

## MUNICIPAL CORPORATIONS

### CHAPTER 172

S. B. No. 147—(Blaisdell)

#### SPECIAL ASSESSMENTS IN CITIES

An act to amend and re-enact Section 3725 of the 1913 Compiled Laws of the State of North Dakota, relating to special assessments, and declaring an emergency.

*Be It Enacted by the Legislative Assembly of the State of North Dakota:*

§ 1. AMENDMENT.] That Section 3725 of the 1913 Compiled Laws of the State of North Dakota be amended and re-enacted to read as follows:

§ 3725. NOTICE TO COMMISSION.] Whenever the work for which a special assessment shall be required to be made by such commission shall have been completed, and approved by the city engineer, and the total cost of such work shall have been ascertained as near as practicable, the city auditor shall notify the chairman of such commission of the completion of such work, and shall certify to him the items of the total cost thereof, to be paid by special assessments, so far as the same have been ascertained, and the chairman of such commission shall thereupon immediately call a meeting of such commission, and such commission shall thereupon as expeditiously as possible proceed to make and return such special assessment as hereinafter provided: provided, however, that if such work consists of improvements on or additions to sewers or water mains already installed, or paving already laid, and all bids for such work were rejected and the work done by the city, and if, in the opinion of the engineer, such work can be done in separate sections or work units, it shall not be necessary that all of the work be completed before such assessments be made, and the city council, by resolution, may at any time before or after the work has been commenced, specify what part of the improvements shall constitute a separate section or work unit, and upon completion of the work in one or more of such separate sections or work units, such special assessments may be made in the same manner and with the same force and effect as if all of the work in the entire improvement district had been completed. Provided, further, that failure for any reason to complete the work in any remaining separate section or work unit included within such improvement district shall not affect the validity of the special assessments made or the special assessment warrants issued for the work completed.

§ 2. EMERGENCY.] An emergency is hereby declared to ex-

ist, therefore this act shall be in full force and effect from and after its passage and approval.

Approved March 15, 1939.

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## CHAPTER 173

S. B. No. 28—(Bilden and Fredrickson)

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### BOND ISSUES FOR CITY WATER AND SEWER SYSTEMS

An act to amend and re-enact Paragraph (c) of Subsection (2) of Section 4 of Chapter 196, Laws of 1927, as amended by Chapter 169, Laws of 1929 and Chapter 195, Laws of 1931, relating to bond issues of cities to permit the issuance of bonds for the joint construction of a water and sewer system and legalizing elections heretofore held to vote bonds for such purpose, and declaring an emergency.

*Be It Enacted by the Legislative Assembly of the State of North Dakota:*

§ 1. AMENDMENT.] Paragraph (c) of Subsection (2) of Section 4 of Chapter 196, Laws of North Dakota 1927, as amended by Chapter 169, Laws of 1929 and Chapter 195, Laws of 1931 be and it is hereby amended and re-enacted to read as follows:

“c. For the construction and extension of water plants or purchase of existing plants, construction and improvements of water-mains, sewers and drains, or for the joint construction of a water and sewer system; to provide the erection, planning, construction and establishment of a sewage disposal plant or system; or for the erection and construction and enlargement of garbage disposal plants, and to purchase sites and grounds, either within or without the limits of the city for the disposal of sewage, garbage and other refuse; or for the leasing or purchase of lands, either within or without the limits of the city, for the purpose of providing airports or landing fields or for the construction of buildings thereon or the procuring of equipment therefor, and other like municipal purposes.”

§ 2. All elections heretofore held for the purpose of voting on the issue of bonds for the joint construction of a water and sewer system are hereby declared legal and valid notwithstanding the combination of such purposes in the question submitted to the voters.

§ 3. This act is hereby declared an emergency measure and shall take effect and be in force from and after its passage and approval.

Approved February 1, 1939.

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CHAPTER 174

S. B. No. 182—(Bridston and Nelson of Grand Forks)

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CIVIL SERVICE CITY EMPLOYEES, AMENDMENT

An act relating to the status of municipal civil service in municipalities which change their form of government and amending Chapter 173 of the Session Laws of the State of North Dakota for the year 1937.

