal Operator	Sales < \$50,000	Sales ≥ \$50,000
All Farms	75%	25%
Female	91%	9%
Hispanic	85%	15%
American Indian	92%	8%
Black	94%	6%
Asian	65%	35%

Source: USDA NASS, 2012 Census of Agriculture, Preliminary Report.

Farms and Farming by State

- Between 2007 and 2012, the number of farms decreased in 34 states but increased in 16 states. In several southeastern and mid-western states, the decrease in number of farms was statistically significant. (Fig. 8)
- The amount of land in farms decreased in 31 states but increased in 19 states (Fig 9).
- In 25 states, both the number of farms and the amount of land in farms went down. In 10 states, both went up (see New England, Florida, and some western states on the two maps).
- The states ranked “top 10” were generally the same in 2012 as in 2007, although states changed position within the rankings. Ohio and Colorado are new to the lists.

2012 Top 10 in . . .

. . . number of farms

Texas
Missouri
Iowa
Oklahoma
California
Kentucky
Ohio†
Illinois
Minnesota
Wisconsin

. . . total ag sales

California
Iowa
Texas
Nebraska
Minnesota
Kansas
Illinois
North Carolina
Wisconsin
Indiana

. . . crop sales

California
Iowa
Illinois
Minnesota
Nebraska
North Dakota
Indiana
Texas
Kansas
Ohio†

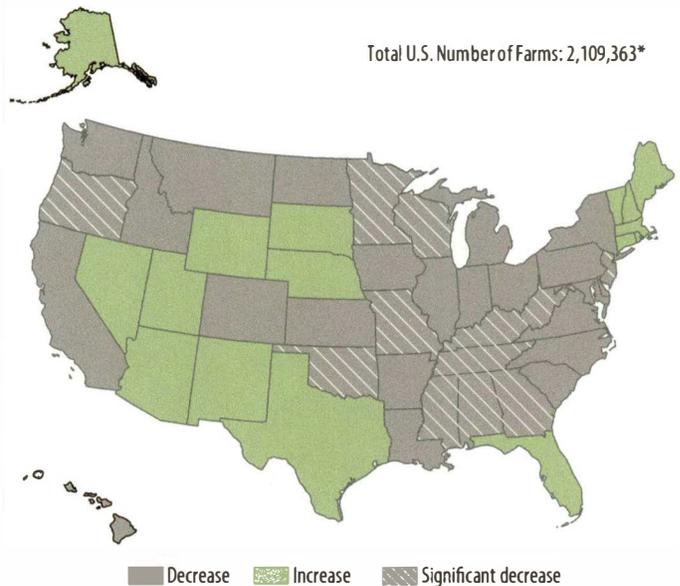
. . . livestock sales

Texas
Iowa
California
Nebraska
Kansas
North Carolina
Minnesota
Wisconsin
Georgia
Colorado†

†Not in Top 10 in 2007.

Fig. 8

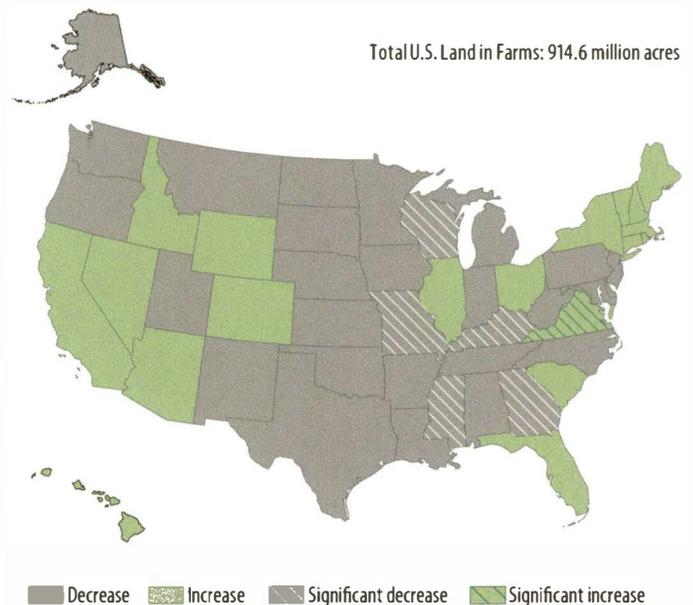
Change in Number of Farms, 2007 to 2012



Source: USDA NASS, 2012 Census of Agriculture, Preliminary Report.

Fig. 9

Change in Land in Farms, 2007 to 2012



Source: USDA NASS, 2012 Census of Agriculture, Preliminary Report.

USDA is an equal opportunity provider and employer.

CHAPTER 53-13 AGRITOURISM ACTIVITY REGISTRATION AND LIABILITY

53-13-01. Definitions.

In this chapter, unless the context otherwise requires:

1. "Agritourism activity" means any activity, including farming and ranching activities, or any historic, cultural, or natural attraction, that is viewed or enjoyed by members of the general public, for educational, recreational, or entertainment purposes, regardless of whether the member of the general public pays to participate in the activity or to view or enjoy the attraction.
2. "Inherent risk" means:
 - a. Any condition or danger that is an integral part of agritourism, including:
 - (1) Surface and subsurface conditions of the land;
 - (2) Surface and subsurface conditions of the water;
 - (3) Natural conditions of land, vegetation, and water;
 - (4) The behavior of wild or domestic animals; and
 - (5) Structures and equipment ordinarily used in farming or ranching; and
 - b. The potential of a participant to act in a negligent manner, including failing to follow instructions or failing to exercise reasonable caution while engaging in an agritourism activity.
3. "Participant" means a member of the general public who engages in a registered agritourism activity.
4. "Registered agritourism activity" means an agritourism activity that is registered with the division of tourism.
5. "Registered agritourism operator" means a person that is registered with the division of tourism and that is engaged in the provision of a registered agritourism activity.

53-13-02. Registration - Requirements.

1. A person may become a registered agritourism operator by registering with the division of tourism.
2. The registration must include a description of the agritourism activity that the person provides or intends to provide.
3. The division of tourism may not impose any fees or other charges to register agritourism operators.
4. A registration under this section is effective for five years.

53-13-03. Registered agritourism operators - Maintenance of list.

The division of tourism shall:

1. Maintain a list of all registered agritourism operators; and
2. Maintain a list of all registered agritourism activities.

53-13-04. Notice regarding liability - Requirements.

A registered agritourism operator shall post in a conspicuous location on the premises and include in each written contract pertaining to an individual's participation in agritourism a notice indicating that under the laws of this state, the registered agritourism operator is not liable for any injury to or for the death of a participant if the injury or death results from an inherent risk.

53-13-05. Participant in agritourism activity - Assumption of risk.

Except as otherwise provided, a participant assumes all inherent risks of agritourism. In any action for damages arising from an individual's participation in agritourism, a registered agritourism operator may plead assumption of risk by the participant as an affirmative defense.

53-13-06. Liability of registered agritourism operator.

This chapter does not prevent or limit the liability of a registered agritourism operator if the operator:

- (4) The following factors may not be considered in application of the exemption under this subsection:
- (a) Whether the farmer grows or purchases feed for animals raised on the farm.
 - (b) Whether animals being raised on the farm are owned by the farmer.
 - (c) Whether the farm's replacement animals are produced on the farm.
 - (d) Whether the farmer is engaged in contract feeding of animals on the farm.

b. It is the intent of the legislative assembly that this exemption as applied to a residence must be strictly construed and interpreted to exempt only a residence that is situated on a farm and which is occupied or used by a person who is a farmer and that the exemption may not be applied to property which is occupied or used by a person who is not a farmer. For purposes of this subdivision:

(1) "Farm" means a single tract or contiguous tracts of agricultural land containing a minimum of ten acres [4.05 hectares] and for which the farmer, actually farming the land or engaged in the raising of livestock or other similar operations normally associated with farming and ranching, has received annual net income from farming activities which is fifty percent or more of annual net income, including net income of a spouse if married, during any of the three preceding calendar years.

(2) "Farmer" means an individual who normally devotes the major portion of time to the activities of producing products of the soil, poultry, livestock, or dairy farming in such products' unmanufactured state and has received annual net income from farming activities which is fifty percent or more of annual net income, including net income of a spouse if married, during any of the three preceding calendar years. For purposes of this paragraph, "farmer" includes a:

(a) "Beginning farmer", which means an individual who has begun occupancy and operation of a farm within the three preceding calendar years; who normally devotes the major portion of time to the activities of producing products of the soil, poultry, livestock, or dairy farming in such products' unmanufactured state; and who does not have a history of farm income from farm operation for each of the three preceding calendar years.

(b) "Retired farmer", which means an individual who is retired because of illness or age and who at the time of retirement owned and occupied as a farmer the residence in which the person lives and for which the exemption is claimed.

(c) "Surviving spouse of a farmer", which means the surviving spouse of an individual who is deceased, who at the time of death owned and occupied as a farmer the residence in which the surviving spouse lives and for which the exemption is claimed. The exemption under this subparagraph expires at the end of the fifth taxable year after the taxable year of death of an individual who at the time of death was an active farmer. The exemption under this subparagraph applies for as long as the residence is continuously occupied by the surviving spouse of an individual who at the time of death was a retired farmer.

(3) "Net income from farming activities" means taxable income from those activities as computed for income tax purposes pursuant to chapter 57-38 adjusted to include the following:

(a) The difference between gross sales price less expenses of sale and the amount reported for sales of agricultural products for which the farmer reported a capital gain.

(b) Interest expenses from farming activities which have been deducted in computing taxable income.

57-02-08

**TESTIMONY TO THE
SENATE AGRICULTURE COMMITTEE**

Prepared by Allan Vietmeier, Burleigh County Tax Director
02/05/2015

Senate Bill 2339

Mr. Chairman and members of the committee I offer the following testimony regarding SB 2339 and recommend a do not pass:

- I have huge concerns with what this bill is trying to accomplish and the lack of limitations on what and who can receive this exemption. It is an added section that would exempt all or part of a building that is used in an agritourism activity as defined in section 53-13-01.

"Agritourism activity" means any activity, including farming and ranching activities, or any historic, cultural, or natural attraction, that is viewed or enjoyed by members of the general public, for educational, recreational, or entertainment purposes, regardless of whether the member of the general public pays to participate in the activity or to view or enjoy the attraction.

- This definition appears to leave a wide open door for any business that is situated on agricultural land to receive an exemption. One example that I looked into was Huff Hills Ski Area. It is situated on un-platted agricultural land and allows people to enjoy an activity that is part of a natural attraction for recreational purposes. According to Morton County Tax Director Huff Hills has an improvement value in excess of \$300,000. I would say they meet the definition of agritourism. Are we willing to pass legislation that would allow properties that are currently taxable to become exempt? If that is the case I don't think we are heading in the right direction for property tax reform.
- The above example is just one of many properties that will receive an exemption if SB 2339 is to pass. Burleigh County has an outfitter that is listed as agritourism. They offer hunting, fishing, and horseback riding packages that range in price from 2 days/3 nights for \$895/person up to a 5 day/6 night for \$1900/person. Another business in the county offers a fall festival activity that is agritourism. They had more than 60,000 paying customers visit their facility in 2014. Does it seem right to give an exemption to these types of businesses?

Thank You,
Allan Vietmeier
Burleigh County Tax Director

#36
SB 2339
2/5/15

Home About Lodging & Dining Features Wedding Hunting Contact

Rolling Plains Adventures - Deer Dwelling Lodg

American Plan Rate 2014

Packages are all inclusive

Packages	Adults 13+	Kids 3-12	Non-Riders, any age
5 days, 6 nights	\$1900	\$1600	\$1450
4 days, 5 nights	\$1750	\$1475	\$1300
3 days, 4 nights	\$1600	\$1400	\$1225
2 days, 3 nights	\$1475	\$1325	\$1150

Check in time is 4:00-6:30 p.m. Check out time is 11:00 a.m.

Weekly Rates (April to September)

Adults

Single Person.....\$1,900 per person

Children

Under 3.....Free

3-12.....\$1,600 per child

13-17.....\$1,900 per child

Transportation

We meet our guests at the Bismarck Airport 20 minutes from the ranch.

Discounts

Group rates are available upon request.

Deposit

50% per adult / 50% per child.

Summer Adventure Guest Ranch weekly packages include:

- Log cabin accommodations, dinner Sunday or day of arrival.
- 3 meals a day for stay and breakfast on day of check-out.
- Guided horseback riding every morning and afternoon (Mon-Fri).
- Kids horse program.
- Guided Lake Cabin and/or River Fishing Trip.
- Guided hike & mapped hiking trails, mountain biking, & volleyball.
- Hot tub spa.
- Evening entertainment - such as Ranch Saloon and Wrangler campfires.
- Transfer to and from Bismarck Airport.
- There are no activities included on day of arrival or departure.

Following options *not* included in all rates:

- Massage by appointment at lodge.
- Clay pigeon - at ranch
- Local Golf - 5 major 18 hole courses within 20 minutes of the ranch
- Private & semi-private riding lessons - ranch arena
- Full service bar , Beer, wine list etc.
- If you're planning off ranch adventures you will need to rent a car

Sterling, ND

Currently | Hourly Info | 15 Days



Partly sunny
18°F

RealFeel®: -2°F
Winds: NW at 14 mph

Weather Forecast | Weather Maps



Contact Us

Rolling Plains Adventures
24401 62nd Ave SE
Sterling, ND 58572
602-510-6094
info@rollingplainsadventures.com

Community Links

Rolling Plains Adventures

Rolling Plains Adventures News

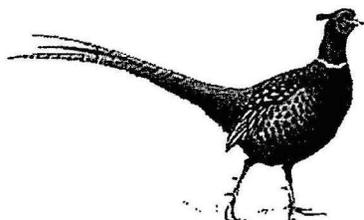
- A Great Day Coyote Hunting!
2/1/2015

Rolling Plains Adventures
Like 1,198

Rolling Plains Adventures shared a link.
3 hrs

Home Hunting & Fishing Lodging Features Ranch History Contact

Rolling Plains Adventures - Pheasant Hunting



Our conservation practices ensure some of the best wild pheasant hunting in North Dakota. The pheasants at Rolling Plains Adventures are wild pheasants! With all the different types of habitat to hunt and over 11,000 + acres to hunt on, you should never have to hunt the same fields twice during your hunting experience at Rolling Plains Adventures. Come hunt the true WILD pheasant of the Dakota's!

**MINI
FULLY LOADED PACKAGE**
2 DAY / 3 NIGHT

- 2 days hunting for upland game, waterfowl or coyotes (pick any 2)
- 3 nights lodging in one of Rolling Plains Adventures rustic log lodges
- Licensed, certified, and experienced professional guide
- All meals (cooked and served in Rolling Plains Adventures Grand Lodge)
- Bird cleaning
- Airport pickup/drop-off & transportation to/from field
- Rolling Plains Adventures Hat

**Guide gratuity not included, suggested gratuity of 10% of hunting package per hunter.*

COST: \$895 + Tax & License

**"Voted Best Package in ND"
FULLY LOADED PACKAGE**
3 DAY / 4 NIGHT

- 3 days hunting for upland game, waterfowl or coyotes (pick any 2)
- 4 nights lodging in one of Rolling Plains Adventures rustic log lodges
- Licensed, certified, and experienced professional guide
- All meals (cooked and served in Rolling Plains Adventures Grand Lodge)
- Bird cleaning
- Airport pickup/drop-off & transportation to/from field
- Rolling Plains Adventures Hat

**Guide gratuity not included, suggested gratuity of 10% of hunting package per hunter.*

COST: \$1295 + Tax & License

**EXTREME
FULLY LOADED PACKAGE**
4 DAY / 5 NIGHT

- 4 days hunting for upland game, waterfowl or coyotes (pick any 2)
- 5 nights lodging in one of Rolling Plains Adventures rustic log lodges
- Licensed, certified, and experienced professional guide
- All meals (cooked and served in Rolling Plains Adventures Grand Lodge)
- Bird cleaning
- Airport pickup/drop-off & transportation to/from field
- Rolling Plains Adventures Hat

**Guide gratuity not included, suggested gratuity of 10% of hunting package per hunter.*

COST: \$1695 + Tax & License

GOVERNOR'S PACKAGE

- 2 days / 2 nights combo hunt at Rolling Plains Adventures (Main Camp)
- 1 day / 2 nights combo hunt at Flyway Lodge (RPA's private lodge)

- Licensed, certified, and experienced professional guide
- All meals
- Bird Cleaning
- Hunting dogs if needed
- Airport shuttle / field transportation

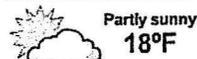
- Hunting ammunition
- Drinks included

**Guide gratuity not included, suggested gratuity of 10% of hunting package per hunter.*

COST: \$1695 + Tax & License

Sterling, ND

Currently | Hourly Info | 15 Days



RealFeel®: -2°F
Winds: NW at 14 mph

Weather Forecast | Weather Maps



Contact Us

Rolling Plains Adventures
24401 62nd Ave SE
Sterling, ND 58572
(701) - 367 - 3737
info@rollingplainsadventures.com

Community Links

Rolling Plains Adventures
Hunting Pheasants during the
December 18, 2014

Rolling Plains Adventures News

- A Great Day Coyote Hunting!
2/1/2015

Rolling Plains Adventures
Like 1,198

Rolling Plains Adventures shared a link.
3 hrs

V
a
r

Home

Hunting & Fishing

Lodging

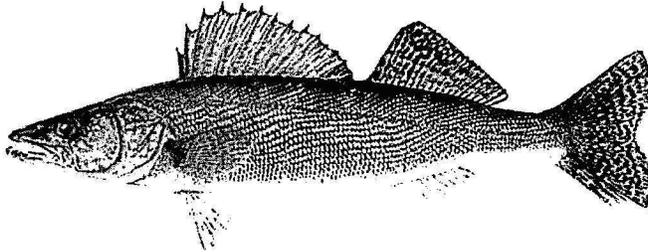
Features

Ranch

History

Contact

Rolling Plains Adventures - Fishing



Retrace the route Lewis and Clark traveled through North Dakota while fishing the historic Missouri River. Rolling Plains Adventures fishing professionals will guide you catching massive Walleye found on the Missouri River. This 300-mile long river system takes travelers into the past. The river follows Lewis and Clark's journey west through North Dakota in 1804-1805, and on their return trip in 1806. Our fishing guides offer over 60 combined years of experience and are equipped with fully rigged walleye boats and are very versatile with tactics to catch walleyes. Come experience the beautiful Missouri River and the gold that lies within...

