

Fifty-eighth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2368

Introduced by

Senators Cook, Fischer, J. Lee

Representatives Clark, R. Kelsch, Porter

1 A BILL for an Act to create and enact a new section to chapter 40-23 of the North Dakota
2 Century Code, relating to audits of special assessments when costs exceed estimates; and to
3 provide an effective date.

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

5 **SECTION 1.** A new section to chapter 40-23 of the North Dakota Century Code is
6 created and enacted as follows:

7 **Audit of certain special assessment improvements.** If the costs of an improvement
8 determined and assessed under section 40-23-07 or 40-23.1-04 exceeds the costs of the work
9 as contained in the engineer's estimate under section 40-22-10 by seventy percent or more, the
10 governing body of the city shall secure an audit of all costs included in the assessment for the
11 project, prepared in accordance with generally accepted auditing standards. The audit report
12 must include a separate statement of the engineer's estimate of the cost of the work, the actual
13 cost of the work, the cost of extra work, engineering fees, fiscal agents' fees, attorneys' fees,
14 publication costs, warrant printing costs, interest costs, and each separate item of expense
15 incurred in making the improvement and levying the assessment for the improvement. The city
16 shall make a copy of the audit report available without charge to any person who requests a
17 copy. Audit and copying expenses under this section must be paid by the city and may not be
18 paid from special assessment funds.

19 **SECTION 2. EFFECTIVE DATE.** This Act is effective for special assessment
20 improvement projects for which a resolution of necessity is adopted after July 31, 2003.