

Sixty-ninth
Legislative Assembly
of North Dakota

**HOUSE BILL NO. 1482
with Senate Amendments**

HOUSE BILL NO. 1482

Introduced by

Representatives Wagner, Dockter, Heinert, J. Johnson, McLeod, Meier, D. Ruby, Schreiber-Beck, Swiontek, Warrey

Senators Sorvaag, Weber

1 A BILL for an Act to amend and reenact sections 15.1-07-03, 15.1-07-04, 21-03-04, 21-03-07,
2 21-03-11, and 21-03-13 of the North Dakota Century Code, relating to a school district debt limit
3 election, the requirements of a municipal bond election, and the contents of a ballot.

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

5 **SECTION 1. AMENDMENT.** Section 15.1-07-03 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **15.1-07-03. District's limit of indebtedness - Resolution.**

8 1. The board of a school district may by resolution place on the ballot of any
9 ~~regular~~primary or ~~special~~general election the question of increasing the district's limit
10 of indebtedness, beyond that fixed by the constitution, by five percent of the assessed
11 valuation of all taxable property in the district.

12 2. The board of a school district shall place on the ballot of the next ~~regular~~primary or
13 ~~special~~general election the question of increasing the district's limit of indebtedness,
14 beyond that fixed by the constitution, by five percent of the assessed valuation of all
15 taxable property in the district, if the board receives a petition requesting the increase
16 and signed by qualified electors of the district equal in number to at least one-third of
17 those who voted at the most recent annual school district election.

18 **SECTION 2. AMENDMENT.** Section 15.1-07-04 of the North Dakota Century Code is
19 amended and reenacted as follows:

1 **15.1-07-04. District's limit of indebtedness - Election - Notice.**

2 If an election is to include a question regarding an increase in the school district's limit of
3 indebtedness, the board of the school district shall ensure that the question is clearly stated in
4 the notice of election. ~~If the board calls a special election to vote on the question of increasing~~
5 ~~the district's limit of indebtedness, the board shall publish notice of the election in the official~~
6 ~~newspaper of the district, at least fourteen days before the date of the election.~~

7 **SECTION 3. AMENDMENT.** Section 21-03-04 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **21-03-04. Grant of power to borrow - General limitations of indebtedness.**

10 Every

11 1. A municipality may borrow money and issue municipal obligations thereof for the
12 purpose specified and by the procedure provided in this chapter, and for no other
13 purpose and in no other manner, except as otherwise provided in section 21-03-02.
14 ~~No~~A municipality may not incur indebtedness in any manner or for any purpose in an
15 amount which, with all other outstanding indebtedness of the municipality, exceeds
16 five percent of the assessed value of the taxable property ~~therein~~ in the municipality,
17 except:

18 ~~1. Any~~

19 a. An incorporated city, by a two-thirds vote of the qualified voters ~~thereof~~ of the city
20 voting upon ~~said~~ the question at a primary or general ~~or special~~ election, may
21 increase ~~such~~ the limit of indebtedness three percent on ~~such~~ the assessed value
22 beyond ~~said~~ the five percent limit, and a school district, by a majority vote of the
23 qualified voters ~~thereof~~ of the school district voting upon ~~said~~ the question at a
24 primary or general ~~or special~~ election, may increase ~~such~~ the limitation of
25 indebtedness five percent on ~~such~~ the assessed value beyond the ~~said~~ five
26 percent limit.

27 ~~2. Any~~

28 b. A county or city, when authorized by a majority vote of the qualified voters
29 ~~thereof~~ of the county or city voting upon ~~said~~ the question at a primary or general
30 ~~or special~~ election, may issue bonds upon any revenue-producing utility owned
31 by ~~such~~ a county or city, for the purchase or acquisition of ~~such~~ the utility, or the

building or establishment thereof ~~of the utility~~, in amounts not exceeding the physical value of ~~such~~ the utility, industry, or enterprise.

~~3. Any~~

c. An incorporated city, if authorized by a majority vote of the qualified voters thereof ~~of the city~~ voting upon said ~~the~~ question at a primary or general or special election, may become indebted in any amount not exceeding four percent of ~~such~~ the assessed value, without regard to the existing indebtedness of said ~~the~~ city, for the purpose of constructing or purchasing waterworks for furnishing a supply of water to the inhabitants of ~~such~~ the city or for the purpose of constructing sewers, and for no other purposes ~~whatever~~, but the aggregate of ~~such~~ the additional indebtedness for waterworks and sewers ~~never~~ may not exceed ~~such~~ four percent over and ~~above~~ the limitations of indebtedness in this section ~~heretofore prescribed~~.

2. All bonds or obligations in excess of the amount of indebtedness permitted by this chapter, given by any municipality as ~~herein~~ defined in this chapter, are void.