Basic Fishing Package

- \$500 per person per day
- Meals
- Lodging
- add a waterfowl, coyote, or pheasant hunt (ask for details)
- Based on single occupancy*

Fully Loaded Fishing Package

- 3 days fishing
- 4 nights Lodging in one of Rolling Plains Adventures lodges
- Meals (the best home cooking with beverages)
- Transportation (to/from airport and to fishing sites)
- Professional fishing guide
- All fishing equipment/tackle/boat/etc.
- Fish cleaning
- \$1395*

*Rates decrease with more than one person fishing

Sterling, ND

Currently | Hourly Info | 15 Days



Partly sunny
18°F

RealFeel®: -2°F
Winds: NW at 14 mph

Weather Forecast | Weather Maps



Contact Us

Rolling Plains Adventures
24401 62nd Ave SE
Sterling, ND 58572
(701) - 367 - 3737
Info@rollingplainsadventures.com

Community Links

Rolling Plains Adventures
Mossy Oak's "Deer Thugs"
September 29, 2014

Rolling Plains Adventures News

- A Great Day Coyote Hunting!
2/1/2015

Rolling Plains Adventures
Like 1,198

Rolling Plains Adventures shared a link.
3 hrs

V
a
r

#3c
SB 2339
2/5/15

Application For Property Tax Incentives For New or Expanding Businesses

N.D.C.C. Chapter 40-57.1

Project Operator's Application To _____
City or County

File with the City Auditor for a project located within a city; County Auditor for locations outside of city limits.

A representative of each affected school district and township is included as a non-voting member in the negotiations and deliberation of this application.

This application is a public record

Identification Of Project Operator

1.	Name of project operator of new or expanding business _____
2.	Address of project _____ City _____ County _____
3.	Mailing address of project operator _____ City _____ State _____ Zip _____
4.	Type of ownership of project <input type="checkbox"/> Partnership <input type="checkbox"/> Subchapter S corporation <input type="checkbox"/> Individual proprietorship <input type="checkbox"/> Corporation <input type="checkbox"/> Cooperative <input type="checkbox"/> Limited liability company
5.	Federal Identification No. or Social Security No. _____
6.	North Dakota Sales and Use Tax Permit No. _____
7.	If a corporation, specify the state and date of incorporation _____
8.	Name and title of individual to contact _____ Mailing address _____ City, State, Zip _____ Phone No. _____

Project Operator's Application For Tax Incentives

9.	Indicate the tax incentives applied for and terms. Be specific. <input type="checkbox"/> Property Tax Exemption _____ Number of years _____ Percent of exemption	<input type="checkbox"/> Payments In Lieu of Taxes _____ Beginning year _____ Ending year _____ Amount of annual payments (attach schedule if payments will vary)
10.	Which of the following would better describe the project for which this application is being made: <input type="checkbox"/> New business project <input type="checkbox"/> Expansion of a existing business project	

Description of Project Property

11. Legal description of project real property

12. Will the project property be owned or leased by the project operator? Owned Leased

If the answer to 12 is leased, will the benefit of any incentive granted accrue to the project operator?

Yes No

If the property will be leased, attach a copy of the lease or other agreement establishing the project operator's benefits.

13. Will the project be located in a new structure or an existing facility? New construction Existing facility

If existing facility, when was it constructed? _____

If new construction, complete the following:

a. Estimated date of commencement of construction of the project covered by this application _____

b. Description of project to be constructed including size, type and quality of construction

c. Projected number of construction employees during the project construction _____

14. Approximate date of commencement of this project's operations _____

15. Estimated market value of the property used for this project:

a. Land..... \$ _____

b. Existing buildings and structures for which an exemption is claimed..... \$ _____

c. Newly constructed buildings and structures when completed \$ _____

d. Total..... \$ _____

e. Machinery and equipment \$ _____

16. Estimate taxable valuation of the property eligible for exemption by multiplying the market values by 5 percent:

a. Land (not eligible) 

b. Eligible existing buildings and structures..... \$ _____

c. Newly constructed buildings and structures when completed..... \$ _____

d. Total taxable valuation of property eligible for exemption (Add lines b and c)..... \$ _____

e. Enter the consolidated mill rate for the appropriate taxing district _____

f. Annual amount of the tax exemption (Line d multiplied by line e) \$ _____

Description of Project Business

Note: "project" means a newly established business or the expansion portion of an existing business. Do not include any established part of an existing business.

17. Type of business to be engaged in: Ag processing Manufacturing Retailing
 Wholesaling Warehousing Services

18. Describe in detail the activities to be engaged in by the project operator, including a description of any products to be manufactured, produced, assembled or stored (attach additional sheets if necessary).

19. Indicate the type of machinery and equipment that will be installed

20. For the project only, indicate the projected annual revenue, expense, and net income (before tax) from either the new business or the expansion itself for each year of the requested exemption.

Year (12 mo. periods)	New/Expansion Project only				
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Annual revenue	_____	_____	_____	_____	_____
Annual expense	_____	_____	_____	_____	_____
Net income	_____	_____	_____	_____	_____

21. Projected annual average number of persons to be employed by the project itself at the project location for each year for the first five years and the estimated annual payroll.

Year	Company-wide (before project)	New/ Expansion Project only	New/ Expansion Project only	New/ Expansion Project only	New/ Expansion Project only	New/ Expansion Project only
		<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
No. of Employees	(1) _____	_____	_____	_____	_____	_____
	(2) _____	_____	_____	_____	_____	_____
Estimated payroll	(1) _____	_____	_____	_____	_____	_____
	(2) _____	_____	_____	_____	_____	_____

(1) - full time
(2) - part time

Previous Business Activity

22. Is the project operator succeeding someone else in this or a similar business? Yes No

23. Has the project operator conducted this business at this or any other location either in or outside of the state?
 Yes No

24. Has the project operator or any officers of the project received any prior property tax incentives? Yes No
If the answer to 22, 23, or 24 is yes, give details including locations, dates, and name of former business (attach additional sheets if necessary).

Business Competition

25. Is any similar business being conducted by other operators in the municipality? Yes No
If YES, give name and location of competing business or businesses

Property Tax Liability Disclosure Statement

26. Does the project operator own real property in North Dakota which has delinquent property tax levied against it? Yes No

27. Does the project operator own a greater than 50% interest in a business that has delinquent property tax levied against any of its North Dakota real property? Yes No
If the answer to 26 or 27 is Yes, list and explain

Use Only When Reapplying

28. The project operator is reapplying for property tax incentives for the following reason(s):

- To present additional facts or circumstances which were not presented at the time of the original application
- To request continuation of the present property tax incentives because the project has:
 - moved to a new location
 - had a change in project operation or additional capital investment of more than twenty percent
 - had a change in project operators
- To request an additional annual exemption for the year of _____ on structures owned by a governmental entity and leased to the project operator. (See N.D.C.C. § 40-57.1-04.1)

Notice to Competitors of Hearing

Prior to the hearing, the applicant must present to the governing body of the county or city a copy of the affidavit of publication giving notice to competitors unless the municipality has otherwise determined there are no competitors.

I, _____, do hereby certify that the answers to the above questions and all of the information contained in this application, including attachments hereto, are true and correct to the best of my knowledge and belief and that no relevant fact pertaining to the ownership or operation of the project has been omitted.

Signature Title Date

PRIVACY ACT NOTIFICATION

In compliance with the Privacy Act of 1974, disclosure of a social security number or Federal Employer Identification Number (FEIN) on this form is required under N.D.C.C. §§ 40-57.1-03, 40-57.1-07, and 57-01-15, and will be used for tax reporting, identification, and administration of North Dakota tax laws. Disclosure is mandatory. Failure to provide the social security number or FEIN may delay or prevent the processing of this form.

Certification of Governing Body (To be completed by the Auditor of the City or County)

The municipality shall, after granting any property tax incentives, certify the findings to the State Tax Commissioner and Director of Tax Equalization by submitting a copy of the project operator's application with the attachments. The governing body, on the ____ day of _____, 20____, granted the following:

- | | |
|--|--|
| <input type="checkbox"/> Property Tax Exemption | <input type="checkbox"/> Payments in lieu of taxes |
| ____ Number of years | ____ Beginning year ____ Ending year |
| ____ Percent of exemption | ____ Amount of annual payments (Attach schedule if payments will vary) |

Auditor

Notice To Competitors Of Hearing On Application For Property Tax Incentives

Notice is hereby given that the _____
(City or county governing body)

of _____, North Dakota, will meet at _____
(City or county) (Time)

on _____ at _____ to consider the application of
(Date) (Location)

(Project operator name and address)

for property tax relief on the project which the applicant will use in the operation of

(Type of business)

at _____
(Address)

(Legal description)

Any competitor of that applicant may appear and be heard by the _____
(City or county governing body)

at the time and place designated herein. A competitor may provide written comments to the governing body before the scheduled hearing.

This notice is given by the above-named applicant pursuant to the provisions of North Dakota Century Code § 40-57.1-03



Guideline

Property Tax

Incentives for New or Expanding Businesses

North Dakota Century Code ch. 40-57.1

Ryan Rauschenberger
Tax Commissioner

January 2014

North Dakota Century Code ch. 40-57.1 provides incentives in the form of property tax exemptions, payments in lieu of taxes, or a combination of both to a qualifying business. The incentives are granted at the discretion of the city or county in which the property is located.

- * Before a municipality may grant a property tax exemption under N.D.C.C. § 40-57.1-03, the project must be certified as a primary sector business by the Commerce Department.
- * A city or county with fewer than 40,000 population may grant an exemption to a project operating in the retail sector if the governing body has obtained approval from a majority of the qualified electors voting on the question at a city or county election held in conjunction with a statewide general election and if that governing body has established by resolution or ordinance the criteria that will be applied by the governing body to determine whether it is appropriate to grant an exemption for a project operating in the retail sector. Minimum criteria are specified in subsection 1 of N.D.C.C. § 40-57.1-03. A city or county may not supersede or expand the provisions of this section under home rule authority.

Definitions

1. Commencement of construction means the building or erecting of any improvements other than site preparation or excavation.
2. Commencement of project operation means "the date the plant actually goes into its planned operations. To use the example..., if a manufacturing plant actually begins manufacturing of its products in December, 1970, that would be the date of commencement of project operations. The Act does not purport to authorize granting of tax exemptions for the time of construction of plants." 1969 N.D. Op. Att'y Gen. 415.
3. Local Development Corporation means a profit or nonprofit corporation incorporated in this state for the purpose of furthering the economic development of a specified community or area.
4. Municipality means a city or a county.
- * 5. Primary sector means a business that adds value to a product, process, or service that results in the creation of new wealth. New wealth means revenues to a North Dakota business generated by sales of products or services to customers outside North Dakota, or revenues to a North Dakota business from sales in North Dakota, if the product or service was previously unavailable or of limited availability.
6. Project means any new revenue-producing business or an expansion to an existing business.

24892

G-15-7

North Dakota Office of State Tax Commissioner

600 E Boulevard Ave. Dept 127
Bismarck ND 58505-0599

701.328.3127
nd.gov/tax

taxinfo@nd.gov
www.nd.gov

7. Project operator means the individual, partnership, limited liability company (LLC), corporation, or association that owns or operates the project.
- * 8. Statewide general election, as provided in N.D.C.C. § 16.1-13-01, means the general election held on the first Tuesday after the first Monday in November of each even-numbered year.
9. Structure means any property where a business is conducted. The structure might be an entire building, if occupied by one business, or individual quarters within a larger building.

What Qualifies

10. New and existing buildings, structures, and improvements owned or leased by a qualifying project may receive property tax incentives.
11. New buildings, structures, and improvements constructed and owned by a local development corporation may receive a partial or complete exemption from ad valorem taxation while unoccupied. Once occupied, the exemption continues until the next assessment date following the first occupancy. A qualifying project that locates in a building owned by a local development corporation qualifies for the property tax incentives, provided application is made and granted prior to occupancy.

Allowable Incentives

12. A qualifying project may receive a complete or partial exemption from ad valorem taxation on structures used in or necessary to the operation of a project for up to five years following the commencement of project operations.
13. The exemption period begins with the assessment date immediately following the date of commencement of project operations.
14. Projects that produce or manufacture a product from agricultural commodities may receive a complete or partial property tax exemption on structures for up to ten years.
15. A project located in a structure leased from a governmental entity and which received a five-year property tax exemption qualifies for additional exemptions for up to five years. For the additional exemptions, the municipality grants the exemption one year at a time upon annual application.
16. Payments in lieu of taxes may be used in place of, or in combination with, property tax exemptions for qualifying projects. The municipality and project operator negotiate the amount of annual payments, when the payments begin, and the ending date, which may be no later than twenty years from the date project operations began.
17. Payments in lieu of taxes are apportioned in the same manner as the general real estate taxes unless a taxing district enters into a written agreement for an alternate method. Any agreement entered into between the municipality and other taxing districts for an alternate method of apportioning the payments in lieu of taxes may not affect the apportionment to any taxing district that is not a party to the agreement.

18. The tax incentives are valid as long as the property is used for the purposes stated in the application. If there is a change in use or project operator, a new application for the incentives must be filed with and approved by the municipality to receive the remainder of the incentives.

Limitations

19. A project is not eligible for the property tax incentives if the project received a tax exemption under tax increment financing.
20. The tax exemption and the payments in lieu of taxes are limited to the new or existing buildings or structures used in the qualifying project.
21. Tax incentives may not be granted for land.
22. Payments in lieu of taxes are not eligible for the 5% discount for early payment.

Procedures

23. The project operator applies to the governing body of the municipality where the potential project is to be located. If the project will be within city limits, the project operator applies to the city governing body. If the project is outside city limits, application is made to the county commission.
- * 24. The municipality forwards the application to the Department of Commerce, Division of Economic Development and Finance, P.O. Box 2057, Bismarck, ND 58502-2057, for its review and recommendation as to the eligibility of the project as a primary sector business.
25. Application for the property tax exemption must be made *and* granted prior to the commencement of construction if the project locates in a new structure. If the project locates in an existing structure, application must be made *and* granted before the structure is occupied.

For qualifying projects, applications for payments in lieu of property taxes may be made after construction or occupancy of the structure.

A representative appointed by the board of each affected school district and of each affected township is included as a non-voting member during the negotiation and deliberation of granting tax incentives.

26. The project operator publishes two notices to competitors of hearing on the application. The notices are published in the official newspaper of the city or county at least one week apart. The last notice must be published at least 15 days, but not more than 30 days, before the city or county considers the application. For example, notices published one week apart on May 1 and May 8 would be appropriate for a hearing scheduled any time between May 23 and June 7. An affidavit of publication is presented to the governing body prior to the hearing as proof of publication. Publication of notices is not required if the municipality determines that project competitors do not exist in the municipality.

27. The city or county holds a public hearing on the application and takes testimony both in favor of and in opposition to the granting of the tax incentives.
28. After the public hearing, the governing body determines the best interests of the municipality and approves or denies, in whole or in part, the application for tax incentives.
29. The municipality certifies the tax incentives granted by submitting a copy of the project operator's application with the attachments to the State Tax Commissioner and county director of tax equalization. The county director of tax equalization advises the local assessor when the property is taxable or exempt.
30. Political subdivision grantors shall maintain records of business incentives provided to recipients. They shall prepare an annual political subdivision grantor report to the Department of Commerce before April 1 each year that includes:
 - The name of the business receiving business incentives during that year;
 - The number of jobs expected to be created or retained by each business as a result of the business incentives;
 - The average compensation expected to be provided by the employer for the jobs expected to be created or retained as a result of the business incentives, including identification of the average benefits and average earnings to be provided by the employer for these jobs; and
 - The total dollar value of all business incentives provided by the political subdivision during that year.

*** Additional Conditions**

North Dakota Century Code § 40-57.1-03 provides that the governing body of a municipality, before the beginning of a taxable year for which a property tax exemption or the option to make payments in lieu of taxes has previously been approved by the governing body, may revoke or reduce an exemption, or revoke or increase payments in lieu of taxes for that taxable year for reasons specified in a negotiated agreement or if the governing body finds that:

- a. Information provided by the project operator has proven to be inaccurate or untrue;
- b. Use of the property by the project operator does not comply with the reasonable expectations of the governing body at the time the property tax exemption or the option to make payments in lieu of taxes was approved;
- c. The property has been improved to a substantially greater extent than the governing body reasonably anticipated at the time the property tax exemption or the option to make payments in lieu of taxes was approved; or
- d. There has been a change of ownership of the property since the property tax exemption or the option to make payments in lieu of taxes was approved.

* Indicates significant change since last revised.

