

Sixty-sixth  
Legislative Assembly  
of North Dakota

**HOUSE BILL NO. 1488**

Introduced by

Representatives B. Koppelman, Becker, Dockter, Kading, Kasper, K. Koppelman, Schobinger  
Senators O. Larsen, Unruh

1 A BILL for an Act to amend and reenact ~~section~~sections 40-23-21, 40-24-18, and 40-27-05 of  
2 the North Dakota Century Code, relating to special assessment fund balances.

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

4 **SECTION 1. AMENDMENT.** Section 40-23-21 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **40-23-21. Use of collections of subsequent assessments.**

7 1. All collections of special assessments levied pursuant to sections 40-23-17 through  
8 40-23-21 shallmust be credited as received to the special fund maintained by the

9 municipality for the payment of any outstanding special improvement warrants,

10 refunding improvement bonds, general obligation bonds, or revenue bonds which were

11 issued to finance the improvement for which the assessments were levied, ~~or, if no~~

12 ~~such obligations are outstanding, to such fund as the.~~

13 2. A governing body that levied assessments for an improvement must complete an  
14 annual review of all special assessment revenues. If collections of special assessment  
15 revenues are sufficient to repay outstanding special assessment warrants, refunding  
16 improvement bonds, interfund loans, or revenue bonds that were issued to finance the  
17 improvement for which the assessments were levied, the governing body shall stop  
18 levying special assessments for the improvement.

19 3. After all outstanding special assessment warrants, refunding improvement bonds,  
20 interfund loans, or revenue bonds that were issued to finance an improvement are  
21 paid in full, the governing body mayshall direct the balance of the special fund to the  
22 general fund of the municipality.

23 **SECTION 2. AMENDMENT.** Section 40-24-18 of the North Dakota Century Code is  
24 amended and reenacted as follows:

**40-24-18. Special improvement moneys to be kept separate - Designation and numbering of funds - Diversion of moneys prohibited.**

1. All special assessments and taxes levied and other revenues pledged under the provisions of this title to pay the cost of an improvement ~~shall~~ constitute a fund for the payment of such cost, including all principal of and interest on warrants and other obligations issued by the municipality to finance the improvement, and ~~shall~~ may not be diverted ~~to no other~~ for any other purpose. The city auditor shall hold all moneys received for any such fund as a special fund to be applied to payment for the improvement. Each ~~such~~ fund ~~shall~~ must be designated by the name and number of the improvement district in or for which ~~said~~ the special assessments, taxes, and revenues are collected. ~~When all principal and interest on warrants and other obligations of the fund have been fully paid, all moneys remaining in a fund may be transferred into the general fund of the municipality.~~

2. A governing body that levied assessments for an improvement shall complete an annual review of all special assessment revenues. If collections of special assessment revenues are sufficient to repay outstanding special assessment warrants, refunding improvement bonds, interfund loans, or revenue bonds that were issued to finance the improvement for which the assessments were levied, the governing body shall stop levying special assessments for the improvement.

3. After all outstanding special assessment warrants, refunding improvement bonds, interfund loans, or revenue bonds that were issued to finance an improvement are paid in full, the governing body shall direct the balance of the special fund to the general fund of the municipality.

**SECTION 3. AMENDMENT.** Section 40-27-05 of the North Dakota Century Code is amended and reenacted as follows:

**40-27-05. Special fund for payment of bonds issued for purchase of special assessment warrants - Tax levy.**

1. The governing body of a municipality which issues bonds for the purchase of special assessment warrants shall create a special fund for the payment of the principal and interest of such bonds as they become due and shall credit to such fund all special assessments collected for the payment of the special assessment warrants

1 purchased. The governing body shall make a general tax levy annually on all the  
2 property in the municipality which, together with the special assessments collected,  
3 ~~shall~~must be sufficient to pay the principal and interest of the bonds when they  
4 become due. The levy imposed ~~shall~~is not ~~be~~ subject to any of the tax levy limitations  
5 imposed by section 57-15-08 or acts amendatory thereof. ~~If any money remains in the~~  
6 ~~special fund after the payment of the principal of all the bonds and the interest~~  
7 ~~thereon, such balance may be transferred to the general fund.~~

8 2. A governing body that levied assessments for an improvement shall complete an  
9 annual review of all special assessment revenues. If collections of special assessment  
10 revenues are sufficient to repay outstanding special assessment warrants, refunding  
11 improvement bonds, interfund loans, or revenue bonds that were issued to finance the  
12 improvement for which the assessments were levied, the governing body shall stop  
13 levying special assessments for the improvement.

14 3. After all outstanding special assessment warrants, refunding improvement bonds,  
15 interfund loans, or revenue bonds that were issued to finance an improvement are  
16 paid in full, the governing body shall direct the balance of the special fund to the  
17 general fund of the municipality.