

Fifty-fifth  
Legislative Assembly  
of North Dakota

## ENGROSSED SENATE BILL NO. 2374

Introduced by

Senators Tomac, Krauter

Representatives Drovdal, Kerzman

1 A BILL for an Act to create and enact two new sections to chapter 15-08 of the North Dakota  
2 Century Code, relating to agricultural land controlled by the board of university and school  
3 lands.

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

5 **SECTION 1.** A new section to chapter 15-08 of the North Dakota Century Code is  
6 created and enacted as follows:

7 **Board of university and school lands - Agricultural land holdings - Limitation.**

8 The commissioner of university and school lands shall determine the number of acres of grant  
9 and nongrant lands under the control of the board in each county which are used for or are  
10 capable of being used for agricultural purposes and the percentage that those acres represent  
11 of the total acres of land in each county which are used for or are capable of being used for  
12 agricultural purposes. If the percentage of land as described in this section which is controlled  
13 by the board in a county exceeds the percentage of all land in the county which is used for or is  
14 capable of being used for agricultural purposes by more than two percent, the board shall, on  
15 or before January 1, 2001, divest itself of the excess acreage in each county in accordance  
16 with the provisions of chapter 15-06 or 15-07, as appropriate. The board shall determine which  
17 holdings are to be sold under this section, in accordance with its policy of managing the lands  
18 under its control to produce the maximum net rate of return.

19 **SECTION 2.** A new section to chapter 15-08 of the North Dakota Century Code is  
20 created and enacted as follows:

21 **Board of university and school lands - Divestiture - Application and sale**  
22 **procedure.**

23 1. The commissioner of university and school lands may accept applications for the  
24 purchase of land to be sold under section 1 at any time. Upon receiving an

1 application for the purchase of land, the commissioner shall present the application  
2 to the board of university and school lands for approval or rejection. If the board  
3 approves the application, the commissioner shall obtain an appraisal of the  
4 property. The cost of the appraisal must become part of the purchase price of the  
5 land.

6 2. The board shall review the appraisal, together with any other relevant information,  
7 and determine whether to proceed with the sale. If the board decides to proceed  
8 with the sale, the board shall establish a minimum purchase price and notify the  
9 applicant. If the potential purchaser accepts the purchase price established by the  
10 board, the potential purchaser shall complete a formal application to purchase at  
11 that price. The board may sell unleased lands at any time. The board may sell  
12 leased lands only if the lessee is notified during the months of October through  
13 January of the board's intention to sell the land.

14 3. The purchaser shall make a cash downpayment of ten percent of the purchase  
15 price on the day of the sale and shall pay the balance in cash within sixty days.  
16 The date on which the balance is due may be extended by the commissioner for  
17 up to a maximum of one hundred eighty days from the date of the sale. The  
18 commissioner shall, however, charge the purchaser interest on the remaining  
19 balance beginning sixty days after the date of the sale at the Bank of North Dakota  
20 base rate plus one percent.