Application for Property Tax Exemption

This application must be filed with the assessor every year by February 1 of the year for which the exemption is claimed.

Property Number:
Property Owner:
Property Address:

Legal Description

Date property was acquired: _____ Market value of property claimed exempt: \$ _____

Exemption Claimed Pursuant to One of the Following Sections of the North Dakota Century Code:

- 1. N.D.C.C. § 57-02-08(9), property used exclusively for public worship or property belonging to a religious organization and used for religious purposes: Church Parsonage Other (attach explanation)
- 2. N.D.C.C. § 57-02-08(8), property owned by an institution of public charity and used for the charitable purposes for which it was organized: Public Hospital ⁽¹⁾ Nursing Home ⁽¹⁾ Other (attach explanation) ⁽¹⁾
- 3. N.D.C.C. § 57-02-08(11), property owned by nonprofit lodges, clubs, etc. and used for their meetings and ceremonies:
 - a. If licensed to sell alcoholic beverages, describe each area of the building where these beverages are sold or consumed.

 - b. If food is sold, describe each area of the building where the food is sold or consumed.

- 4. N.D.C.C. § 57-02-08(20), buildings owned and occupied as a homestead by one of the following:
 - a. Paraplegic Disabled Veteran or Veteran awarded specially adapted housing or unremarried surviving spouse ⁽²⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾
 - b. Permanently and Totally Disabled Person Confined to a Wheelchair or unremarried surviving spouse ⁽²⁾
- 5. N.D.C.C. § 57-02-08(22), buildings owned by a blind person and/or spouse and occupied as a home by the blind person. ⁽²⁾
- 6. N.D.C.C. § 57-02-08(26), buildings owned and occupied as a homestead by a paraplegic disabled person or unremarried surviving spouse. ⁽²⁾⁽³⁾
- 7. N.D.C.C. § 57-02-08(31), group homes owned by nonprofit corporations.
- 8. N.D.C.C. § 57-55-10, mobile home is exempt or the provisions of N.D.C.C. ch. 57-55 apply.
- 9. N.D.C.C. § _____ Subsection _____

For what purpose(s) was the property used during the 12-month period prior to the year for which this exemption is claimed? (Note: Be specific. If there were several types of use, indicate such usages by square foot areas of the building and floor location. If additional space is needed, attach another sheet.)

Is any income derived from the use of any portion of this property by other individuals or groups, whether considered as rent or reimbursement for expenses or services rendered? Yes No If Yes, give details.

- (1) Provide a current copy of organizational documents supporting claim (e.g., articles of incorporation and by-laws, etc.) if claiming exemption for first time or upon request.
- (2) Provide an affidavit or physician's certificate if claiming exemption for first time.
- (3) Provide an annual statement that previous year's income did not exceed the amount provided in N.D.C.C. § 57-02-08.1.
- (4) Provide a copy of the DD Form 214 showing veteran's honorable discharge from active military service if claiming exemption for first time.
- (5) Provide evidence from the Department of Veterans Affairs showing award of specially adapted housing if claiming exemption for this status for first time.
- (6) A person shall furnish to the assessor or other assessment officials when requested to do so any information that is believed will support the claim for exemption for a subsequent year.

I (We) make application for real property tax exemption for the year _____ on the property described above and, in compliance with North Dakota Century Code § 57-02-14.1, certify the information is accurate to the best of my (our) knowledge and belief.

Note: N.D.C.C. § 12.1-11-02 provides that making a false statement in a governmental matter is punishable as a Class A misdemeanor.

Application is: Approved Disapproved

Applicant _____ Date _____

Assessor or Director of Tax Equalization _____ Date _____

**Application For Property Tax Exemption For Improvements
To Commercial And Residential Buildings**

N.D.C.C. ch. 57-02.2

(File with the city assessor or county director of tax equalization)

Property Identification

1. Legal description of the property for which exemption is claimed _____ _____	
2. Address of Property _____	
3. Parcel Number _____	
4. Name of Property Owner _____	Phone No. _____
5. Mailing Address of Property Owner _____	

Description Of Improvements For Exemption

6. Describe type of renovating, remodeling, alteration or addition made to the building for which exemption is claimed (attach additional sheets if necessary). _____ _____	
7. Building permit No. _____	8. Year built (residential property) _____
9. Date of commencement of making the improvements _____	
10. Estimated market value of property before the improvements	\$ _____
11. Cost of making the improvement (all labor, material and overhead)	\$ _____
12. Estimated market value of property after the improvements	\$ _____

Applicant's Certification And Signature

13. I certify that the information contained in this application is correct to the best of my knowledge.	
Applicant _____	Date _____

Assessor's Determination And Signature

14. The assessor/county director of tax equalization finds that the improvements described in this application do <input type="checkbox"/> do not <input type="checkbox"/> meet the qualifications for exemption for the following reason(s): _____ _____	
Assessor/Director of Tax Equalization _____	Date _____

Action Of Governing Body

15. Action taken on this application by the governing board of the county or city: Approved <input type="checkbox"/> Denied <input type="checkbox"/>	
Approval is subject to the following conditions: _____ _____	
Exemption is allowed for years 20____, 20____, 20____, 20____, 20____.	
Chairperson _____	Date _____

Application For Property Tax Exemption of a Farm Residence

This application must be filed every year on or before February 1 of the year for which the exemption is being requested. Return the completed application to:

Property Number:
Property Owner:
Property Address:

Legal Description

The property owner(s) apply for real property tax exemption for the year _____ on the property described above and, certify the following:

SELECT ONLY ONE CATEGORY THAT APPLIES

Active Farmer Category

- | | Yes | No |
|---|-----|-----|
| 1. Is the residence located on a tract or contiguous tracts of agricultural land containing 10 or more acres farmed by the occupant? | ___ | ___ |
| 2. Is the major portion of the occupant's time devoted to farming activities? | ___ | ___ |
| 3. Does the annual net income from farming constitute 50% or more of the total income, including the income of a spouse if married, during any one of the three preceding calendar years? | ___ | ___ |
| "Net income from farming" means taxable income from farming as computed for state income tax purposes adjusted as follows: | | |
| a. Add back the difference between gross sales price less expenses of sale and the amount reported for sales of agricultural products for which the farmer reported a capital gain. | | |
| b. Add back interest expense from farming which has been deducted in computing taxable income. | | |
| c. Add back depreciation expense from farming activities which has been deducted in computing taxable income. | | |
| 4. Did the occupant engaged in farming have nonfarm income, including that of a spouse, if married, of more than \$40,000 during each of the three preceding calendar years? | ___ | ___ |

Vacant Residence Category

- | | | |
|--|-----|-----|
| 1. Is the residence intended for use as a farm residence? | ___ | ___ |
| 2. Was the residence last used as a farm residence or as part of a farm plant? | ___ | ___ |

Farm Laborer Residence Category

- | | | |
|--|-----|-----|
| 1. Is the residence being used as part of a farm plant to provide housing for that farmer's workers? | ___ | ___ |
|--|-----|-----|

Retired Farmer Category

- | | | |
|--|-----|-----|
| 1. Is the residence occupied by an individual who retired from farming because of illness or age and who at the time of retirement owned and occupied as a farmer the residence in which the applicant lives and for which the exemption is claimed? | ___ | ___ |
|--|-----|-----|

Beginning Farmer Category

- | | | |
|--|-----|-----|
| 1. Is the residence occupied by an individual who began occupancy and operation of a farm within the three preceding calendar years? | ___ | ___ |
| 2. Is the major portion of the individual's time normally devoted to farming activities? | ___ | ___ |
| 3. Was there at least one of the prior three years in which the farmer had no farm income or loss? | ___ | ___ |

Surviving Spouse Category

- | | | |
|--|-----|-----|
| 1. Is the residence occupied by the surviving spouse of the farmer who occupied the residence? | ___ | ___ |
| 2. Was the farmer an active farmer at the time of death? | ___ | ___ |
| 3. Was the farmer a retired farmer at the time of death? | ___ | ___ |
| 4. Date of the farmer's death _____ ? | | |

I am willing to furnish proof of income if requested to do so by someone authorized to administer this exemption and I understand that making false statement in a governmental matter is punishable as a Class A misdemeanor provided in N.D.C.C. § 12.1-11-02.

Signature of applicant _____

Date _____

Assessor or Director of Tax Equalization _____

Date _____

Application is: Approved ___ Disapproved ___

Provisions for Administering the Farm Residence Exemption Pursuant to N.D.C.C. § 57-02-08(15)

Definitions

1. The term "farmer" means an individual who normally devotes the major portion of the individual's time to the activities of producing unmanufactured products of the soil, poultry, livestock or dairy products. The farmer and spouse, if married, must have received more than fifty percent of their combined annual net income from farming activities in any one of the three preceding calendar years, whether one or both are farmers. The term "farmer" includes a retired farmer, a beginning farmer or a surviving spouse of a farmer.
2. A "retired farmer" is an individual who quit farming because of illness or age. It does not include an individual who quit farming to change occupations.
3. "Net income from farming activities" includes income from producing products of the soil or raising farm animals. It is the taxable farm income for income tax purposes (including CRP payments), minus income from custom work, plus taxable capital gains from the sale of agricultural products, plus the basis deducted in calculating capital gains, plus depreciation expense from farming activities, plus interest expense incurred in the farming operation. Interest expense includes such items as mortgages on the farm land, buildings, equipment, etc.

Note: "Net income from farming activities" does not include income from cash rent; mineral leases or royalties; wages or salaries; interest income from a contract for deed payment from sale of farm land; interest, the principal of which may have been derived from farm income; or any other income not specifically defined as farm income for income tax purposes.

General Provisions

4. A residence located on a tract of agricultural land containing 10 acres or more, occupied by a farmer who also farms other noncontiguous land, qualifies for the exemption even though the particular tract of land upon which the residence is located does not produce 50 percent or more of the farmer's net income.
5. A residence located on a tract or contiguous tracts of agricultural land, whether owned or rented, containing less than 10 acres is exempt.
6. A residence located on agricultural land in unplatted areas within the boundaries of an incorporated city may be exempt provided the building is used as a farm residence or is part of a farm plant.
7. A residence located on platted land within the boundaries of an incorporated city or upon railroad operating property is not exempt.
8. A vacant farm residence or building located on agricultural land is exempt provided it was exempt as part of a farm plant or as a farm residence when it was last used. A vacant farm residence which was taxable because of a non-qualifying use is taxable until its active use is changed.
9. A residence located on agricultural land used by a farmer to provide housing for that farmer's workers is exempt provided it is used as part of a farm plant.
10. A residence situated on a farm and occupied by a farmer is not exempt if the farmer and spouse had non-farm income exceeding \$40,000 each year for the three preceding calendar years. This provision does not apply to a retired farmer, beginning farmer, or surviving spouse of a farmer.
11. A residence is exempt if it is situated on a farm and remains occupied by the retired farmer who owned and occupied it as a farmer at the time of retirement.
12. A residence occupied by the surviving spouse of a farmer who owned and occupied the residence as an active farmer at the time of death is exempt through the end of the fifth taxable year after the year of the farmer's death.

A residence occupied by the surviving spouse of a farmer who owned and occupied the residence as a retired farmer at the time of death remains exempt for as long as the residence is continuously occupied by the farmer's surviving spouse.
13. If the agricultural land acreage owned by the retired farmer diminishes to less than 10 acres after retirement, the residence may continue to be exempt provided that the residence qualified for the exemption at the time the farmer retired.
14. A residence in which a farmer resides and operates a bed and breakfast facility is exempt provided the farmer and the residence meet the other qualifications for the exemption.

Testimony to the
Senate Agriculture Committee

Prepared February 5, 2015 by
Terry Traynor, Assistant Executive Director
North Dakota Association of Counties

RE: SB2339 – Agri-Tourism Tax Exemption

Mr. Chairman and members of the committee, I am Terry Traynor, assistant executive director of the North Dakota Association of Counties, and I would like to speak on behalf of our county official members in opposition to SB2339.

County officials believe that the property tax shift proposed in this legislation is unwise and discriminatory.

The state legislature has provided numerous permissive authorities for local governments to provide well-structure, time-limited, property tax exemptions to encourage and incentivize new and expanding businesses. For the legislature to select a single element of a single business sector for a permanent state mandated exemption, clearly opens the door for future requests for similar treatment.

The bill is expansive, allowing any individual to declare their eligibility, opening the exemption up to an almost unlimited number of properties.

The Legislature has a history of creating statutory exemptions and credits, but these are generally limited to the blind, disabled, and elderly – most with an income test. More importantly, the Legislature has seen fit to fund the exempted tax with state revenues, to avoid the tax shift that would otherwise result. If this is truly a state priority, state funding should accompany the exemption.

Without state funding, voting for this bill is voting to increase taxes on every other property of the taxing district.

Mr. Chairman and committee members, county officials urge a Do Not Pass recommendation on SB2339.

North Dakota

LEGENDARY

Department of Commerce- Agritourism Information for SB 2339

Thursday, February 5, 2015

Agriculture Committee

Roosevelt Park Room

Senator Joe Miller, Chairman

Chairman Miller and members of the committee, I am Sara Otte Coleman, the director of the tourism division for the North Dakota Department of Commerce. I am here to provide neutral testimony on SB 2339 and to update you on our division's work to develop our agritourism industry. Our office receives requests from potential visitors looking for opportunities to visit our state's farms and ranches. There is an expectation that a state that is known for its strong production agriculture would offer farm and ranch experiences. Following is some background on this tourism niche.

- *Definition:* Agritourism is a style of vacation that normally takes place on a farm or ranch. This may include the chance to help with farming and ranching tasks during the visit.
- An agritourism farm is any land-based farm or business that is open to the public at least some part of the year.
 - Things to see and do
 - Places to stay
 - Event venues
 - Produce and/or gifts to buy
- 63 million Americans (over the age of 16) visit farms annually
- Has grown to a \$1 billion industry nationwide
- North Dakota has approximately 50 farmers or ranchers actively offering at least one agritourism activity with another 50 doing it on a limited basis or considering doing it in the future.
 - 29 of the 50 are registered agritourism destinations
 - 10 of these are new since the 2011 Agritourism Liability Law was passed.
- Demand for ag-based experiences is worldwide. North Dakota Tourism markets to:
 - Germany
 - United Kingdom
 - Scandinavia
 - Australia/New Zealand
- Agritourism experiences in North Dakota include the growing segment of specialty crop producers:

- 11 wineries
 - 47 vineyards in 23 counties across the state
 - 50 farmers markets
 - Over 160 members listed in the North Dakota Ag Department Local Foods Directory farmers markets
 - you-pick gardens
 - community supported agriculture (CSA's)
- North Dakota leads the nation in the production of more than a dozen commodities
 - 2012 USDA Farm Census shows over 33,000 farms in the US offer agritourism activities
 - North Dakota ranks **44th** in the nation in the number of agritourism and recreation services farms. Rank of surrounding states:
 - Iowa – 38th
 - Nebraska – 30th
 - Minnesota – 29th
 - Wyoming- 28th
 - South Dakota – 20th
 - Montana – 16th
 - Current agritourism growth areas in North Dakota:
 - Vineyards and Wineries
 - Ranches (only one full service ranch currently operating despite strong demand)
 - CSA (Community Supported Agriculture)

Dean Ihla, our tourism development manager, has focused his efforts on agritourism, rural tourism and recreation based expansions over the past five years. We would be happy to answer any questions.

15.0977.01001
Title.

Prepared by the Legislative Council staff for
Senator Erbele
February 6, 2015

#1

2/12/15

PROPOSED AMENDMENTS TO SENATE BILL NO. 2339

Page 1, line 16, replace "However, the" with "The"

Page 1, line 16, remove "is not required to"

Page 1, line 17, replace "register" with "must be registered with the division of tourism"

Renumber accordingly

SB 2339
3-17-15
1 p. 1

Chairman Headland and members of the House Finance and Tax Committee. For the record my name is Robert Erbele Senator from District 28. I am presenting SB 2339 to you today on behalf of a constituent to discuss a property tax exemption for farm buildings used in the agri-tourism business that is part of a working farm or ranch.

Although this bill states that it is an exemption of buildings used for agritourism. I would point out that for our discussion we are referring to buildings that are not taxed now. It is about current farm buildings being repurposed for another use. The income limitations currently in place for the farm home exemption would apply to these buildings as well. In other words you have to be a working farm or ranch and the majority of your income needs to come from those practices.

As the number of people on farms and ranches continue to shrink and more people's connection to the farm is being removed by multiple generations, it is becoming increasingly important for agriculture to tell its story of where food comes from and the stewardship of the land that farmers are engaged in to bring food to everyone's table.

This is where agribusinesses such as agritourism and value add agricultural enterprises become essential tools in telling agriculture's story.

This bill seeks to make the statement that farms and ranches who use their working operations to promote agriculture to the non farming community are doing a vital service to the agricultural community. To facilitate these visits to the farms some of the farm buildings may need to be repurposed to accommodate the visitors to the farm.

In essence the farming operation doesn't change all that much because production of crops and/or livestock is still the mainstay of the farm, but you are just inviting others in to observe and partake in what you do. Just because an old machine shed no longer houses a tractor and may now have some tables and chairs should not mean that the operation is no longer a working farm or ranch.

Are we willing to let agriculture producers add to their bottom line by promoting and educating the general public about their food sources without penalizing them with a tax that may take away their incentive to embark on such an enterprise?

