

June 2009

TITLE 40

Municipal Government

Summary of Bills Enacted by 2009 Legislative Assembly

This memorandum summarizes 2009 legislation primarily affecting North Dakota Century Code Title 40. Bills primarily affecting other titles also affect this title, and relevant provisions of those bills are summarized in this memorandum.

House Bill No. 1346 eliminates the requirement that a city or county place the question of establishing an advisory study committee on the ballot at a regular election at least once every five years.

Senate Bill No. 2324 prohibits an individual from being a candidate for more than one office in a city at any given election.

House Bill No. 1257 prohibits a home rule city from using home rule authority to impose higher or lower property tax rates for certain properties and requires all taxable property to be assessed at the same rate, unless otherwise provided by law. The bill is effective for taxable years beginning after December 31, 2008.

Senate Bill No. 2191 provides that the cost of any demolition, repair, or removal of a substandard building or structure by a city constitutes a lien against the real property from which the cost was incurred and that the lien may be foreclosed in judicial proceedings. The bill provides that if the amount obtained from the foreclosure is not sufficient to cover the cost of the demolition, repair, or removal of the substandard building or structure, the city has a lien for the amount of the additional costs on all real property owned, or later acquired, by the owner in the city.

House Bill No. 1420 reduces from two to one the number of certified copies of the annual municipal levy and final budget that must be submitted to the county auditor.

Senate Bill No. 2441 provides that property owned by a nonprofit entity and used exclusively as a cemetery is exempt from the collection of special assessments. The bill requires the city in which the property is located to provide for the payment of special assessments, installments, and interest against the cemetery property by the levy of taxes according to law or by payment from other funds available to the city which are derived from sources other than special assessments. The bill was declared to be an emergency measure and became effective upon filing with the Secretary of State on April 29, 2009.

House Bill No. 1554 provides for joint zoning and subdivision authority between a city and the other political subdivision that previously exercised zoning and subdivision authority in the outer one-half of the extraterritorial zoning authority of the city. The bill provides that land within the area of joint jurisdiction for which a plat or site plan has been presented before May 1, 2009, remains subject to the zoning designations and regulations in effect on May 1, 2009, unless otherwise changed. The bill provides procedures for negotiation and mediation of decisions made by the political subdivisions within areas of joint jurisdiction. The bill was declared to be an emergency measure and became effective upon filing with the Secretary of State on May 5, 2009.

Senate Bill No. 2270 increases the threshold for requiring the advertising for bids for a contract of a park district from \$10,000 to \$25,000. The bill was declared to be an emergency measure and became effective upon filing with the Secretary of State on April 29, 2009.

House Bill No. 1266 includes child care facilities within the definition of a project for the purposes of the use of municipal industrial development bonds. The bill also removed the requirement that a contracting party furnish information regarding the issuance of the bonds to the Securities Commissioner.

Senate Bill No. 2060 expands the renaissance zone law to include tax incentives for repair or remodeling of public utility infrastructure and for leasehold improvements to property. The bill removes the half-mile requirement for the three-block island provision for renaissance zones. The bill allows a property owner that is not participating in a renaissance zone project to claim state income tax credits equal to an amount of an investment made by the property owner to complete changes in utility services or a building structure necessary because of changes made to property that is part of a renaissance zone project. The provisions of the bill relating to tax incentives are effective for taxable years beginning after December 31, 2008.

House Bill No. 1428 provides that if a city finds that renaissance zone projects have satisfactorily completed one or more blocks within the renaissance zone, the city may apply for and the Department of Commerce may approve withdrawal of those blocks from the renaissance zone and replacement of those blocks with other blocks. The bill allows the Department of Commerce, upon application by a city, to extend the duration of renaissance zone status in increments up to five years. The bill increases the total amount of income tax credits allowed for renaissance zone investments to \$7,500,000. The bill is effective for taxable years beginning after December 31, 2008.

House Bill No. 1324 removes a statutory reference to the optional long-form income tax return, which the bill eliminates. The bill is effective for taxable years beginning after December 31, 2008.

House Bill No. 1436 changes a reference from the Legislative Council to Legislative Management to account for the changing of the name of the 17-member body previously referred to as the Legislative Council.