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Sixty-third Legislative Assembly of North Dakota

Introduced by

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FIRST DRAFT:
Prepared by the Legislative Council staff for the Taxation Committee

August 2012

- 2 40-01.1-04, subsection 1 of section 57-15-06.10, and section 57-15-31 of the North Dakota

A BILL for an Act to amend and reenact section 11-37-01, subsections 1 and 2 of section

- 3 Century Code, relating to elimination of statutory authority for job development authorities,
- 4 industrial development organizations, and economic growth districts; to repeal chapters 11-11.1
- 5 and 40-57.4, subsection 29 of section 57-15-06.7, subsection 28 of section 57-15-10, and
- 6 section 57-15-61 of the North Dakota Century Code, relating to elimination of statutory authority
- 7 for job development authorities, industrial development organizations, and economic growth
- 8 districts; to provide for transfer of funds of job development authorities, industrial development
- 9 organizations, and economic growth districts; and to provide an effective date.

10 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

- 11 **SECTION 1. AMENDMENT.** Section 11-37-01 of the North Dakota Century Code is amended and reenacted as follows:
- 13 **11-37-01. Definitions.**
- As used in this chapter, unless the context requires otherwise:
- "Bonds" means any bonds, notes, interim certificates, debentures, or similar
 obligations issued by a commerce authority.
- 17 2. "Commerce authority" means an authority created under section 11-37-03.
- "Political subdivision" means any county, city, or other unit of local government. The term includes a job development authority created under chapter 11-11.1 or 40-57.4.
- "Project" means facilities, including all real and personal property, structures,
 equipment, and appurtenances owned or operated by a commerce authority.
- 22 SECTION 2. AMENDMENT. Subsections 1 and 2 of section 40-01.1-04 of the North Dakota
- 23 Century Code are amended and reenacted as follows:
- 24 1. With respect to a county:

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- a. Execution of a joint powers agreement between the county and one or more other political subdivisions or the state for the cooperative or joint administration of any service or function pursuant to chapter 54-40.3 or as otherwise specifically provided by law, or an agreement between the county and a tribal government pursuant to chapter 54-40.2.

 b. Exercise of the county's general authority to contract pursuant to section
 - Exercise of the county's general authority to contract pursuant to section
 11-10-01 and any other law, including service agreements with public or private parties under the terms and conditions of the agreements.
 - c. Combination or separation of any elective or appointive county office and corresponding functions, or redesignation of any county office as elective or appointive, pursuant to chapter 11-10.2.
 - d. Change in the number of county commissioners pursuant to chapter 11-12.
 - e. Establishment of a county home rule charter commission for initiating the adoption of a home rule charter or the amendment or repeal of a home rule charter pursuant to chapter 11-09.1, or the adoption, amendment, or repeal of ordinances for implementing a home rule charter. The recommendation may include a specific nonbinding proposal or draft for a home rule charter or amendment to a home rule charter.
 - f. Adoption of the consolidated office form of county government pursuant to chapter 11-08.
 - g. Adoption of the county manager form of county government pursuant to chapter11-09.
 - h. Use of other statutory tools relating to social and economic development, land use, transportation and roads, health, law enforcement, administrative and fiscal services, recording and registration services, educational services, environmental quality, water, sewer, solid waste, flood relief, parks and open spaces, hospitals, public buildings, or other county functions or services, including creation of cooperative county job development authorities pursuant to section 11-11.1-03, multicounty health units pursuant to chapter 23-35, regional planning and zoning commissions pursuant to section 11-35-01, boards of joint county park districts pursuant to chapter 11-28 or a combination of boards of park commissioners with