What is the face of agriculture today? I know it is not the same as it was for my grandfather, father, or even myself. For the future of the my sons and all those in their generation we may need to consider expanding our view of production agriculture. Thank you for time and I hope you can give a favorable outcome to his bill

March 16, 2015

SB 2339
3-17-15
#2

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2339

Page 1, line 1, after "reenact" insert "subsection 1 of section 53-13-01 and"

Page 1, line 2, after "to" insert "the definition of an agritourism activity and"

Page 1, after line 5, insert:

"SECTION 1. AMENDMENT. Subsection 1 of section 53-13-01 of the North Dakota Century Code is amended and reenacted as follows:

1. "Agritourism activity" means any activity at a current or historic agricultural, horticulture, or agribusiness operation, including farming and ranching activities, ~~or any historic, cultural, or natural attraction~~, that is viewed or enjoyed by members of the general public, for educational, recreational, or entertainment purposes, regardless of whether the member of the general public pays to participate in the activity or to view or enjoy the attraction."

Renumber accordingly

COMMISSIONER
DOUG GOEHRING



NORTH DAKOTA
DEPARTMENT OF AGRICULTURE
STATE CAPITOL
600 E BOULEVARD AVE DEPT 602
BISMARCK ND 58505-0020

SB 2339
3-17-15
3
ndda@nd.gov
www.agdepartment.com

Testimony of Dana Hager
Marketing and Information Division Director
Senate Bill 2339
House Finance and Taxation
Fort Totten Room
March 17, 2015

Chairman Headland and members of the House Finance and Taxation Committee, I am Dana Hager, Marketing and Information Division Director for the North Dakota Department of Agriculture (NDDA) here representing Agriculture Commissioner Doug Goehring. I am here today in support of SB 2339, which relates to including buildings used in agritourism within the property tax exemption for farm buildings.

Agriculture diversification creates a stronger agriculture economy while allowing producers to reduce their risk by generating supplemental income. Producer diversification into agritourism not only provides value-added benefits, but it helps create name recognition for agriculture products and it educates consumers about farming and ranching and our rural heritage.

Investments in buildings that support weddings, festivals, youth camps, or market goods allow a greater population the opportunity to have an authentic agriculture experience. This bill will help grow agritourism opportunities for our farmers and ranchers and emphasize agriculture in North Dakota.

Thank you Chairman Headland and members of the committee. I'll stand for any questions.

SB 2339
3-17-15
#4 p. 1

Senate Bill 2339
Tuesday March 17th, 2015
10:30am – Fort Totten

Chairman Headland and honorable members of the Committee, my name is Jay Doan and I am a 5th generation rancher from McKenzie, North Dakota. I am part owner and operator of Black Leg Ranch which currently produces Black Angus cattle. Black Leg Ranch was homesteaded in 1882 by my Great Great Grandfather, George Doan, and is one of the oldest working cattle ranches in this state still in operation today.

As a current producer and participant in the agritourism industry, I sincerely appreciate the time to speak with you today in favor of Senate Bill 2339. Senate Bill 2339 expands the inclusion of buildings used in agritourism with the property tax exemption for farm buildings. As defined under "Farmer" in subsection 15 of section 57-02-08 of the North Dakota Century Code, only farmers and ranchers currently making 50% or more of their income who normally devotes the major portion of time to the activities of producing products of the soil, poultry, livestock, or dairy farming in such products' unmanufactured state will qualify. So my question to you is, why are we not encouraging our younger generation farmers and ranchers from thinking outside the fence?

Senate Bill 2339 will provide the younger generation farmer and rancher more opportunity to stay or come back to North Dakota. I was one of those young generations that moved out of North Dakota because I did not see any opportunity on the ranch. I worked my way up the corporate

ladder as a financial advisor, brand development manager, and worked in marketing for a large fortune 500 company. As the ranch diversified, this gave the ability to provide for multiple families making a living off of the land. My brother, Jeremy, and I have expanded the ranch into a diverse value added agricultural business. For example, we have hosted 16 countries and hundreds of guests on the ranch educating them on the importance of agriculture, soil health and family operated farms and ranches. In agriculture, we have a public perception problem. Consumers and activist groups don't have a positive image of agriculture. Too many times our out-of-state guests tell us that we need to tell our story and spread the word of agriculture. They continue by saying that people, where they come from, believe we are beating our animals and abusing the land. Agritourism helps spread a positive message about agriculture and they get to see it firsthand. Who better to spread that message than our family-owned farms and ranches. Specifically relating to this Bill, we are in the process of converting an old grain quonset into a meeting/gathering area. But as the law states currently, unless we are storing grain or parking a tractor inside, this barn will be taxed outside of agriculture.

In conclusion, agritourism is very much a direct and vital part of agriculture. Today's farms and ranches are not our parent's or grandparent's farms and ranches. We cannot limit our agricultural views as to how many bushels of wheat one grows or how many head of cattle one raises. The fields and pastures of farming and ranching are constantly

#4p.3

evolving. We must stay on the forefront of this evolution and continue to support our young farmers and ranchers. I thank you, Chairman Headland and members of the committee, for your time and would appreciate your DO PASS vote on Senate Bill 2339.

SB 2339
3-17-15
#5

TESTIMONY TO THE HOUSE FINANCE AND TAXTION

Prepared by Allan Vietmeier, Burleigh County Tax Director
03/17/2015

Senate Bill 2339

Mr. Chairman and members of the committee I offer the following testimony regarding SB 2339 and recommend a do not pass:

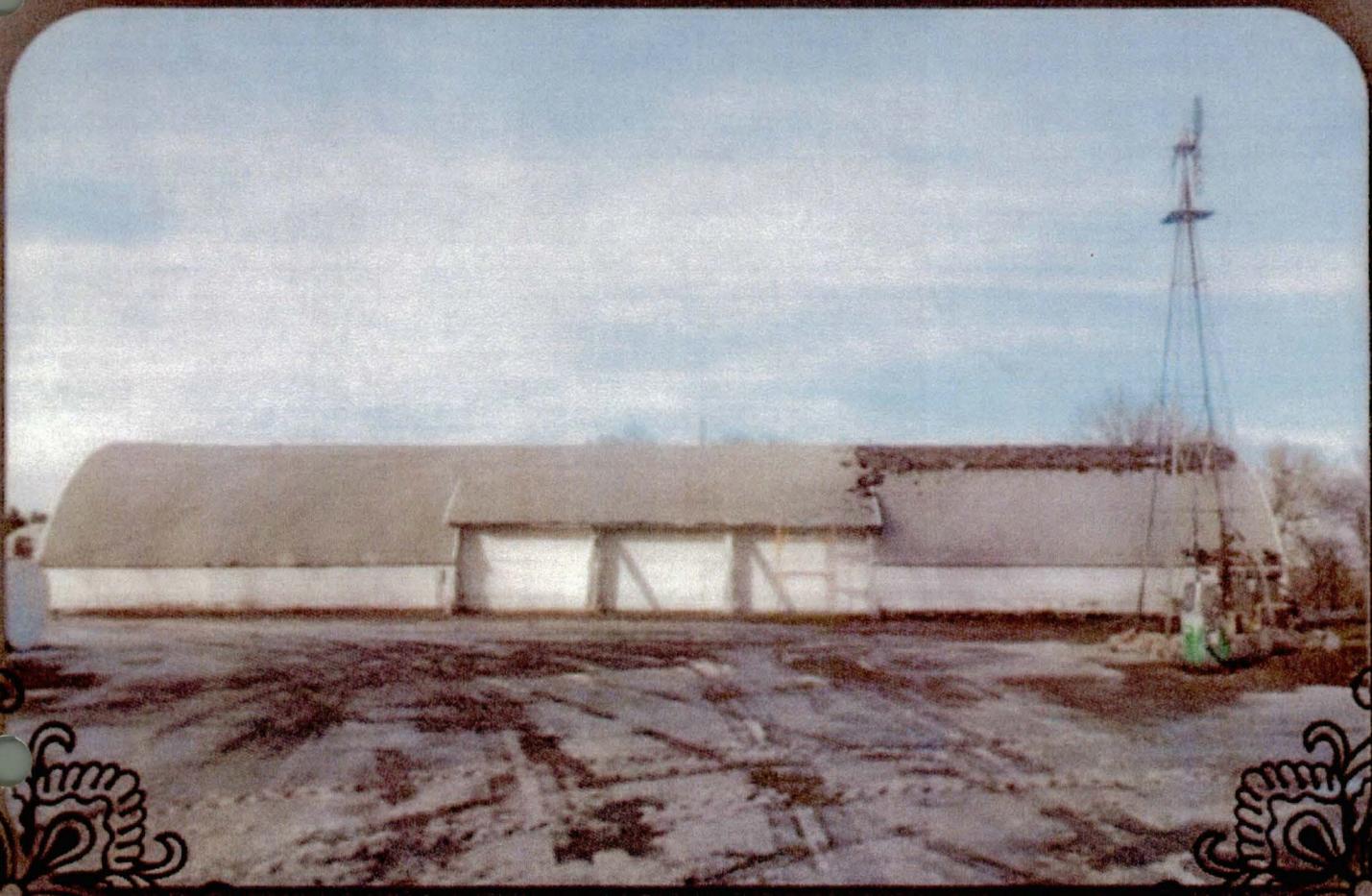
- I have huge concerns with what this bill is trying to accomplish and the lack of limitations on what and who can receive this exemption. It is an added section that would exempt all or part of a building that is used in an agritourism activity as defined in section 53-13-01.

"Agritourism activity" means any activity, including farming and ranching activities, or any historic, cultural, or natural attraction, that is viewed or enjoyed by members of the general public, for educational, recreational, or entertainment purposes, regardless of whether the member of the general public pays to participate in the activity or to view or enjoy the attraction.

- This definition appears to leave a wide open door for any business that is situated on agricultural land to receive an exemption. One example that I looked into was Huff Hills Ski Area. It is situated on un-platted agricultural land and allows people to enjoy an activity that is part of a natural attraction for recreational purposes. According to Morton County Tax Director Huff Hills has an improvement value in excess of \$300,000. I would say they meet the definition of agritourism. Are we willing to pass legislation that would allow properties that are currently taxable to become exempt? If that is the case I don't think we are heading in the right direction for property tax reform.
- The above example is just one of I am sure many properties that will receive an exemption if SB 2339 is to pass. I have an outfitter in Burleigh County that claims to be agritourism. They offer hunting, fishing, and horseback riding packages that range in price from 2 days/3 nights for \$895/person up to a 5 day/6 night for \$1900/person. Does it seem right to give this type of business an exemption when it appears that their intended purpose is to make money?

Thank You,
Allan Vietmeier
Burleigh County Tax Director

SB 2339
3-17-15
#6p.1



#6 p. 2



#6 p.3



#6 p. 4



#6 p. 5



Ownership of property does not determine exemption. Location and use of property determines status for farm building exemption.

OPINION

STATE OF NORTH DAKOTA

HELGI JOHANNESON
ATTORNEY GENERAL

BISMARCK, NORTH DAKOTA 58501

April 6, 1971

SB 2339
3-17-15
#7 p. 1

Mr. Rodney S. Webb
State's Attorney
Walsh County
Grafton, North Dakota 58237

Dear Mr. Webb:

This is in response to your request for an opinion as to the taxability of potato warehouses which are owned by more than one person or which may be used for manufacturing or commercial operations. You further state that it is your general understanding that potato storage facilities located on individual farmers' premises are probably exempt from taxation. However, you are now running into many variations of ownership and of usage. Basically, the exemption, if any, rests upon the provisions of Section 57-02-08(15) which provides as follows:

"PROPERTY EXEMPT FROM TAXATION.—All property described in this section to the extent herein limited shall be exempt from taxation, that is to say:

15. All farm structures, and improvements located on agricultural lands. This subsection shall be construed to exempt farm buildings and improvements only, and shall not be construed to exempt from taxation industrial plants, or structures of any kind not used or intended for use as a part of a farm plant, or as a farm residence;

***"

It is noted that for property to be exempt, it must satisfy two conditions or requirements. Firstly, the property must be located on agricultural lands and secondly it must be used as part of the farm plant or as a farm residence. It is not sufficient that the property be merely located on agricultural lands, but is also necessary that the improvements be used as part of the farm operation.

The North Dakota Supreme Court in *Fredrickson vs. Burleigh County*, 139 NW 2d 250 and in *Boehn vs. Burleigh County*, 130 NW 2d 170, said in effect that improvements devoted to agricultural purposes if located on agricultural lands were exempt. Likewise, in *Rice vs. Board of County Commissioners of Benson County*, 135 NW 2d 597, the North Dakota Supreme Court said that the use to which such lands are put should be the determinant of the classification. It also reiterated that farm buildings located upon agricultural lands used for agricultural purposes were exempt.

The provisions of Section 15 specifically exclude industrial plants or structures of any kind that are not used as part of the plant from the exemption.

On this basis, we would have to conclude that the answer to your question is dependent upon the use made of the warehouses. Warehouses used to store potatoes would appear to be used for or devoted to agricultural purposes if the building is located on agricultural lands. If the building or warehouses are located on agricultural lands but are used for purposes of manufacturing products or for commercial operations, such warehouses would not be tax exempt even though same may be located upon agricultural lands.

Mr. Rodney S. Webb

2

#7p.2
April 6, 1971

Ownership is not a criteria under Subsection 15 to determine whether or not the improvements are exempt. Thus, it would make little difference if the warehouses were owned by more than one farmer or by farmers and nonfarmers. Basically, under Subsection 15 it is the location and use which determine the status of properties for tax exemption purposes.

The answers here are given in an abstract situation. Each situation, however, must rest on its own merits. If facts so indicate, Subsection 10 of Section 57-02-01 would have to be satisfied.

I trust this answers your inquiry.

Sincerely yours,

Helgi Johanneson
Attorney General

OPINION
STATE OF NORTH DAKOTA
ALLEN I. OLSON
ATTORNEY GENERAL

STATE CAPITOL
BISMARCK, NORTH DAKOTA 58505

#7p.3

Residence on a tract less than ten acres owned and occupied by a farmer who rents adjoining agricultural land is exempt if tracts owned and rented equal at least 10 acres.

57-02-01(3)
Definition of tract with regard to ownership or possession.

May 20, 1976

Mr. John F. Burke
Walsh County State's Attorney
Grafton, ND 58237

Dear Mr. Burke:

This is in response to your letter of April 29, 1976, requesting my opinion on the interpretation of the real estate tax exemption for a farm residence that is provided in Subsection 15 of Section 57-02-08 of the North Dakota Century Code.

You refer to the definitions of "farm" and of "farmer" that appear in that subsection and to the definition of "tract" that appears in Subsection 3 of Section 57-02-01 and you then state your question as follows:

"The question I raise deals with an individual who is a 'farmer' under the statutory definition and whose owned residence is located on a 'farm' as that term is defined above. The farm, however, is located upon a parcel of less than 10 acres owned by the individual with the balance made up of rented farm land which is contiguous to the owned parcel."

Subsection 15 of Section 57-02-08 was amended in 1973 by adding to it the language with which you are concerned. This subsection is quoted in full as follows with the language that was added by the 1973 amendment being underlined:

"15. All farm structures, and improvements located on agricultural lands. This subsection shall be construed to exempt farm buildings and improvements only, and shall not be construed to exempt from taxation industrial plants, or structures of any kind not used or intended for use as a part of a farm plant, or as a farm residence. Any structure or structures used in connection with a retail or wholesale business other than farming, even though situated on agricultural land, shall not be exempt under this subsection. It is the intent of the legislative assembly that this exemption as applied to a residence shall be strictly construed and interpreted to exempt only a residence which is situated on a farm and which is occupied or used by a person who is a farmer and that the exemption shall not be applied to property which is occupied or used by a person who is not a farmer; for this purpose the term 'farm' means a single tract or contiguous tracts of agricultural land containing a minimum of ten acres and which normally provides a farmer, who is actually farming the land or engaged in the raising of livestock or other similar operations normally associated with farming and ranching, with not less than fifty percent

of his annual net income; and the term 'farmer' means an individual who normally devotes the major portion of his time to the activities of producing products of the soil, poultry, livestock, or dairy farming in such products unmanufactured state and who normally receives not less than fifty percent of his annual net income from anyone or more of the foregoing activities; and the term also includes an individual who is retired because of illness or age and who at the time of retirement owned and occupied as a farmer as defined above the residence in which he lives and for which the exemption is claimed."

The term "farm" as defined in the above quoted Subsection 15 is defined in part as meaning "a single tract or contiguous tracts of agricultural land containing a minimum of ten acres . . ." The term "tract" is not defined in that subsection but, as you note, Subsection 3 of Section 57-02-01 defines "tract" as meaning "any contiguous quantity of land in the possession of, owned by or recorded as the property of, the same claimant, person, or company."

While the definition of "tract" in Subsection 3 of Section 57-02-01 is phrased in reference to a single tract being in the possession of or owned by or recorded as the property of the same person, the definition of "farm" in Subsection 15 of Section 57-02-08 is phrased, in reference to size of the farm, as meaning a single tract or contiguous tracts of agricultural land containing a minimum of ten acres. There is nothing in Subsection 15 of Section 57-02-08, including the 1973 amendment to it, which requires the farmer to own the tract or contiguous tracts comprising the farm on which his residence is located in order for that residence to be exempt, at least if that farmer is actively farming as distinguished from a farmer who has retired because of illness or age and who at the time of retirement owned and occupied as a farmer the residence in which he lives and for which the exemption is claimed.