*Be It Enacted by the Legislative Assembly of the State of North Dakota:*

§ 1. AMENDMENT.] Chapter 173 of the Session Laws of the State of North Dakota for the year 1937 is hereby amended by adding Section 7 as follows:

§ 7. In the event that any municipality in the State of North Dakota, which has established a civil service system in compliance with the requirements of this act hereinbefore described, shall duly change the form of municipal government it is the intent and purpose of this law that such civil service provisions as have previously been established shall maintain under the new form of municipal government, except as the municipal council, commission or governing body may see fit to change within the limitations described in this law. It is further declared to be the intent of this law that the municipal governing body, as described in Paragraph 2 Section 2 of this law, shall designate the departments, class of employees and appointive officials of the city who shall come under the civil service, and may subsequently add thereto, except as restricted by the provisions of this law.

Approved March 13, 1939.

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CHAPTER 175

H. B. No. 370—(Byrne)

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FILING OF FINAL BUDGETS AND TAX LEVIES  
BY MUNICIPALITIES

An act to amend and re-enact Section 3684a3 of the 1925 Supplement to the Compiled Laws of North Dakota for 1913 and requiring the filing of final budgets and annual tax levies.

*Be It Enacted by the Legislative Assembly of the State of North Dakota:*

§ 1. AMENDMENT.] Section 3684a3 of the 1925 Supplement to the Compiled Laws of North Dakota for 1913 is hereby amended and re-enacted to read as follows:

§ 3684a3. PRELIMINARY BUDGET STATEMENT.] The council

of each municipality shall make annually between July 1st and July 15th of each year on suitable blanks prescribed by the State Tax Commissioner an itemized statement (to be known as the Preliminary Budget Statement) of the amounts of money which, in the opinion of such council, shall be required for the proper maintenance, expansion or improvement of the municipality during the fiscal year and such other information relating to the finances of the municipality as the State Tax Commissioner may require.

§ 2. FILING OF FINAL BUDGETS AND ANNUAL TAX LEVIES.] As soon as the governing board of any municipality subject to the provisions of Article 17a of Chapter 44 of the Political Code of the Supplement to the Compiled Laws of North Dakota for 1913 and acts amendatory thereof and supplementary thereto shall have completed the final budget and shall have adopted the annual tax levy, the auditor or clerk of said municipality shall immediately thereafter send two certified copies of the levy as adopted and two certified copies of the final budget to the county auditor. As soon as the county auditor has available the data showing the total assessed valuation of said municipality, he shall proceed to calculate the necessary tax rates to produce the sums called for in said final budget; provided, however, that if the county auditor shall find that any amount or amounts called for in the levy cannot be produced by a tax rate which is within the limits prescribed by statute, said auditor shall reduce the amount so that it can be produced by a tax rate which is within legal limits; and said auditor shall at once notify the council of the reductions so made by him. As soon as the county auditor shall have calculated the necessary tax rates to produce the sums called for in the said final budget or such reduced amount or amounts which can be produced by a tax rate which is within legal limits, he shall transmit one copy of said annual tax levy and said final budget to the State Tax Commissioner.

Approved March 16, 1939.

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## CHAPTER 176

S. B. No. 82—(Magoffin)

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### PARK DISTRICT TAX LEVIES

An act to amend and re-enact Section six of Chapter 235 of the Session Laws of the State of North Dakota for the year 1929 relating to park district tax levies.

*Be It Enacted by the Legislative Assembly of the State of North Dakota:*

§ 1. AMENDMENT.] Section 6 of Chapter 235 of the Session

Laws of the State of North Dakota for the year 1929 be and the same is hereby amended and re-enacted to read as follows:

§ 6. PARK DISTRICT TAX LEVIES.] Park district taxes shall be levied by the park commission at the annual budget meeting of the commission on the fourth Wednesday of July of each year or within ten days thereafter. In levying park district taxes the park commission shall be limited by the amount necessary to raise to meet appropriations included in its annual budget of the current fiscal year, and the sum necessary to be provided as a reserve fund (as hereinafter provided in Section 10) together with a tax sufficient in amount to pay the interest on the bonded debt of the municipality and provide a sinking fund to pay and discharge the principal thereof at maturity. The aggregate amount levied for park district purposes, exclusive of levies to pay interest on bonded debt and levies to pay and discharge the principal thereof, shall not exceed such amount as will be produced by a levy of 2 mills on the dollar of the net taxable assessed valuation of the district for the current year; provided, however, that park districts having a population of less than twenty thousand as shown by the last United States census may hereafter levy an additional two mills on the dollar of the net taxable assessed valuation of the district for the current year for park district purposes, exclusive of levies to pay interest on bonded debt and levies to pay and discharge the principal thereof, when first approved by a two-thirds vote of the votes cast at any general or special election called for that purpose.