1 a city pursuant to chapter 40-49.1, or multicounty social service districts pursuant 2 to chapter 50-01.1. 3 Participation in a community or leadership development, assessment, education, 4 planning, or training program offered by any public or private agency, institution, 5 or organization. 6 Sharing of elective or appointive county officers with other counties, cities, or 7 other political subdivisions pursuant to chapter 11-10.3. 8 Initiation of the multicounty home rule charter process or the amendment or k. 9 repeal of a multicounty home rule charter pursuant to section 11-09.1-04.1, or the 10 adoption, amendment, or repeal of ordinances to implement the charter. The 11 recommendation may include a specific nonbinding proposal or draft for a 12 multicounty home rule charter. 13 Initiation of the county-city home rule process or the amendment or repeal of a 14 county-city home rule charter pursuant to chapter 54-40.4, or the adoption. 15 amendment, or repeal of ordinances to implement the charter. The 16 recommendation may include a specific nonbinding proposal or draft for a 17 county-city home rule charter. 18 m. Transfer of a power or function of another political subdivision to the county 19 pursuant to chapter 54-40.5. 20 Creation of a county consolidation committee pursuant to chapter 11-05.1. n. 21 0. That any other action be taken that is permitted by law. 22 That no action be taken. p. 23 2. With respect to a city: 24 Execution of a joint powers agreement between the city and one or more other a. 25 political subdivisions or the state for the cooperative or joint administration of any 26 service or function pursuant to chapter 54-40.3 or as otherwise specifically 27 provided by law, or an agreement between the city and a tribal government 28 pursuant to chapter 54-40.2. 29 Exercise of the city's general authority to contract pursuant to section 40-05-01 b. 30 and any other law, including service agreements with public or private parties 31 under the terms and conditions of the agreements.

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1 Combination of city officers pursuant to section 40-14-04 or 40-15-05 or the 2 sharing of officers with other cities, counties, or other political subdivisions 3 pursuant to chapter 11-10.3. 4 d. An increase or decrease in the number of members of the governing body of a 5 city pursuant to section 40-06-09. 6 Establishment of a city home rule charter commission for initiating the adoption of e. 7 a home rule charter or the amendment or repeal of a home rule charter pursuant 8 to chapter 40-05.1, or the adoption, amendment, or repeal of ordinances for 9 implementing a home rule charter. The recommendation may include a specific 10 nonbinding proposal or draft for a city home rule charter or amendment to a 11 home rule charter. 12 Adoption of the commission form of city government pursuant to chapter 40-04. 13 Adoption of the modern council form of city government pursuant to chapter g. 14 40-04.1. 15 h. Adoption of the city manager plan pursuant to chapter 40-10. 16 Sharing an appointive city officer and function with another city, the county, or 17 another political subdivision pursuant to chapter 11-10.3. 18 j. Initiation of the multicity home rule process or the amendment or repeal of a 19 multicity home rule charter pursuant to section 40-05.1-05.1, or the adoption, 20 amendment, or repeal of ordinances to implement the charter. The 21 recommendation may include a specific nonbinding proposal or draft for a 22 multicity home rule charter. 23 Initiation of the county-city home rule process or the amendment or repeal of a k. 24 county-city home rule charter pursuant to chapter 54-40.4, or the adoption, 25 amendment, or repeal of ordinances to implement the charter. The 26 recommendation may include a specific nonbinding proposal or draft for a 27 county-city home rule charter. 28 Participation in a community or leadership development, assessment, education, 29 planning, or training program offered by any public or private agency, institution.

or organization.