A farmer who rents a tract of agricultural land is in "possession" of that tract within the meaning of Subsection 3 of Section 57-02-01. Since a "farm" for purposes of the farm residence exemption may consist of two or more contiguous tracts of agricultural land containing a minimum of ten acres, one or more of those tracts may be rented by the farmer who farms them and one or more may be owned by him. If the residence he occupies is located on one of those contiguous tracts, it is exempt even if it is less than ten acres in size and regardless of whether the tract is owned or rented by him.

We believe these statutes clearly exempt such a residence and we therefore agree with your interpretation of them even though the farm residence exemption provision requires that it be strictly construed and interpreted.

Finally, we wish to note that in an opinion dated April 6, 1971, issued from this office to the then Walsh County State's Attorney Rodney Webb, we said that there were two conditions or requirements for exemption of farm structures and improvements under Subsection 15 of Section 57-02-08 (as it read prior to the 1973 amendment to it): first, location on agricultural lands, and, second, use as part of a farm operation; we also said that ownership of the improvements by any specific person was not one of the criteria for exemption. A copy of that opinion is enclosed. It appears that the 1973 amendment for exemption of a farm residence occupied by a farmer who operates the farm on which it is located was probably carefully drafted to avoid requiring that the farmer own the residence or the land on which it is located since ownership by a particular person was not a requirement before the amendment.

Sincerely yours,

/s/ Allen I. Olson

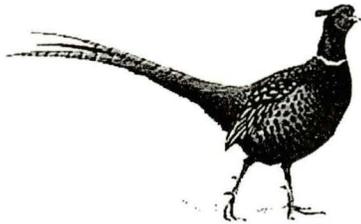
Allen I. Olson
Attorney General

ell
Enclosure

SB2339
3-17-15
#8 p.1

Home Hunting & Fishing Lodging Features Ranch History Contact

Rolling Plains Adventures - Pheasant Hunting



Our conservation practices ensure some of the best wild pheasant hunting in North Dakota. The pheasants at Rolling Plains Adventures are wild pheasants! With all the different types of habitat to hunt and over 11,000 + acres to hunt on, you should never have to hunt the same fields twice during your hunting experience at Rolling Plains Adventures. Come hunt the true WILD pheasant of the Dakota's!

**MINI
FULLY LOADED PACKAGE**
2 DAY / 3 NIGHT

- 2 days hunting for upland game, waterfowl or coyotes (pick any 2)
- 3 nights lodging in one of Rolling Plains Adventures rustic log lodges
- Licensed, certified, and experienced professional guide
- All meals (cooked and served in Rolling Plains Adventures Grand Lodge)
- Bird cleaning
- Airport pickup/drop-off & transportation to/from field
- Rolling Plains Adventures Hat

**Guide gratuity not included, suggested gratuity of 10% of hunting package per hunter.*

COST: \$895 + Tax & License

**"Voted Best Package in ND"
FULLY LOADED PACKAGE**
3 DAY / 4 NIGHT

- 3 days hunting for upland game, waterfowl or coyotes (pick any 2)
- 4 nights lodging in one of Rolling Plains Adventures rustic log lodges
- Licensed, certified, and experienced professional guide
- All meals (cooked and served in Rolling Plains Adventures Grand Lodge)
- Bird cleaning
- Airport pickup/drop-off & transportation to/from field
- Rolling Plains Adventures Hat

**Guide gratuity not included, suggested gratuity of 10% of hunting package per hunter.*

COST: \$1295 + Tax & License

**EXTREME
FULLY LOADED PACKAGE**
4 DAY / 5 NIGHT

- 4 days hunting for upland game, waterfowl or coyotes (pick any 2)
- 5 nights lodging in one of Rolling Plains Adventures rustic log lodges
- Licensed, certified, and experienced professional guide
- All meals (cooked and served in Rolling Plains Adventures Grand Lodge)
- Bird cleaning
- Airport pickup/drop-off & transportation to/from field
- Rolling Plains Adventures Hat

**Guide gratuity not included, suggested gratuity of 10% of hunting package per hunter.*

COST: \$1695 + Tax & License

GOVERNOR'S PACKAGE

- 2 days / 2 nights combo hunt at Rolling Plains Adventures (Main Camp)
- 1 day / 2 nights combo hunt at Flyway Lodge (RPA's private lodge)
- Licensed, certified, and experienced professional guide
- All meals
- Bird Cleaning
- Hunting dogs if needed
- Airport shuttle / field transportation

**Guide gratuity not included, suggested gratuity of 10% of hunting package per hunter.*

COST: \$1695 + Tax & License

Sterling, ND

Currently | Hourly Info | 15 Days



**Sunny
17°F**

RealFeel®: 16°F
Winds: Calm

Weather Forecast | Weather Maps



Contact Us

Rolling Plains Adventures
24401 62nd Ave SE
Sterling, ND 58572
(701) - 367 - 3737
Info@rollingplainsadventures.com

Community Links

Rolling Plains Adventures
Deer update at Rolling Plains
January 26, 2015

Rolling Plains Adventures News

- Warming up to winter grazing
3/7/2015
This article featured the
Doan's in the Dakota Farmer

Rolling Plains Adventures
Like 1,190

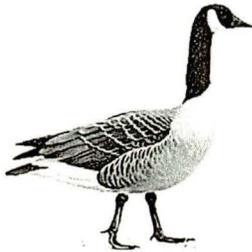
Rolling Plains Adventures
March 14 at 4:15pm

The ducks have arrived to the ranch! Looking like 80 degrees here tomorrow.

Share · 3 1

#8 p. 2

Rolling Plains Adventures - Waterfowl Hunting



We are located along the central flyway for migratory birds. When the birds start heading south from Canada, they hit our fields and ponds heavy. We have a full line of decoys, mojos, lay down blinds, duck boats, calls, flags, and everything else you may need to aid in hunting these huge flocks of waterfowl. You will have to see it to believe it, when these giant flocks come into our blinds!

**MINI
FULLY LOADED PACKAGE**
2 DAY / 3 NIGHT

- 2 days hunting for upland game, waterfowl or coyotes (pick any 2)
- 3 nights lodging in one of Rolling Plains Adventures rustic log lodges
- Licensed, certified, and experienced professional guide
- All meals (cooked and served in Rolling Plains Adventures Grand Lodge)
- Bird cleaning
- Airport pickup/drop-off & transportation to/from field
- Rolling Plains Adventures Hat

**Guide gratuity not included, suggested gratuity of 10% of hunting package per hunter.*

COST: \$895 + Tax & License

**"Voted Best Package in ND"
FULLY LOADED PACKAGE**
3 DAY / 4 NIGHT

- 3 days hunting for upland game, waterfowl or coyotes (pick any 2)
- 4 nights lodging in one of Rolling Plains Adventures rustic log lodges
- Licensed, certified, and experienced professional guide
- All meals (cooked and served in Rolling Plains Adventures Grand Lodge)
- Bird cleaning
- Airport pickup/drop-off & transportation to/from field
- Rolling Plains Adventures Hat

**Guide gratuity not included, suggested gratuity of 10% of hunting package per hunter.*

COST: \$1295 + Tax & License

**EXTREME
FULLY LOADED PACKAGE**
4 DAY / 5 NIGHT

- 4 days hunting for upland game, waterfowl or coyotes (pick any 2)
- 5 nights lodging in one of Rolling Plains Adventures rustic log lodges
- Licensed, certified, and experienced professional guide
- All meals (cooked and served in Rolling Plains Adventures Grand Lodge)
- Bird cleaning
- Airport pickup/drop-off & transportation to/from field
- Rolling Plains Adventures Hat

**Guide gratuity not included, suggested gratuity of 10% of hunting package per hunter.*

COST: \$1695 + Tax & License

GOVERNOR'S PACKAGE

- 2 days / 2 nights combo hunt at Rolling Plains Adventures (Main Camp)
- 1 day / 2 nights combo hunt at Flyway Lodge (RPA's private lodge)
- Licensed, certified, and experienced professional guide
- All meals
- Bird Cleaning
- Hunting dogs if needed
- Airport shuttle / field transportation

- Hunting ammunition
 - Drinks included
- *Guide gratuity not included, suggested gratuity of 10% of hunting package per hunter.*

COST: \$1695 + Tax & License

Sterling, ND

Currently | Hourly Info | 15 Days



**Sunny
17°F**

**RealFeel®: 16°F
Winds: Calm**

Weather Forecast | Weather Maps



Contact Us

Rolling Plains Adventures
24401 62nd Ave SE
Sterling, ND 58572
(701) - 367 - 3737
Info@rollingplainsadventures.com

Community Links

Rolling Plains Adventures

A Great Day Coyote Hunting!
February 1, 2015

Rolling Plains Adventures News

- Warming up to winter grazing
3/7/2015
This article featured the Doan's in the Dakota Farmer

Rolling Plains Adventures
Like 1,190

Rolling Plains Adventures
March 14 at 4:15pm

The ducks have arrived to the ranch! Looking like 80 degrees here tomorrow.

Share · 3 1

#8p.3

Rolling Plains Adventures - Whitetail Deer Hunting



We have ladder stands, blinds, feeding areas, trails, bedding areas, and so much more to hunt within. There are dozens of deer cameras out to help pattern deer, along with our staff scouting the deer activity throughout the day. With over 10,000 privately owned acres all in one huge block to hunt on, we are confident you will have an opportunity to harvest one of these magnificent animals. Rolling Plains Adventures professional guides have placed over 40 stands, blinds, and box blinds for your convenience prior to your arrival. They spend countless hours scouting, viewing deer cam photos, and managing the deer herd to help get our guests the best possible opportunity at the buck of a lifetime.

During a typical deer bow hunt at Rolling Plains Adventures, your odds of the following are:

- 99% chance to witness a buck 50 - 99 inches
- 95% chance to witness a buck 100 - 150 inches
- 85% chance to harvest a buck 100 - 150 inches
- 70% chance to witness a buck 150 inches or higher

Rifle Hunting

- 4 days hunting & 5 nights lodging
- Additional days hunting/lodging can be added to package
- Transportation
- Airport pick-up/drop-off
- Meals in the Grand Lodge
- No trophy fees
- \$3995

Bow Hunting

- 6 days hunting & 7 nights lodging
- Meals in the Grand Lodge
- Guiding
- Airport pick-up/drop-off
- Transportation to/from field
- No trophy fees
- \$1995

Sterling, ND

Currently | Hourly Info | 15 Days



Sunny
17°F

RealFeel®: 16°F
Winds: Calm

Weather Forecast | Weather Maps



Contact Us

Rolling Plains Adventures
24401 62nd Ave SE
Sterling, ND 58572
(701) - 367 - 3737
Info@rollingplainsadventures.com

Community Links

Rolling Plains Adventures
 **Monster buck gets caught in**
 February 13, 2015

Rolling Plains Adventures News

- Warming up to winter grazing
3/7/2015
This article featured the
Doan's in the Dakota Farmer

Rolling Plains Adventures
Like 1,190

Rolling Plains Adventures
March 14 at 4:15pm

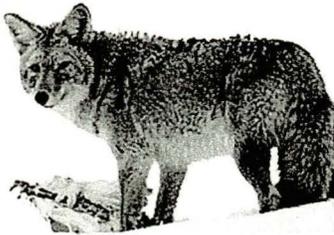
The ducks have arrived to the ranch! Looking like 80 degrees here tomorrow.

Share · 3 1

#8 p. 4

Home Hunting & Fishing Lodging Features Ranch History Contact

Rolling Plains Adventures - Coyote Hunting



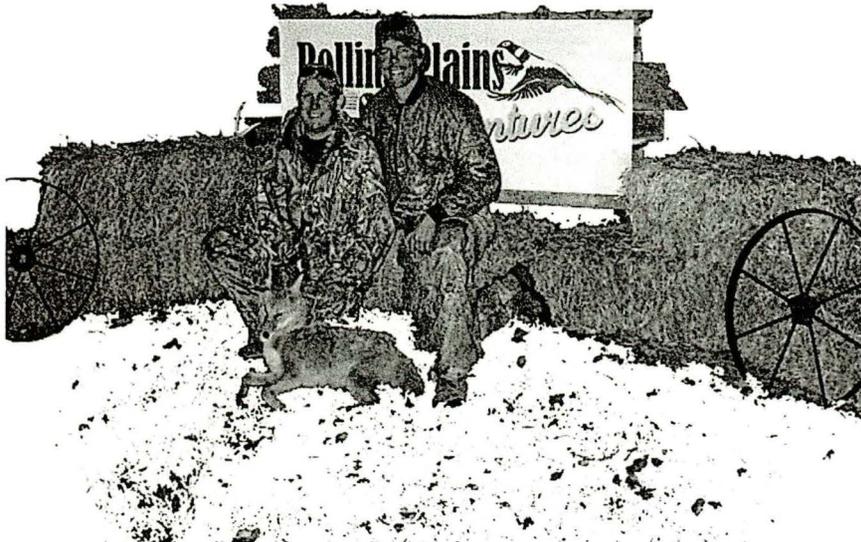
These hunts are very rewarding. We hunt using electronic calls, decoys, and motion decoys. During an average hunt, we may have an opportunity to harvest a few coyotes per day. They can range anywhere from 5 yards to 500 yards. Usually they come to within 100 yards.

Basic Coyote Hunting Package

- \$250 per person per day (minimum 2 hunters)
- lodging
- hunting season is year long
- add a waterfowl or pheasant hunt (ask for details)

Fully Loaded Coyote

- 3 days hunting for coyotes/fox
- 4 nights lodging in one of Rolling Plains Adventures rustic pine lodges
- guiding
- meals (cooked and served in the Rolling Plains Adventures Grand Lodge)
- rifle practice at our target range
- transportation
- airport pickup/drop-off
- add a waterfowl or pheasant hunt (ask for details)
- \$1295 per person



Sterling, ND

Currently | Hourly Info | 15 Days



Sunny
17°F

RealFeel®: 16°F
Winds: Calm

Weather Forecast | Weather Maps



Contact Us

Rolling Plains Adventures

24401 62nd Ave SE
Sterling, ND 58572
(701) - 367 - 3737
Info@rollingplainsadventures.com

Community Links

Rolling Plains Adventures

Rolling Plains Adventures News

- Warming up to winter grazing
3/7/2015
This article featured the
Doan's in the Dakota Farmer

Rolling Plains Adventures
Like 1,190

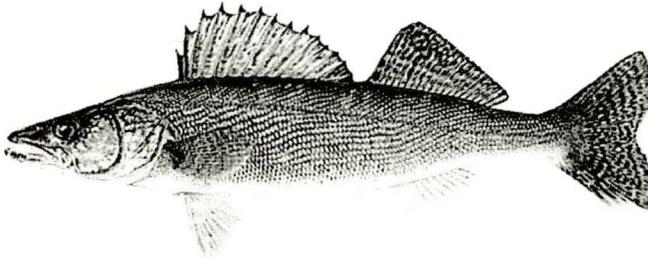
Rolling Plains Adventures
March 14 at 4:15pm

The ducks have arrived to the ranch! Looking like 80 degrees here tomorrow.

Share 3 1

#8p.5

Rolling Plains Adventures - Fishing



Retrace the route Lewis and Clark traveled through North Dakota while fishing the historic Missouri River. Rolling Plains Adventures fishing professionals will guide you catching massive Walleye found on the Missouri River. This 300-mile long river system takes travelers into the past. The river follows Lewis and Clark's journey west through North Dakota in 1804-1805, and on their return trip in 1806. Our fishing guides offer over 60 combined years of experience and are equipped with fully rigged walleye boats and are very versatile with tactics to catch walleyes. Come experience the beautiful Missouri River and the gold that lies within...

Basic Fishing Package

- \$500 per person per day
- Meals
- lodging
- add a waterfowl, coyote, or pheasant hunt (ask for details)
- Based on single occupancy*

Fully Loaded Fishing Package

- 3 days fishing
- 4 nights Lodging in one of Rolling Plains Adventures lodges
- Meals (the best home cooking with beverages)
- Transportation (to/from airport and to fishing sites)
- Professional fishing guide
- All fishing equipment/tackle/boat/etc.
- Fish cleaning
- \$1395*

*Rates decrease with more than one person fishing

Sterling, ND

Currently | Hourly Info | 15 Days



Sunny
17°F

RealFeel®: 16°F
Winds: Calm

Weather Forecast | Weather Maps



Contact Us

Rolling Plains Adventures

24401 62nd Ave SE
Sterling, ND 58572
(701) - 367 - 3737
Info@rollingplainsadventures.com

Community Links

Rolling Plains Adventures
A Great Day Coyote Hunting!
 February 1, 2015

Rolling Plains Adventures News ^

- Warming up to winter grazing
3/7/2015
 This article featured the
Doan's in the Dakota Farmer v

← →

Rolling Plains Adventures
 Like 1,190

Rolling Plains Adventures
 March 14 at 4:15pm
 The ducks have arrived to the ranch! Looking like 80 degrees here tomorrow.

Share · 3 1

#8p.6

Rolling Plains Adventures - Deer Dwelling Lodg

American Plan Rate 2014

Packages are all inclusive

Packages	Adults 13+	Kids 3-12	Non-Riders, any age
5 days, 6 nights	\$1900	\$1600	\$1450
4 days, 5 nights	\$1750	\$1475	\$1300
3 days, 4 nights	\$1600	\$1400	\$1225
2 days, 3 nights	\$1475	\$1325	\$1150

Check in time is 4:00-6:30 p.m. Check out time is 11:00 a.m.

Weekly Rates (April to September)

Adults

Single Person.....\$1,900 per person

Children

Under 3.....Free

3-12.....\$1,600 per child

13-17.....\$1,900 per child

Transportation

We meet our guests at the Bismarck Airport 20 minutes from the ranch.