Approved March 14, 1939.

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## CHAPTER 177

H. B. No. 253—(Twichell, Fitch and Bergesen)

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### POLICE PENSION AMENDMENT

An act to amend and re-enact Section 1 of Chapter 174 of the Session Laws of North Dakota for the year 1937, relating to pensions for policemen and dependents in cities now or hereafter having a population in excess of ten thousand (10,000) inhabitants.

*Be It Enacted by the Legislative Assembly of the State of North Dakota:*

§ 1. AMENDMENT.] Section 1 of Chapter 174 of the Session Laws of North Dakota for the year 1937 is hereby amended and re-enacted to read as follows:

§ 1. POLICE PENSION FUND.] Any city now or hereafter having a population in excess of ten thousand (10,000) inhabitants, according to the last official census, Federal or State, and having an

organized paid police department, may annually levy a tax of not more than one-quarter of one mill, in addition to any other levies authorized by law for general purposes, for the purpose of creating a policemen's pension fund.

Provided further, that cities in which a police retirement system based upon actuarial tables shall be established by law, may levy for the police pension fund a total tax of not more than one-half mill in addition to any other levies authorized by law for general purposes.

Whenever there is a sufficient balance in said fund to meet any proper or legitimate charges that may be made against the same, such city shall not be required to levy a tax for this purpose.

All moneys derived from each tax so levied, and all moneys received as membership fees and dues, and all moneys received from grants, donations, and devises for the benefit of such fund shall constitute a fund to be known and designated as a policemen's pension fund.

Provided further, that no member nor the dependent of any member of such police department shall be eligible for a pension unless such member shall have been on active duty with the department for a period of ten years, unless the retirement of such member from the department shall be caused by mental or physical impairment received in line of duty permanently disabling such member.

Approved March 7, 1939.

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## CHAPTER 178

S. B. No. 55—(Hill, Tweten and Blank)

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### REFUNDING INDEBTEDNESS OF MUNICIPALITIES

An act to amend and re-enact Sections 1 and 2 of Chapter 195, Session Laws for the year 1935 as amended by Chapter 176 of the Session Laws of 1937, and amending Section 5 of Chapter 195 of the Session Laws of the year 1935, relating to funding and refunding existing indebtedness of municipalities, validating proceedings thereunder and declaring an emergency.

*Be It Enacted by the Legislative Assembly of the State of North Dakota:*

§ 1. AMENDMENT.] That Section 1 of Chapter 195 of the Session Laws of 1935 be, and the same is hereby amended and re-enacted to read as follows:

“§ 1. A municipality may issue bonds under the provisions of this act for the purpose of funding and refunding its existing in-

debtedness at any time prior to July 1, 1941. The terms "governing body" and "municipality" as used herein shall be deemed and construed to mean the same as such terms are respectively defined in Chapter 196, Laws of 1927. The terms "floating indebtedness" and "bonded indebtedness" shall collectively be deemed to include orders, certificates of indebtedness, bonds, contracts and warrants and other instruments evidencing a general municipal indebtedness, issued and outstanding prior to January 1, 1939."

§ 2. AMENDMENT.] That Section 2 of Chapter 195 of the Session Laws of 1935 as amended by Chapter 176, Session Laws of 1937 be, and the same is hereby amended and re-enacted to read as follows:

"§ 2. (a) Any municipality may by resolution of the governing body propose or accept and adopt a plan for funding and refunding floating indebtedness and/or bonded indebtedness or any part thereof existing prior to January 1, 1939. Such resolution shall recite the plan in detail and contain such provisions not inconsistent with this act as shall be found to be for the best interest of the municipality, its creditors, and its taxpayers. The plan may contemplate the issuance of bonds to refund any or all outstanding bonds, including bonds which are not due or about to become due, may provide that bonds may be exchanged in whole or in part for unmatured bonds with the consent of the holders thereof, and may provide for the execution and sale or exchange and delivery of bonds from time to time as needed to meet maturing obligations. Any such plan may provide for the issuance of one series of bonds or more than one series. The governing body may fix a time limit within which creditors may surrender obligations for payment or exchange and may thereafter extend such time if it is found beneficial to the municipality to do so. The plan may require the consent of any specified percentage or amount of the holders of the obligations included in such plan before it shall become effective. Any municipality may take any action authorized by any present or future bankruptcy or similar law enacted by the Congress of the United States designed to assist in the compounding or compromising and refinancing of indebtedness, including the payment of fees and expenses necessary to make use of such act and approved by the court having jurisdiction thereof."

