

## CITY PARK DISTRICT CREATION, CONSOLIDATION, AND DISSOLUTION

City park districts are created by the city in which the district is located. Under North Dakota Century Code Section 40-49-02, any incorporated city by a two-thirds vote of its governing body may take advantage of the provisions of law relating to park districts. Section 40-49-05 requires that all of the powers of a city park district must be exercised by a board of park commissioners. Under Section 40-49-07.2, a city park district may be dissolved. However, to dissolve the city park district, a resolution approved by a majority of the board of park commissioners or a petition signed by 25 percent or more of the qualified electors of the city park district must be submitted to the governing body of the city. If either of those two requirements is met, the governing body of the city is required to submit the question of dissolution to the electors of the park district.

The main issue that would arise if a city park district is dissolved is that the taxing authority for the city park district would be dissolved as well. Under Section 57-15-12, the levy for a park district may not exceed the sum of the number of mills levied by the park district in the taxable year 2000 for the general fund. However, a park district may increase its general fund levy to any number of mills approved by the majority of the electors of the park district up to a maximum levy of 35 mills. A copy of the July 2009 Schedule of Levy Limitations ([Appendix A](#)) prepared by the State Tax Commissioner is attached. In addition, pages from the 2008 Property Tax Statistical Report ([Appendix B](#)) prepared by the State Tax Commissioner are attached. These pages show the

property taxes levied in each county by the state and political subdivisions, including city park districts. The total amount collected for city park districts in 2008 was \$37,330,933.64--fourth in amount behind school districts, counties, and cities. This amount reflects a 120.3 percent increase since 1995.

Although a city park district may combine with another city park district or a county park district, transfer power to the county, or enter a joint powers agreement, there is no procedure for a city park district to consolidate with the governing body of a city. Under Chapter 40-49.1, a city park district may combine with one or more city park districts or county park districts. Under Section 40-49.1-03, as a political subdivision, the combined city park district has the status of a city park district or the status of a county park district when combined. If applicable, all laws relating to the functions and powers of a city park district and the functions and powers of a county park district apply to the combined board. Chapter 54-40.5 is intended to allow political subdivisions to transfer powers to the county in which the political subdivision is located. Thus, a city park district could be transferred to county government. Under Chapter 54-40.3, political subdivisions may enter joint powers agreements. However, this chapter is meant more for cooperation than consolidation. The cooperation may result in some consolidation of administrative functions, but the entities in the joint powers agreement would still exist.

ATTACH:2