Discounts

Group rates are available upon request.

Deposit

50% per adult / 50% per child.

Summer Adventure Guest Ranch weekly packages include:

- Log cabin accommodations, dinner Sunday or day of arrival.
- 3 meals a day for stay and breakfast on day of check-out.
- Guided horseback riding every morning and afternoon (Mon-Fri).
- Kids horse program.
- Guided Lake Cabin and/or River Fishing Trip.
- Guided hike & mapped hiking trails, mountain biking, & volleyball.
- Hot tub spa.
- Evening entertainment - such as Ranch Saloon and Wrangler campfires.
- Transfer to and from Bismarck Airport.
- There are no activities included on day of arrival or departure.

Following options *not* included in all rates:

- Massage by appointment at lodge.
- Clay pigeon - at ranch
- Local Golf - 5 major 18 hole courses within 20 minutes of the ranch
- Private & semi-private riding lessons - ranch arena
- Full service bar , Beer, wine list etc.
- If you're planning off ranch adventures you will need to rent a car

Sterling, ND

Currently | Hourly Info | 15 Days



Sunny
17°F

RealFeel®: 16°F
Winds: Calm

Weather Forecast | Weather Maps



Contact Us

Rolling Plains Adventures
24401 62nd Ave SE
Sterling, ND 58572
602-510-6094
Info@rollingplainsadventures.com

Community Links

Rolling Plains Adventures
Hunting Pheasants during the
December 18, 2014

Rolling Plains Adventures News

- Warming up to winter grazing
3/7/2015
This article featured the
Doan's in the Dakota Farmer

Rolling Plains Adventures

Like 1,190

Rolling Plains Adventures

March 14 at 4:15pm

The ducks have arrived to the ranch! Looking like 80 degrees here tomorrow.

Share · 3 1

SB 2339
3-17-15
#9 p. 1

Allan Vietmeier

From: Diana Krause <drkrause@nd.gov>
Sent: Friday, March 13, 2015 9:50 AM
To: avietmeier@nd.gov
Subject: RE: Legislative Update

Al,
I have "The Prairie Bistro", "Hunter's Haven", "The Porch" and one property used as a hunters man camp.. Prairie Bistro is a greenhouse that sells bedding plants from the main floor, so it is mostly taxable. They have a kitchen, no range hood, so it is valued as commercial storage, but they do a hell of a business "bistro style" selling soup, sandwiches, grilled foods and of course all of the "Sonja's Delicacies" that are made in that kitchen. (Which is also a pride of Dakota company.) Hunters haven is a farm house and camp ground rented to anyone, but mostly hunting and fishing in the upper lake darling area, they also have a place at the county park, Eagles Nest, that was flooded in 2011 and has not yet been restored. The porch is a craft store located on highway 52, just a little red steel building at the end of their driveway, but gets a lot of traffic in the warmer months. The Man camp is a farmstead with electrical hookups for campers, not used a lot but still on the tax rolls. All of these would change from taxable to exempt. What information do you need from me? When is this to hit the floor for testimony. I can potentially see every property at the Renville County Memorial Mouse River Park going from taxable lake property to exempt once the first person qualifies because they have allowed a Canadian vacationer to stay and fish off their property!

Thanks,

Diana Krause
Tax Director/Deputy Auditor
Renville County ND
PO Box 68
Mohall, ND 58761
701-756-6304
drkrause@nd.gov

From: Allan Vietmeier [<mailto:avietmeier@nd.gov>]

Sent: Friday, March 13, 2015 8:44 AM

To: 'Ben Hushka'; 'Jerry Ratzlaff'; 'Carla Broadland'; 'Addie Berg (Home)'; 'Addie M. Berg (Bottineau County)'; 'Alice Pekarski (Life Member)'; 'Amber Gudajtes (Grand Forks County)'; 'Ann Bernhardt (Emmons County)'; 'Ann Johnsrud (McKenzie County)'; 'Barb Hettich (Sioux County)'; 'Barb Zerface (Traill County)'; 'Barbara Anderson'; 'Becky Schafer (Dunn County)'; 'Bette Jane Boeshans (Cities of Zap & Pick City)'; 'Betty Koslofsky (Barnes County)'; 'Bob Aller (Retired)'; 'Bob Ehler (Vanguard)'; 'Bob Lehn (Pickett)'; 'Bonnie Good (Towner County)'; 'Brad Miller (Vanguard Appraisals)'; 'Brenda Dahlstrom (GIS Workshop)'; 'Brenda Johnson (Bismarck)'; 'Brenda Linseth (McKenzie County)'; 'Casey Patzner (Bismarck City)'; 'Charles Defoe (Adams County)'; 'Cheryl Overby (Mohall City)'; 'Cheryl Whitty (Morton County)'; 'Chris DeVries (Richland County)'; 'Christopher D. Bader (Off Road Software)'; 'Cindy Melby (Wells County Small Jurisdictions)'; 'Corrine Jochim (Burleigh County)'; 'Courtney Lovaas (McKenzie County)'; 'Cynthia Wahl (Sheridan County)'; 'Damon Druse (Minot City)'; 'Daniel Fasteen - DISABLED 7-7-14 TV'; 'Dan LoveLace (Minot City)'; 'Dana Scherr (Foster County)'; 'Darcy Anderson (Williams County)'; 'Darrell Wollan (Jamestown City)'; 'David Arntson (West Fargo)'; 'David Ramstad (HUD Reviewer)'; 'Dawn Roppel (Cavalier County)'; 'Dean Pearson (Bowman County)'; 'Deb Goodsell (Bismarck City)'; 'Deb Kirschenheiter (Dickinson City)'; 'DeeAnn Bilben (City of Hankinson)'; 'Denell Kallemeyn (Williams County)'; 'Diana Krause (Renville County)'; 'Diane Brines (Stark County)'; 'Don Flaherty (Dickey County)'; 'Don Siebert (Life Member)'; 'Donna Wolf (Devils Lake City)'; 'Doug Lalim (City of Mandan)'; 'Dustin Bakken (Tax Dept)'; 'Dusty Schlecht (Minot City)'; 'Ed Sevigny (Grafton City)'; 'Elise

#9906

Plat Map: Subdivision: NONE Deeded Acres: 0.000
 Current Owner/Address DBA: Comp ID: Map Area: WHITE ASH TWP - C/I
 PETERSON, DOUGLAS & CARRIE (D) Section: Township: Range: Block: Lot:
 47900 HWY 52 W Checks/Tags: Lister/Date: Reviewer/Date:
 CARPIO ND 58725 Loc/Class: Rural/Commercial Tax District: 1961050000 Entry Status:
 Legal: OUTLOT 1 OF SE 1/4 SW 1/4 & W 1/2 SE 1/4 35-158-86

Basis	Front	Rear	Side 1	Side 2	R. Lot	SF	Acres	Unit Price	T/E/O%

Notes

Residential Dwelling - NO BUILDING DATA

Occupancy
 Style
 Arch Style
 Year Built EYB EFA
 Area SF TLA GLA
 Ttl Rms Ttl Bdrms Above Below
 Bsmt/Attic
 Heat/AC
 Bsmt Finish 1
 Bsmt Finish 2
 Fireplace 1
 Fireplace 2
 Fireplace 3
 Full/Half Baths Other/Total Fixtures
 Decks & Patios
 Porches
 Ext Wall Roof
 Veneer 1
 Veneer 2
 Bsmt Stalls/Total Garages Ttl Additions

Base Price
 Basement Adjustment
 Attic Adjustment
 No Heat Adjustment
 Central AC Adjustment
 Adjusted Base
 Finish
 Single Siding
 Exterior
 Fireplaces
 Plumbing/Appliances
 Attached Garages
 Basement Stall
 Base Total
 Physical Value
 Total Less Obsolescence
 Extras
 Additions
 RCN
 Detached Garages

	Appraised	Board of Review	State Equalized	With Exemptions
Land				
Dwlg				
Impr	\$29,400			
Total	\$29,400			
	PrYr 2014	PrYr 2013	PrYr 2012	
Land	\$2,206	\$2,206	\$2,100	
Dwelling	\$53,130	\$53,130	\$31,776	
Impr	\$0	\$0	\$0	
Total	\$55,336	\$55,336	\$33,876	

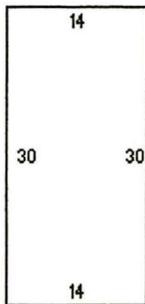
Commercial Buildings	Area	Year	Cond	Depr	F/E/O%	Value
201/201 - Store - Retail Small	420	2013	NML	3.00	20/0/0	\$29,400

#9 p.3

Additional Notes:

Permission to inspect

Date



1S MET FR
[420]



PH 1 of 2 10/22/2014

Sketch 1 of 1 THE PORCH

#99.4

Current Owner/Address: GEHRINGER, THOMAS E. & JUDY (D)
 3820 HWY 5
 MOHALL ND 58761-9702
 Legal: OUTLOT 1 OF NE 1/4 NE 1/4 20-160-85

DBA: _____
 Plat Map: _____
 Subdivision: NONE
 Comp ID: _____
 Section: _____ Township: _____ Range: _____
 Checks/Tags: _____ Lister/Date: _____
 Loc/Class: Rural/Ag Dwelling Tax District: 1401060051

Deeded Acres: 8.930
 Map Area: GRASSLAND TWP - A
 Block: _____ Lot: _____
 Reviewer/Date: _____
 Entry Status: _____

Notes

Basis	Front	Rear	Side 1	Side 2	R. Lot	SF	Acres	Unit Price	T/E/O%

*Includes all land areas

Residential Dwelling - NO BUILDING DATA

Occupancy Style
 Arch Style
 Year Built
 Area SF

Ttl Rms
 Bsmt/Attic
 Heat/AC
 Bsmt Finish 1
 Bsmt Finish 2
 Fireplace 1
 Fireplace 2
 Fireplace 3
 Full/Half Baths
 Decks & Patios
 Porches
 Ext Wall
 Veneer 1
 Veneer 2
 Bsmt Stalls/Total Garages

Ttl Bdrms
 Above
 Below

Other/Total Fixtures

Roof

Ttl Additions

Base Price
 Basement Adjustment
 Attic Adjustment
 No Heat Adjustment
 Central AC Adjustment
 Adjusted Base
 Finish
 Single Siding
 Exterior
 Fireplaces
 Plumbing/Appliances
 Attached Garages
 Basement Stall
 Base Total

Physical Value
 Total Less Obsolescence
 Extras
 Additions
 RCN
 Detached Garages

Total Bldg (RND)

	Appraised	Board of Review	State Equalized	With Exemptions
Land				
Dwlg				
Impr				
Total				
	PrYr 2014	PrYr 2013	PrYr 2012	
Land	\$6,658	\$5,944	\$5,948	
Dwelling	\$0	\$33,648	\$20,124	
Impr	\$66,448	\$0	\$0	
Total	\$73,106	\$39,592	\$26,072	

9245 38TH AVE NW, MOHALL Plat Map: Subdivision: NONE Deeded Acres: 160.000
 Current Owner/Address DBA: Comp ID: Map Area: BRANDON TWP - C/I
 STROMSWOLD, MARK D. (D) Section: Township: Range: Block: Lot:
 9245 38TH AVE NW Checks/Tags: Lister/Date: Reviewer/Date:
 MOHALL ND 58761-9755 Loc/Class: Rural/Commercial Tax District: 0901060051 Entry Status:
 Legal: SE 1/4 22-161-84

Basis	Front	Rear	Side 1	Side 2	R. Lot	SF	Acres	Unit Price	T/E/O%

*Includes all land areas

Notes

Residential Dwelling

Occupancy Single-Family / Owner Occupied
 Style 1 1/2 Story Frame
 Arch Style N/A
 Year Built 1900 EYB 1900 EFA 115
 Area SF 392 TLA 1,506 GLA 1,232/274
 Condition NML Grade 5-5 F/E/O% 0/0/0
 Ttl Rms 0 Ttl Bdrms 2 Above 2 Below 0
 Bsmt/Attic 1/2 / None
 Heat/AC Yes / No AC
 Bsmt Finish 1
 Bsmt Finish 2
 Fireplace 1
 Fireplace 2
 Fireplace 3
 Full/Half Baths 1/0 Other/Total Fixtures 0/3
 Decks & Patios
 Porches 1S Frame Enclosed-48 SF
 Ext Wall Composition Siding Roof Mtl / Gable
 Veneer 1
 Veneer 2
 Bsmt Stalls/Total Garages 0/2 Ttl Additions 1

Base Price \$77,560
 Basement Adjustment -\$1,710
 Attic Adjustment \$0
 No Heat Adjustment \$0
 Central AC Adjustment \$0
 Adjusted Base \$75,850
 Finish \$0
 Single Siding \$0
 Exterior \$3,040
 Fireplaces \$0
 Plumbing/Appliances \$0
 Attached Garages \$0
 Basement Stall \$0
 Base Total \$78,890
 Graded (0.990) \$78,101
 Physical Value \$39,051
 Total Less Obsolescence \$39,051
 Extras \$0
 Additions \$26,690
 RCN \$116,230
 Detached Garages \$16,916
 Map Factor (1.000)
 Total Bldg (RND) \$82,700

	Appraised	Board of Review	State Equalized	With Exemptions
--	-----------	-----------------	-----------------	-----------------

Land				
Dwlg	\$82,700			
Impr	\$169,500			
Total	\$252,200			

	PrYr 2014	PrYr 2013	PrYr 2012
--	-----------	-----------	-----------

Land	\$101,144	\$90,306	\$90,310
Dwelling	\$0	\$0	\$0
Impr	\$23,740	\$23,740	\$23,740
Total	\$124,884	\$114,046	\$114,050

Additions	Area	Year	Depr	Garages	Area	F/E/O%	W	L	Year	Grade
1 Story Frame	840	1968	30.00	Det Metal	448	0/0/0	0	0	2006	5
				Det Metal	448	0/0/0	0	0	2006	5

Commercial Buildings	Area	Year	Cond	Depr	F/E/O%	Value
606/609 - Metal Light Indust. - Milled Wd Fr - B1: MTL/FR MULTI FUNCTION	3,248	2002	NML	26.00	0/0/0	\$116,100
706/706 - Greenhouse - B2: GREENHOUSE 3	946	2002	NML	39.00	0/0/0	\$5,600
706/706 - Greenhouse - B3: GREENHOUSE 4	1,152	2007	NML	24.00	0/0/0	\$8,100
706/706 - Greenhouse - B4: GREENHOUSE 5	2,160	2008	NML	21.00	0/0/0	\$14,100



Sandra Hanson,
Property Tax and Assessment Director

355 Main ST S Ste 9
Forman ND 58032-4149
701)724-6241 x113 office
Sandra.hanson@co.sargent.nd.us

SB 2339
3-17-15
#10 p.1

Agritourism Bill

I strongly encourage a do not pass for this exemption. Agritourism is a business as are many businesses in the state of ND. The loss of the tax base provides additional burden on the taxpayers and the local government. These type of businesses will still require road maintenance, snow removal, traffic control devices such as signing, patrolling etc. If located on township roads, the burden then becomes the townships with no revenue support, and townships across the state still continue to struggle with lack of funds to provide good quality care to their residents.

In the rural areas most businesses that are an entertainment or service provided business can plea a case of agritourism. Because in the rural areas it is still the main industry for these communities and counties.

On the agritourism website it is quoted that these type of businesses provides a source of second income to farm families. There are other types of second incomes for farm families and for most that is employment off the farm. It appears that segregation is taking place. Those that have to take that route, once over 40,000.00 they then pay taxes on their homes. Does it mean that on their farms they are not offering some type of agritourism to the public. No- there is hunting/fishing, there are 4-H activities that bring the town kids out to the farm for activities such as adopt a farm animal or garden plots. Community gardens are being placed on the farms for those that don't have a lot big enough in town. Old time plowing bees, etc. It is being done throughout the state. But this bill would like to segregate a few out and give them additional freebies.

A business already has opportunities:

5 year business exemption with a 10 year option of in lieu of taxes- which can be a wide variety of low payments. That is 15 years of tax relief given to them by the other businesses in the taxing districts that have to pick up the difference.

Businesses have the option to get low interest loans from the BND and local lending agencies with a local JDA (that earns it's revenue in part from the mill levy of the taxing districts these businesses are located in). With the pace program the JDA buys down the interest up front to provided lower payments to the business. The buydown money from the JDA can be given as a grant or as a loan. Terms- upon completion of the loan with the BND/Local lending agency, usually 20 years we then negotiate an interest rate and a payment schedule for the JDA dollars that were given. In a nut shell they use the JDA dollars for 20 years with no interest (earned from the taxpayers) and then begin a payment plan for that money, probably another 10 -20 years. So the taxpayer dollars have supported that business for 20 plus years. There are other types of business loans and opportunities that help get businesses up and running as well-They all come from the taxpayer in some form.

When should the business start giving back to the people in the taxing district that have given to them?

Most of these businesses provide a lot of types of venues and such as weddings, business gatherings, reunions, holiday parties, concerts, to name a few things.

It is my understanding that in order to receive this relief the establishment has to be located in the rural area on a piece of ag related land. Why- we have a motel in one of our communities that is constantly promoting and participating in rural activities. They have arranged for tours of local ranches, farm for a day opportunities, worked with landowners for hunting, bird watching, hiking, atv adventures, plowing bees etc. They are every bit an agritourism venue to the guests that stay with them. Because of their involvement, they have repeat families that come back each year to take part in what the staff has arranged for them. They are penalized because they chose to build their venue in a rural community. They pay their property taxes. Rural communities are struggling. We welcome any type of business to our streets to keep these communities alive! To keep our schools alive! These businesses provide support to each other for survival! They are paying their property taxes.