(b) Option or Redemption. All bonds hereafter issued under this act and which bear interest at the rate of  $4\frac{1}{2}\%$  or less payable semiannually and mature serially in twenty years or less, in annual installments of not less than 5 per cent of the principal amount of the bond issue, commencing not later than the third year, may be issued without option of payment and redemption prior to maturity or with such provisions as to prior payment and redemption as the governing body shall adopt.

§ 3. AMENDMENT.] That Section 5 of Chapter 195 of the Session Laws of 1935 be, and the same is hereby amended and re-enacted to read as follows:

“§ 5. Bonds issued hereunder may be sold or exchanged for outstanding bonds or other indebtedness, or part sold and part exchanged in such manner as the governing body shall determine, but none shall be sold or exchanged upon such terms that the annual interest cost of the proceeds, computed to maturities of the bonds of the series according to standard tables of bond values now in general nationwide use by financial institutions and insurance companies, will be more than the interest rate on the bonds or other indebtedness funded or refunded thereby, or exceed six (6) per cent per annum, provided that except as to bonds heretofore contracted to be sold no bonds shall be sold or exchanged hereafter until the municipality has first advertised for bids at a public sale in the manner prescribed by Section 17 of Chapter 196, Laws of 1927 or acts amendatory thereof; provided, further, that it shall be unlawful for any municipality as herein defined or for the governing body thereof, to issue any bonds for any purpose under this act without first being authorized so to do by a vote of the qualified electors of such municipality, which election shall be held and conducted as provided in Chapter 196 of the Session Laws of 1927 or acts amendatory thereof, excepting, however, that this proviso shall not apply to funding bonds which have been contracted to be sold by any such municipality prior to January 1, 1939, nor shall it apply where the funding or refunding bonds bear the same or lower rate of interest than the bonds refunded. The officers may use the proceeds of bonds sold to purchase the outstanding bonds, for the refunding of which such bonds were issued, at the best price obtainable, not exceeding par and accrued interest to date of purchase, or may use such proceeds to pay a certain percentage of all bonds or other indebtedness surrendered for exchange and deliver bonds in exchange for the remainder of said bonds or indebtedness. Prior to or contemporaneously with the delivery of bonds, an equal par value of outstanding bonds or other indebtedness shall be surrendered and cancelled. Insofar as any exchanges are made, the outstanding obligations shall be taken at not more than face amount with accrued interest and the bonds delivered shall be valued at not less than the face amount with accrued interest.”

§ 4. VALIDATION.] All proceedings heretofore taken by any municipality for the funding or refunding of indebtedness, purporting to be taken under the provisions of Chapter 195, Laws of 1935, as amended, which could have been validly taken under this act, are hereby legalized and validated.

§ 5. EMERGENCY.] This act is hereby declared to be an emer-



gency measure and shall be in full force and effect from and after its passage and approval.

Approved March 15, 1939.

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## NORTH DAKOTA

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### CHAPTER 179

S. B. No. 259—(Committee on Education)

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#### FIRE AND TORNADO FUND—INVESTMENT

An act authorizing the State Treasurer to invest and re-invest funds of the State Fire and Tornado Fund, and appropriating such funds for that purpose.

*Be It Enacted by the Legislative Assembly of the State of North Dakota:*

§ 1. On and after July 1, 1939, the State Treasurer may upon recommendation of the Commissioner of Insurance, invest, and from time to time, re-invest, any funds in the State Fire and Tornado Fund in the manner and subject to the restrictions in Chapter 149 of the Session Laws of North Dakota for 1937, and for that purpose, the funds of the State Fire and Tornado Fund shall be deemed appropriated.

§ 2. It is the intention of the Legislature, in adopting this act, to comply with the provisions of Section 186 of the Constitution of North Dakota, as amended by the initiated amendment adopted June 28, 1938, should such amendment be construed to require specific legislative appropriation in order to make the funds of the State Fire and Tornado Fund legally eligible for investment and re-investment by the State Treasurer.

Approved February 28, 1939.