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- m. Use of other statutory tools for social and economic development, land use,
 transportation, health, fire and police protection, street construction and
 maintenance, assessment, financing, accounting, legal, environmental quality,
 water, sewer, solid waste, flood relief, parks and open spaces, hospitals, public
 buildings, or other city functions or services, including the creation of cooperative
 city job development authorities pursuant to section 40-57.4-03.
 - n. Transfer of a power or function of the city to the county pursuant to chapter 54-40.5.
 - o. Consolidation of cities pursuant to chapter 40-53.2.
 - p. Dissolution of a city pursuant to chapter 40-53.1.
 - q. That any other action be taken that is permitted by law.
 - r. That no action be taken.
 - **SECTION 3. AMENDMENT.** Subsection 1 of section 57-15-06.10 of the North Dakota Century Code is amended and reenacted as follows:
- 15 In lieu of determining its general fund levy limitation under section 57-15-01.1 or 16 57-15-06. a county may determine its general fund levy authority as provided in this 17 section. A county may consolidate the levies provided for under sections 4-02-26, 18 4-02-27, 4-02-27.1, 4-02-27.2, 4-02-37, 4-08-15, 4-08-15.1, 4-16-02, 4-33-11, 19 4.1-47-14, 11-11-24, 11-11-53, 11-11-60, 11-11-65, 11-11.1-06, 11-28-06, 18-07-01, 20 24-05-01, 32-12.1-08, 40-38-02, 40-57.2-04, 49-17.2-21, 52-09-08, 57-15-06.4, 21 57-15-06.5, 57-15-06.6, 57-15-06.9, 57-15-10.1, 57-15-27.2, 57-15-54, 57-15-59, 22 57-47-04, and 61-04.1-26 with its general fund levy under section 57-15-06 to provide 23 for a county general fund levy which may not exceed one hundred thirty-fourthirty mills 24 on the dollar of taxable valuation of the county. A county that elects to determine its 25 general fund levy authority under this section may not impose separate levies under 26 the sections listed in this subsection and may not increase the number of mills levied 27 in any one year over the number levied in the previous year by more than the increase 28 in the consumer price index for all urban consumers, all items, United States city 29 average, as completed by the United States department of labor, bureau of labor 30 statistics.

1 SECTION 4. AMENDMENT. Section 57-15-31 of the North Dakota Century Code is 2 amended and reenacted as follows: 3 57-15-31. Determination of levy. 4 The amount to be levied by any county, city, township, school district, park district, or other 5 municipality authorized to levy taxes shall be computed by deducting from the amount of 6 estimated expenditures for the current fiscal year as finally determined, plus the required 7 reserve fund determined upon by the governing board from the past experience of the taxing 8 district, the total of the following items: 9 1. The available surplus consisting of the free and unencumbered cash balance. 10 2. Estimated revenues from sources other than direct property taxes. 11 3. The total estimated collections from tax levies for previous years. 12 4. Such expenditures as are to be made from bond sources. 13 5. The amount of distributions received from an economic growth increment pool under-14 section 57-15-61. 15 The estimated amount to be received from payments in lieu of taxes on a project 16 under section 40-57.1-03. 17 7.6. The amount reported to a school district by the superintendent of public instruction as 18 the school district's mill levy reduction grant for the year under section 57-64-02. 19 Allowance may be made for a permanent delinquency or loss in tax collection not to exceed five 20 percent of the amount of the levy. 21 **SECTION 5. REPEAL.** Chapters 11-11.1 and 40-57.4, subsection 29 of section 57-15-06.7, 22 subsection 28 of section 57-15-10, and section 57-15-61 of the North Dakota Century Code are 23 repealed. 24 SECTION 6. TRANSFER OF JOB DEVELOPMENT AUTHORITY, INDUSTRIAL 25 **DEVELOPMENT ORGANIZATION, AND ECONOMIC GROWTH DISTRICT FUNDS.** By 26 December 31, 2013, the county treasurer shall transfer any balance in the county job 27 development authority fund and industrial development organization fund to the county general 28 fund and close out the county job development authority fund and industrial development 29 organization fund. By December 31, 2013, the city auditor shall transfer any balance in the city 30 job development authority fund to the city general fund and close out the city job development 31 authority fund. By December 31, 2013, the county treasurer of a county holding an economic

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- 1 growth increment pool shall transfer the balance in the economic growth increment pool among
- 2 the county treasurers of the counties that have contributed to the pool in the proportions that
- 3 each of those counties have contributed to the pool and shall then close out the economic
- 4 growth increment pool. A county treasurer receiving a transfer from an economic growth
- 5 increment pool under this section shall deposit the amount received in the county general fund.
- 6 **SECTION 7. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
- 7 December 31, 2013.