Property tax free in the rural area with a tract of ag land – why build in town? Why not create partnerships with landowners and build in the rural areas. Why not buy a quarter of land and build out in the country?

A lodge venue that hosts many type of income producing venues, also is the second home for the family that owns it. It is a second home to them for their family and family gatherings. They are property tax exempt on their original home as well. It is a business and After the 5 years of property tax free and the 10 years of in leau of taxes and then the 20 years of low interest and no interest money to help build this second home, that will be property tax free as well.

In my opinion any dollars that the owners earn from the lodge should be considered off farm income and they then pay property tax on their home and second home because many other ag producers are due to off farm income. Please explain how concerts, wedding venues, reunions, parties are farm related.

Agritourism is a wonderful thing, but so are many other types of tourism opportunities that North Dakota has to offer. The public that has a true interest in agriculture, will partake, the business that offers it as part of a service to their business has opportunity to receive income from its business.

Exemptions are all fine and good, but they still shift the tax burden to others. How does it look for the businesses that are struggling in these small towns to know that there is a business out there that is in direct line of competition with their main street property tax paying business and this business is now property tax free?

SB 2339
3-17-15
#11 p. 1

Testimony to the

Senate Agriculture Committee

Prepared March 17, 2015 by

Terry Traynor, Assistant Executive Director

North Dakota Association of Counties

RE: SB2339 – Agri-Tourism Tax Exemption

Mr. Chairman and members of the committee, I am Terry Traynor, assistant executive director of the North Dakota Association of Counties, and I would like to speak on behalf of our county official members in opposition to SB2339.

County officials believe that the property tax shift proposed in this legislation is unwise and discriminatory.

The state legislature has provided numerous optional authorities for local governments to provide well-structure, time-limited, property tax exemptions to encourage and incentivize new and expanding businesses. For the legislature to select a single element of a single business sector for a permanent state mandated exemption, clearly opens the door for future requests for similar treatment.

Further, placing this exemption in the “farm structure” subsection (15.a), without the income criteria attached to the separate “farm home” exemption (15.b) makes this expansive and essentially automatic if someone registers as an agri-tourism business – a process that is simple, cost-free, and has no oversight, as stated in the NDCC 53-13-02, copied on the next page.

The entire “farm structure” subsection is reproduced on page 2 of this testimony as well. As you will see, subparagraph (3) excludes from the exempted buildings those “*used primarily in connection with a retail or wholesale business other than farming...*” So this bill says “yes”, while the rest of the law says “no” – a situation ripe for litigation; creating an obvious vulnerability for the entire farm building exemption.

The Legislature has a history of creating statutory exemptions and credits, but these are generally limited to the blind, disabled, and elderly – most with an income test. More importantly, past Legislatures have seen fit to fund the exempted tax with state revenues, to avoid the tax shift that would otherwise

result. If this is truly a state priority, state funding should accompany the exemption.

Without state funding, voting for this bill is voting to increase taxes on every other property of the taxing district. Mr. Chairman and committee members, county officials urge a Do Not Pass recommendation on SB2339.

53-13-02. Registration - Requirements.

1. A person may become a registered agritourism operator by registering with the division of tourism.
2. The registration must include a description of the agritourism activity that the person provides or intends to provide.
3. The division of tourism may not impose any fees or other charges to register agritourism operators.
4. A registration under this section is effective for five years.

57-02-08. Property exempt from taxation.

All property described in this section to the extent herein limited shall be exempt from taxation:

....

15. a. All farm structures and improvements located on agricultural lands.

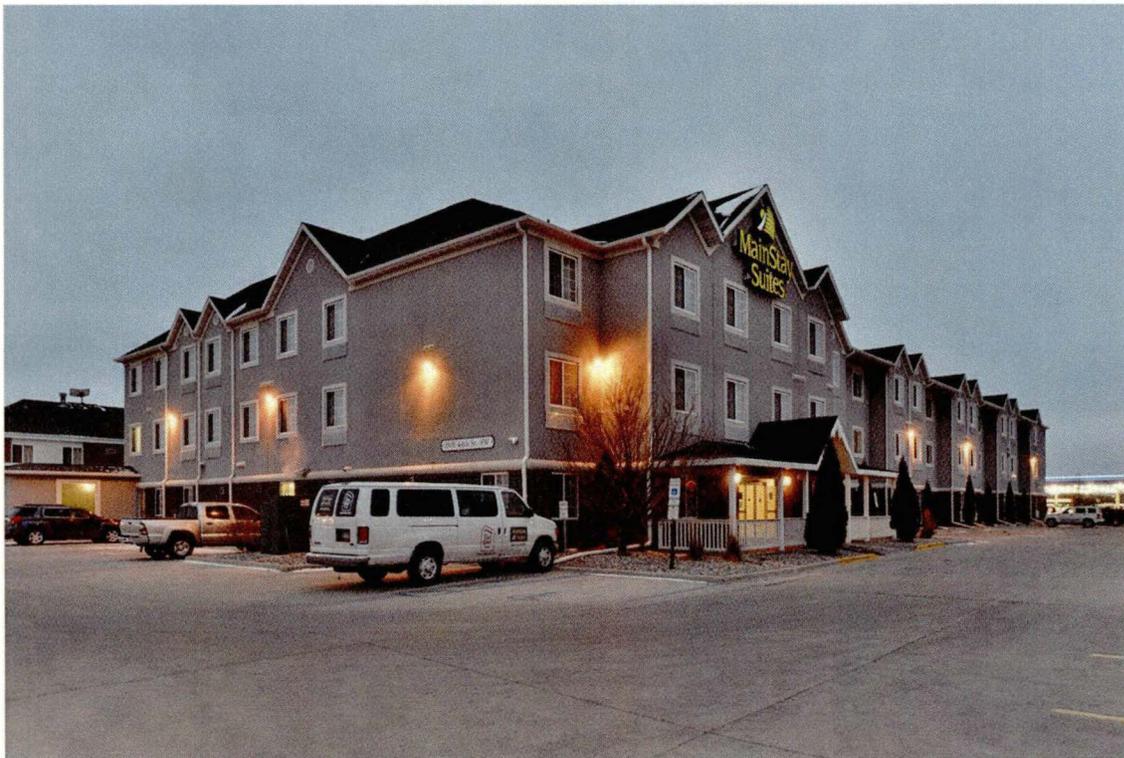
- (1) This subsection must be construed to exempt farm buildings and improvements only, and may not be construed to exempt from taxation industrial plants, or structures of any kind not used or intended for use as a part of a farm plant, or as a farm residence.
- (2) "Farm buildings and improvements" includes a greenhouse or other building used primarily for the growing of horticultural or nursery products from seed, cuttings, or roots, if not used on more than an occasional basis for a showroom for the retail sale of horticultural or nursery products. A greenhouse or building used primarily for display and sale of grown horticultural or nursery products is not a farm building or improvement.
- (3) Any structure or improvement used primarily in connection with a retail or wholesale business other than farming, any structure or improvement located on platted land within the corporate limits of a city, or any structure or improvement located on railroad operating property subject to assessment under chapter 57-05 is not exempt under this subsection. For purposes of this paragraph, "business other than farming" includes processing to produce a value-added physical or chemical change in an agricultural commodity beyond the ordinary handling of that commodity by a farmer prior to sale.
- (4) The following factors may not be considered in application of the exemption under this subsection:
 - (a) Whether the farmer grows or purchases feed for animals raised on the farm.
 - (b) Whether animals being raised on the farm are owned by the farmer.
 - (c) Whether the farm's replacement animals are produced on the farm.
 - (d) Whether the farmer is engaged in contract feeding of animals on the farm.

#11 p. 3

Coteau Des Prairies Lodge – Agritourism Site in Sargent County. The lodge received a 5 year 50% of 100% of true and full value exemption followed by a 75% of 100% of true and full value exemption for 3 years...the lodge is a commercial structure and is owned by Coteau Des Prairies Lodge, LLC, A ND Limited Liability Company...Joseph Breker owns the 80 acres that the lodge is located on in Tewaukon Township. .



Mainstay Suites – Fargo. Listed as an Agritourism site.

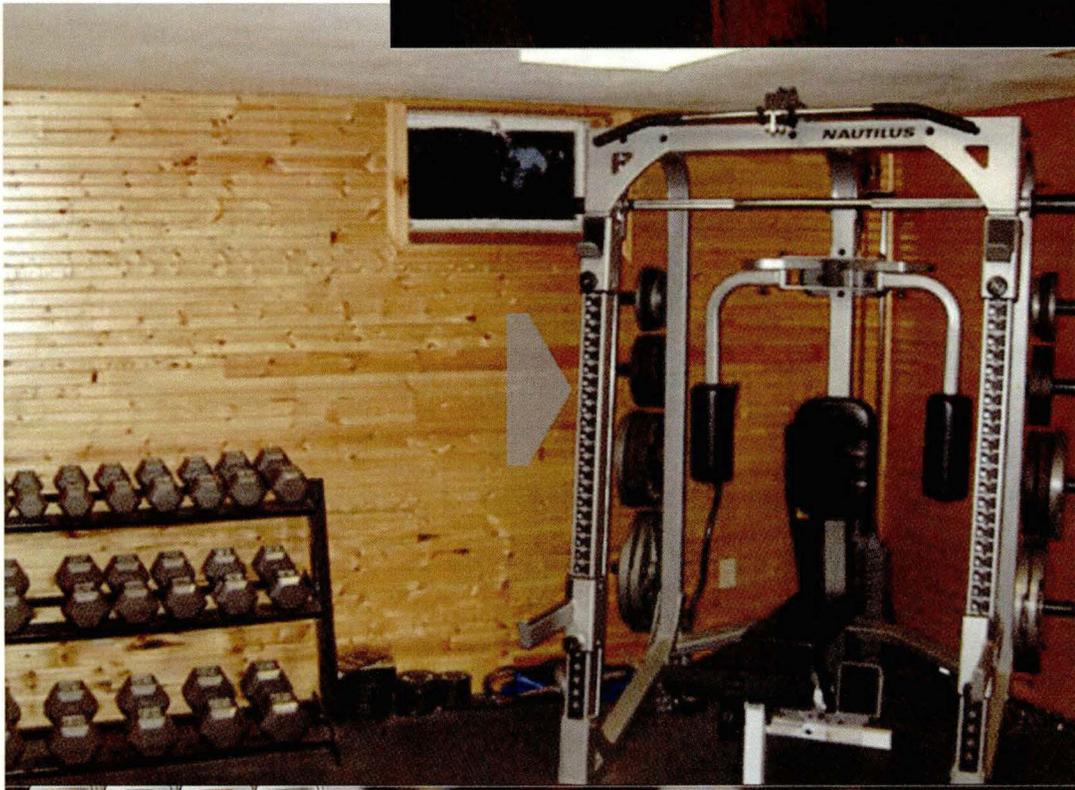


11 p. 4

Rolling Plains Adventures – Home of Black Leg Ranch



#11 p.5



SB 2339
3-17-15
#12 p.1

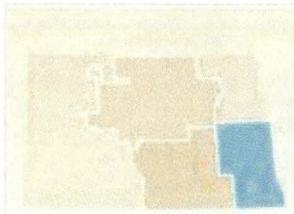
Agritourism Attractions

SEARCH LISTINGS

List View Map View

Filters Selected: **Agritourism X** [Clear All Filters](#)

Showing 31-31 of 31 Results **first** [prev](#) **1** **2** **3**



SOUTHEAST

4 Elements Winery

3766 156th Ave. SE

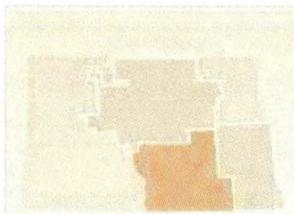
Mapleton, ND 58059

Quality products, born of the northern prairie, kissed by the sun, nourished by flowing rivers and brought to life by prairie breeze sare the found...

[read more >](#)

[701-936-9692](tel:701-936-9692)

[view website](#)



SOUTHCENTRAL

Apple Creek Winery

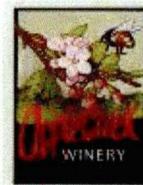
18100 22nd Ave. SE

Menoken, ND 58558

Apple Creek Winery, makers of BEARPAW brand wines, is located east of Bismarck, North Dakota. A new winery tasting and sales building

was completed...

[read more >](#)



[701-673-3484](tel:701-673-3484)

[view website](#)

Bagg Bonanza Farm

[701-274-8989](tel:701-274-8989)

#12 p. 2

[view website](#)



SOUTHEAST

**I-29, Exit 23
Mooreton, ND**

One of the last remaining bonanza farms in the U.S. The centerpiece of the 15-acre farm is a fully restored 21-bedroom main house. National Historical...



[read more >](#)



SOUTHEAST

Beaver Creek Bed and Breakfast

**1411 138th Ave. NE
Hatton, ND 58240**

Our home is located on a heavily wooded farmstead, including Beaver Creek and a wonderful rock crossing,

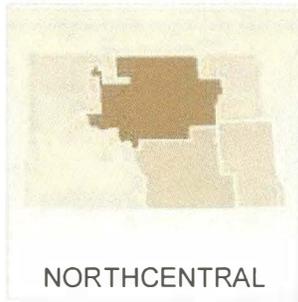
perfect for evening campfires, adventures ...

[read more >](#)



[701-330-1084](tel:701-330-1084)

[view website](#)



NORTHCENTRAL

Black Butte Adventures
18 miles southeast of Minot
Minot, ND 58701

Black Butte Adventures offers outdoor family getaway for mountain bikers and hikers. More 500 privately owned acres of native prairie shortgrass an...

[read more >](#)

[701-626-2226](tel:701-626-2226)

[view website](#)

Coteau des Prairies Lodge

[701-680-1175](tel:701-680-1175)

#12p.3
[view website](#)

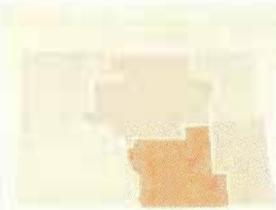


SOUTHEAST

[read more >](#)

**9953 141st Ave SE
Havana, ND 58043**

Coteau des Prairies Lodge is truly a one-of-a-kind getaway experience. Perched on the northernmost ridge of the Coteau des Prairies, where the brea...

SOUTHCENTRAL

laundry. Smok...
[read more >](#)

**Dakota Hills Hideaway
Robinson**

Robinson, ND 58478

Voted "Top 50 EcoTourism Site in the Great Plains." Clean, quiet, scenic and peaceful. Sleeps up to nine guests. Complete kitchen and



[701-392-8351](tel:701-392-8351)
[view website](#)



SOUTHCENTRAL

wines are also sold at many North Dakota bottle sho...
[read more >](#)

**Dakota Sun Gardens and
Winery**

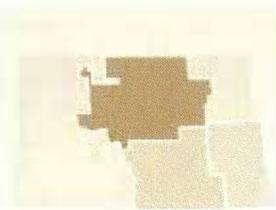
**955 73rd Ave. NE
Carrington, ND 58421**

Dakota Sun Gardens and Winery has many wines made on site available for tasting and purchase. The



[701-674-3316](tel:701-674-3316)
[view website](#)

#12 p. 4



Dale and Martha Hawk Museum
Wolford
Wolford, ND 58385
 Unique collection of antique farm equipment, steam engines, tractors, threshers, autos, 500 clocks, country store, one-room school, early household it...
[read more >](#)

NORTHCENTRAL

[701-583-2381](tel:701-583-2381)
[view website](#)



Dickinson Museum Center
188 Museum Drive E
Dickinson, ND 58601
 The Dickinson Museum Center is a history museum complex that serves the region of southwestern North Dakota. It is made up of the





SOUTHWEST

Joachim Regional ...
[read more >](#)

[701-456-6225](tel:701-456-6225)
[view website](#)



Fluffy Fields Vineyard
2708 21st St. E.
Dickinson, ND 58601
 Welcome all to Fluffy Fields Vineyard the new home of Dickinsons very first winery. The winery will have a 30x30 tasting room and a




SOUTHWEST

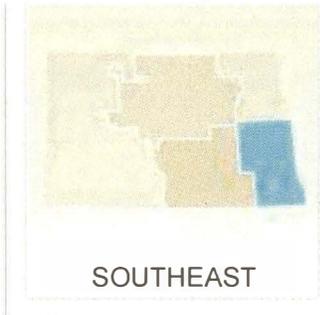
30x30 eve...
[read more >](#)

[701-483-2242](tel:701-483-2242)

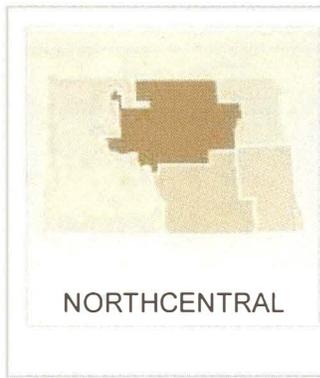
Fort Ransom State Park
2 miles north of Fort Ransom
Fort Ransom, ND 58033
 Fort Ransom State Park, which takes its name from an 1860s military fort, is located in the midst

[701-973-4331](tel:701-973-4331)
[view website](#)

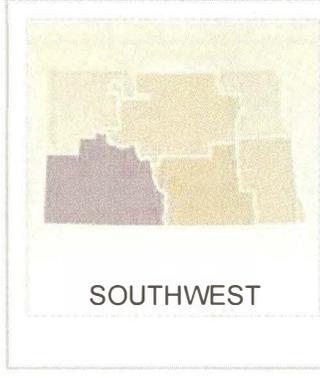
#12p.5



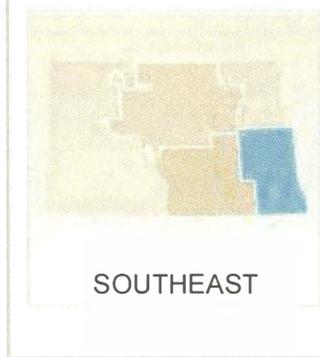
of the scenic and heavily wooded Sheyenne River
v...
[read more >](#)



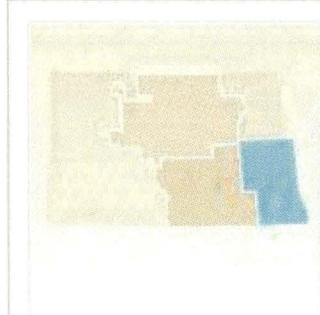
gardendwellers FARM [701-351-2520](tel:701-351-2520)
5143 37th AVE NE
Esmond, ND 58332
 Calling all 'foodies,' chefs, home cooks and everyone who loves to garden or eat good food! gardendwellers FARM is North Dakota's only culin...
[read more >](#) [view website](#)



HU Lodging [701-623-4897](tel:701-623-4897)
4457 West River Rd
Medora, ND 58645
 Come stay at the HU Ranch for a once-in-a-lifetime getaway! Located south of Medora, North Dakota, along the Little Missouri River, we offer some ver...
[read more >](#) [view website](#)



Mainstay Suites Extended Stay Hotel [701-277-4627](tel:701-277-4627)
1901 44th St. S.
Fargo, ND 58103
 Relax, you're home ... The newly remodeled MainStay Suites of Fargo is an affordable hotel that offers the amenities designed for the extended stay...
[read more >](#) [view website](#)



Maple River Distillery
4 Langer Ave N
Casselton, ND 58012
 Our small artisan distillery located in historic downtown Casselton produces unique brandies, vodkas, and



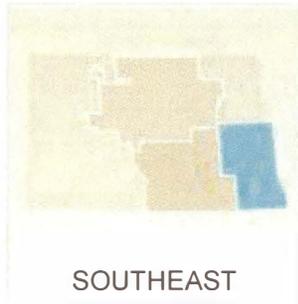
[701-347-5900](tel:701-347-5900)
[view website](#)

#12 p. 6

SOUTHEAST

cordials with locally grown fruit. Fun ...

