

**FIRST ENGROSSMENT
with Senate Amendments
ENGROSSED HOUSE BILL NO. 1225**

Introduced by

Representatives J. Nelson, Kretschmar, S. Meyer

Senators Wanzek, Heckaman

1 A BILL for an Act to amend and reenact subsection 22 of section 57-15-06.7 and section
2 57-15-28 of the North Dakota Century Code, relating to the county emergency fund and levy
3 limitation; to provide for a legislative management study; and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Subsection 22 of section 57-15-06.7 of the North Dakota
6 Century Code is amended and reenacted as follows:

7 22. A county levying a tax for emergency purposes as provided in section 57-15-28 may
8 levy a tax not exceeding two mills in a county with a population of thirty thousand or
9 more, four mills in a county with a population under thirty thousand but more than five
10 thousand, or six mills in a county with a population of five thousand or fewer.

11 **SECTION 2. AMENDMENT.** Section 57-15-28 of the North Dakota Century Code is
12 amended and reenacted as follows:

13 **57-15-28. Emergency fund - County.**

14 The governing body of any county may levy a tax for emergency purposes not exceeding
15 the limitation in subsection 22 of section 57-15-06.7. The emergency fund may not be
16 considered in determining the budget or the amount to be levied for each fiscal year for normal
17 tax purposes but must be shown in the budget as an "emergency fund" and may not be
18 deducted from the budget as otherwise provided by law. Each county may create an emergency
19 fund, and all taxes levied for emergency purposes by any county, when collected, must be
20 deposited in the emergency fund, and must be used only for emergency purposes caused by
21 the destruction or impairment of any county property necessary for the conduct of the affairs of
22 the county, emergencies caused by nature or by the entry by a court of competent jurisdiction of
23 a judgment for damages against the county. The emergency fund may not be used for the
24 purchase of road equipment. The emergency fund may not be used for any road construction or

1 maintenance, except for repair of roads damaged by nature within sixty days preceding the
2 determination to expend emergency funds ~~or for the purchase of road equipment~~; however, the
3 emergency fund may be used to match federal funds appropriated to mitigate damage to roads
4 related to a federally declared disaster that occurred more than sixty days preceding the
5 determination. Any unexpended balance remaining in the emergency fund at the end of any
6 fiscal year must be kept in the fund. When the amount of money in the emergency fund, plus
7 the amount of money due the fund from outstanding taxes, equals the amount produced by a
8 levy of five mills on the taxable valuation of property in a county with a population of thirty
9 thousand or more, ten mills on the taxable valuation of property in a county with a population of
10 less than thirty thousand but more than five thousand, or fifteen mills on the taxable valuation of
11 property in a county with a population of five thousand or fewer, the levy authorized by this
12 section must be discontinued, and no further levy may be made until required to replenish the
13 emergency fund.

14 **SECTION 3. LEGISLATIVE MANAGEMENT STUDY - COUNTY AND CITY EMERGENCY**
15 **FUND LEVIES.** During the 2011-12 interim, the legislative management shall consider studying
16 county and city emergency fund levies and expenditures and jurisdictional responsibilities and
17 issues relating to emergency fund levies and expenditures. The legislative management shall
18 report its findings and recommendations, together with any legislation required to implement the
19 recommendations, to the sixty-third legislative assembly.

20 **SECTION 2. EFFECTIVE DATE.** Section 1 of this Act is effective for taxable years
21 beginning after December 31, 2010. Section 2 of this Act is effective for emergency fund
22 expenditures after July 31, 2011.