[read more >](#)



SOUTHEAST

Maple River Winery

**628 Front St
Casselton, ND 58012**

Maple River Winery proudly produces traditional local award winning prairie wines with farm-fresh fruit grown in North Dakota. Our winery

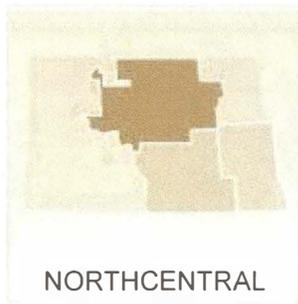


[701-347-5900](tel:701-347-5900)

[view website](#)

offers to...

[read more >](#)



NORTHCENTRAL

Morning Joy Farm

**927 Sixth St. NW
Mercer, ND 58559**

Fourth-generation farm that transitioned from conventional small grain and livestock farming to beyond organic grass-based livestock



[701-447-2649](tel:701-447-2649)

[view website](#)

production. We...

[read more >](#)

#12 p.7



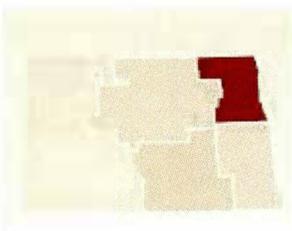
SOUTHWEST

Naard Creek Ranch
11580 Sixth St. N.W.
Killdeer, ND 58640

Visit Naard Creek Ranch to get a glimpse of the Old West. There are two pioneer cemeteries on the ranch with stories behind each one. The ranch is wit...

[read more >](#)

[701-764-6911](tel:701-764-6911)



NORTHEAST

Nelson's Pumpkin Patch
2448 20th Ave. NE
Emerado, ND 58228

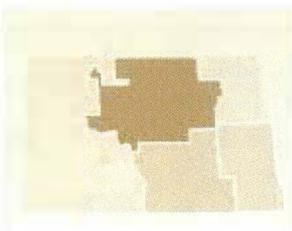
We are very passionate about our business. We want the Pumpkin Patch to be a place for families to come spend quality time together, making lasting...

[read more >](#)

[701-610-9564](tel:701-610-9564)

[view website](#)





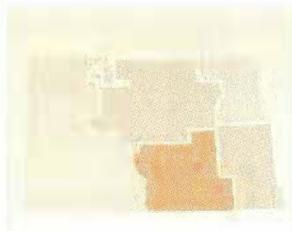
NORTHCENTRAL

North Dakota Forest Service Nursery
878 Nursery Road
Towner, ND 58788

The only state tree nursery in North Dakota. Specializes in evergreen seedlings for conservation planting. Produces 1.3 million trees per year. Group ...

[read more >](#)

[701-537-5636](tel:701-537-5636)



SOUTHCENTRAL

Papa's Pumpkin Patch
5001 Fernwood Dr
Bismarck, ND 58503

Celebrate the season at Papa's Pumpkin Patch, 5001 Fernwood Drive, Bismarck, ND. Our...

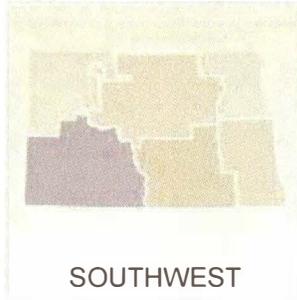
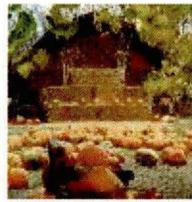
[read more >](#)

[701-222-1521](tel:701-222-1521)

[view website](#)




#12 p. 8



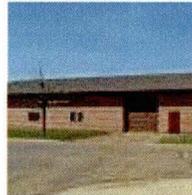
SOUTHWEST

Pioneer Machinery Building

**188 Museum Dr E
Dickinson, ND 58601**

This exhibit includes a threshing machine, tractors, a miniature farm display, an arrowhead collection and

early pioneer items....
[read more >](#)



[701-456-6225](tel:701-456-6225)

[view website](#)



SOUTHCENTRAL

Pipestem Creek Bed and Birding

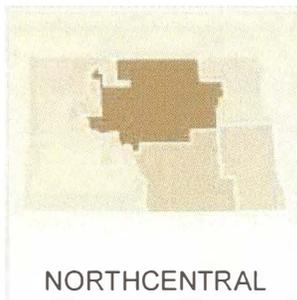
**33 miles north of Jamestown on Highway 281
Carrington, ND 58455**

The setting of Pipestem Creek Bed and Birding is amongst several gorgeous perennial gardens on a working family farm. Guests share in the use of fres...

[read more >](#)

[701-652-2623](tel:701-652-2623)

[view website](#)



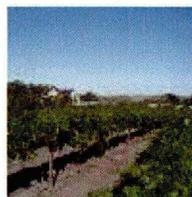
NORTHCENTRAL

Pointe of View Winery

**8413 19th Ave NW
Burlington, ND 58722**

North Dakota's first winery, specializing in native fruit, grape and honey wines. Free tastings. On and off sale available. Outdoor deck

seating ov...
[read more >](#)



[701-839-5505](tel:701-839-5505)

[view website](#)

Red Trail Vineyard

**3510 142nd Ave. SE
Buffalo, ND 58011**

[701-633-5392](tel:701-633-5392)

[view website](#)

#12 p.9



SOUTHEAST

The Red Trail Vineyard is one of the largest vineyards in the state. It is located two miles north of Exit 317 off I-94 along the Old Red Trail. ...

[read more >](#)



SOUTHCENTRAL

Rolling Plains Horseback Riding

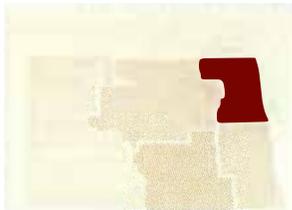
**24401 62nd Ave. SE
McKenzie, ND 58572**

Rolling Plains Adventures is located on the Black Leg Ranch within the plains of historic McKenzie, ND. The land has been family owned and operated si...

[read more >](#)

[701-367-3737](tel:701-367-3737)

[view website](#)



NORTHEAST

Siouxland Buffalo Ranch

**1 mile south of Grand Forks airport entrance
Grand Forks, ND 58202**

Ranch features herds of buffalo, a meat processing plant and a buffalo gift shop....

[read more >](#)

[701-772-1594](tel:701-772-1594)



SOUTHEAST

**Weddings, Receptions,
U-Pick Raspberries &
Fresh Produce**

**16305 57th St SE
Kindred, ND 58051**

Contact us to schedule your dream wedding or reception in the country. We

also offer U-Pick berries and fresh produce. Visit www.rbbf.com for...

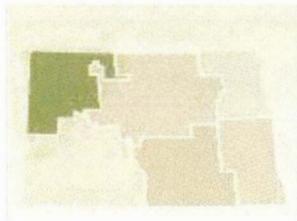
[read more >](#)



[701-388-3589](tel:701-388-3589)

[view website](#)

#12 p. 10
701-577-9618



NORTHWEST

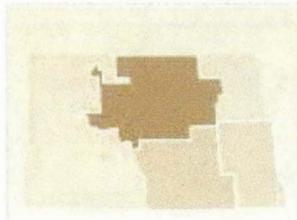
Wheat Monument

**Davidson Park
Williston, ND 58802**

"On July 4, 1987, the people of Williston dedicated this Monument to agriculture. It is a tribute to the men and women of the land who



settled the ...
[read more >](#)



NORTHCENTRAL

Wolf Creek Winery

**3631 Wolf Creek RD
Coleharbor, ND 58531**

...
[read more >](#)

[701-220-7237](tel:701-220-7237)

[view website](#)

SB 2339
3-17-15
#13 p.1



OFFICE OF TAX EQUALIZATION
P. O. Box 393
Ellendale ND 58436
Phone: (701) 349-3249 Ext. 7
E-mail: dflaherty@nd.gov

March 17, 2015

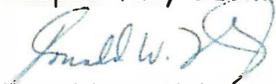
2015 House Finance and Taxation Committee
Honorable Representative Craig Headland, Chairman
North Dakota State Capitol

Dear Representative Headland and Members of the House Finance and Taxation Committee:

My name is Don Flaherty and I am the Director of Tax Equalization for Dickey County. I am writing you today to speak in opposition of SB 2339. I believe that the proposed changes to paragraph 2 of subdivision a of subsection 15 of section 57-02-08 of the North Dakota Century Code and its effect on the assessment of Agritourism businesses in North Dakota is a cause for great concern. Because of the minimal qualification needed to qualify any business located in an agricultural setting could find a way to exploit this potential law. As you can see by the provided application, businesses that can qualify as Agritourism can range from U-Pick Gardens and Farmer's Markets to Vineyards/Wineries to Hunting/Fishing and Ranch Vacations. The applicant also has the ability to choose "Other" and create an Agritourism experience of their own imagination. This lack of criteria can open up a floodgate of abuse to a property tax system that already has people concerned over the issuance of discretionary exemptions. One of the most glaring is the fact that this bill would still prevent a greenhouse from being classified as a farm building if its primary purpose was the display and sale of grown horticultural products but would allow a business that provides food and alcohol or overnight lodging to be exempt all in the name of Agritourism. That does not sound like a fair taxation process to me, does it to you?

I strongly feel that this legislation is not in the best interests of the taxpayers of North Dakota and I would strongly urge each of you to vote against SB 2339. I would also ask that you would urge your fellow representatives to do the same when this legislation is voted on by the full house.

Respectfully Submitted,


Donald W. Flaherty

Dickey County Director of Tax Equalization

SB 2339
3-17-15
#13 p.2



AGRITOURISM REGISTRATION
ND DEPARTMENT OF COMMERCE/TOURISM DIVISION
SFN 59981 (4/2014)

Please complete all information as required by House Bill 1142, The Agritourism Liability Act. **The following information is for promotional purposes and will be published by the North Dakota Tourism Division.**

Business Name		Phone Number		Website	
Physical Address of Agritourism Business – include GPS coordinates.			City	State	ZIP Code
Type of agritourism experience offered (please check all that apply):					
<input type="checkbox"/> Ranch Vacations	<input type="checkbox"/> Horseback Riding	<input type="checkbox"/> Hunting/Fishing	<input type="checkbox"/> U-Pick Gardens	<input type="checkbox"/> Vineyards/Wineries	
<input type="checkbox"/> Seasonal Events	<input type="checkbox"/> Farm Tours	<input type="checkbox"/> Education Vacations	<input type="checkbox"/> Farmers Markets/Product Sales		
<input type="checkbox"/> Other _____					
List services, activities, facilities and amenities provided:					
Seasonality (check all that apply):					
<input type="checkbox"/> Year Around	<input type="checkbox"/> Spring	<input type="checkbox"/> Summer	<input type="checkbox"/> Fall	<input type="checkbox"/> Winter	
<input type="checkbox"/> Special Event Dates Only		<input type="checkbox"/> Other _____			
Please give a detailed description of all agritourism experiences offered to your guests. (please attach a separate page if additional space is needed)					
Please provide a brief (limit to 150 words) promotional paragraph about your agritourism experience.					

The following registration information will not be published by the North Dakota Tourism Division.

Principle Owner Name		Cell Phone Number	
Mailing Address	City	State	ZIP Code
Email Address	Website Address	Fax Number	
Month/Year Agritourism Business was Established	Contact Person		
Signature	Date		

SB 2339
3-17-15
#14 p.1

North Dakota[®]

LEGENDARY

Department of Commerce- Agritourism Information for SB 2339

Tuesday, March 17, 2015

House Finance and Taxation Committee

Fort Totten Room

Representative Craig Headland, Chairman

Chairman Headland and members of the committee, I am Sara Otte Coleman, the director of the tourism division for the North Dakota Department of Commerce. I am here to provide neutral testimony on SB 2339 and to update you on our division's work to develop our agritourism industry. Our office receives requests from potential visitors looking for opportunities to visit our state's farms and ranches. There is an expectation that a state that is known for its strong production agriculture would offer farm and ranch experiences. Following is some background on this tourism niche.

- *General Definition:* Agritourism is a style of vacation that normally takes place on a farm or ranch. This may include the chance to help with farming and ranching tasks during the visit.
- An agritourism farm is any land-based farm or business that is open to the public at least some part of the year.
 - Things to see and do
 - Places to stay
 - Event venues
 - Produce and/or gifts to buy
- 63 million Americans (over the age of 16) visit farms annually
- Has grown to a \$1 billion industry nationwide
- North Dakota has approximately 50 farmers or ranchers actively offering at least one agritourism activity with another 50 doing it on a limited basis or considering doing it in the future.
 - 29 of the 50 are registered agritourism destinations
 - 10 of these are new since the 2011 Agritourism Liability Law was passed.
- Demand for ag-based experiences is worldwide. North Dakota Tourism markets to:
 - Germany
 - United Kingdom
 - Scandinavia
 - Australia/New Zealand

- Agritourism experiences in North Dakota include the growing segment of specialty crop producers:
 - 11 wineries
 - 47 vineyards in 23 counties across the state
 - 50 farmers markets
 - Over 160 members listed in the North Dakota Ag Department Local Foods Directory farmers markets
 - you-pick gardens
 - community supported agriculture (CSA's)

- North Dakota leads the nation in the production of more than a dozen commodities

- 2012 USDA Farm Census shows over 33,000 farms in the US offer agritourism activities
 - North Dakota ranks **44th** in the nation in the number of agritourism and recreation services farms. Rank of surrounding states:
 - Iowa – 38th
 - Nebraska – 30th
 - Minnesota – 29th
 - Wyoming- 28th
 - South Dakota – 20th
 - Montana – 16th

- Current agritourism growth areas in North Dakota:
 - Vineyards and Wineries
 - Ranches (only one full service ranch currently operating despite strong demand)
 - CSA (Community Supported Agriculture)

Dean Ihla, our tourism development manager, was recently elected to the National Agritourism Professionals Association and has focused his efforts on agritourism, rural tourism and recreation based expansions over the past five years. We would be happy to answer any questions.

SB 2339
3-23-15

15.0977.02004
Title.

Prepared by the Legislative Council staff for #1
Representative Froseth
March 20, 2015

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2339

Page 1, line 17, after "53-13" insert "and qualify as a farmer as defined in subdivision b"

Renumber accordingly

SB 2339
3-25-15
#1

15.0977.03000

Prepared for the
House Finance and
Taxation Committee
March 25, 2015

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2339

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new subsection to section 57-02-08 of the North Dakota Century Code, relating to creation of an exemption for buildings used by a farmer in farming or ranching related agritourism; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new subsection to section 57-02-08 of the North Dakota Century Code is created and enacted as follows:

All or part of a building used by a farmer and located at a current or historic agricultural, horticultural or agribusiness operation, including farming and ranching activities that is viewed or enjoyed by members of the general public, for educational recreational, or entertainment purposes, regardless of whether the member of the general public pays to participate in the activity or to view or enjoy the attraction. The agribusiness must be registered with the division of tourism as an agritourism operator under chapter 53-13 in order to qualify the building as exempt for purposes of this paragraph.

SECTION 2. EFFECTIVE DATE. This Act is effective for the first five taxable years beginning after December 31, 2014."

Renumber accordingly