SECTION 4. AMENDMENT. Section 21-03-07 of the North Dakota Century Code is amended and reenacted as follows:

21-03-07. Election required - Exceptions.

~~No~~ A municipality, ~~and no~~ or governing board thereof, ~~of a municipality~~ may not issue bonds without being first authorized to do so, at a primary or general election if the municipality is a county, city, public school district, or park district, by a vote equal to sixty percent of all the qualified voters of ~~such~~ the municipality voting upon the question of ~~such issue~~ issuing the bonds except:

1. As otherwise provided in section 21-03-04.
2. The governing body may issue bonds of the municipality for the purpose and within the limitations specified by subdivision e of subsection 1 of section 21-03-06, subdivision g of subsection 2 of section 21-03-06, and subsections 4.1 and 7 of section 21-03-06 without an election.
3. The governing body of any municipality may issue bonds of the municipality for the purpose of providing funds to meet its share of the cost of any highway project undertaken under an agreement entered ~~into~~ by the governing body with the United

1 States government, the director of the department of transportation, the board of
2 county commissioners, or any of them, including the cost of any construction,
3 improvement, financing, planning, and acquisition of right of way of a bridge eligible for
4 matching funds, highway routed through the municipality and of any bridges and
5 controlled access facilities thereon and any necessary additional width or capacity of
6 the bridge or roadway thereof greater than that required for federal or state bridge or
7 highway purposes, and of any necessary relaying of utility mains and conduits, curbs
8 and gutters, and the installation of utility service connections and streetlights.

9 a. The portion of the total cost of the project to be paid by the municipality under the
10 agreement, including all items of cost incurred directly by the municipality and all
11 amounts to be paid by it for work done or contracted for by other parties to the
12 agreement, may not exceed a sum equal to thirty percent of the total cost,
13 including engineering and other incidental costs, of all construction and
14 reconstruction work to be done plus fifty percent of the total cost of all right of
15 way to be acquired in connection therewith.

16 b. The initial resolution authorizing issuance of bonds under this subsection must be
17 published in the official newspaper of the municipality. Within sixty days after
18 publication, an owner of taxable property within the municipality may file with the
19 auditor or chief fiscal officer of the municipality a written protest against adoption
20 of the resolution.

21 c. A protest must describe the property that is the subject of the protest. If the
22 governing body finds protests have been signed by the owners of taxable
23 property having an assessed valuation equal to five percent or more of the
24 assessed valuation of all taxable property in the municipality, as most recently
25 finally equalized, all further proceedings under the initial resolution are barred.

26 d. Nothing ~~herein~~ in this section may be deemed to prevent any municipality from
27 appropriating funds for or financing out of taxes, special assessments, or utility
28 revenues any work incidental to ~~any such~~ the project, in the manner and to the
29 extent otherwise permitted by law, and the cost of any work so financed may not
30 be included in computing the portion of the project cost payable by the
31 municipality, within the meaning of this subsection, unless the work is actually

called for by the agreement between the municipality and the other governmental agencies involved.

4. a. The governing body of any city may also, by resolution adopted by a two-thirds vote, authorize and issue general obligation bonds of the city for the purpose of providing funds to pay the cost of any improvement of the types stated below, to the extent that the governing body determines that ~~such~~the cost should be paid by the city and should not be assessed upon property specially benefited thereby; provided that the initial resolution authorizing ~~such~~the bonds must be published in the official newspaper, and any owner of taxable property within the city may, within sixty days after ~~such~~the publication, file with the city auditor a protest against the adoption of the resolution. If the governing body finds ~~such~~the protests to have been signed by the owners of taxable property having an assessed valuation equal to five percent or more of the assessed valuation of all taxable property within the city, as ~~theretofore~~ last finally equalized, all further proceedings under ~~such~~the initial resolution are barred. This procedure is authorized for the financing of the following types of improvements:

- a. (1) Any street improvement, as defined in subsection 2 of section 40-22-01, to be made in or upon any federal or state highway or any other street designated by ordinance as an arterial street.
- b. (2) The construction of a bridge, culvert, overpass, or underpass at the intersection of any street with a stream, watercourse, drain, or railway, and the acquisition of any land or easement required for that purpose.
- e. (3) Any improvement incidental to the carrying out of an urban renewal project, the issuance of bonds for which is authorized by subsection 4 of section 40-58-13.

~~Nothing herein~~

- b. This section may not be deemed to prevent ~~any~~a municipality from appropriating funds for or financing out of taxes, special assessments, or utility revenues any work incidental to ~~any such~~ an improvement, in the manner and to the extent otherwise permitted by law.

- 1 5. The governing body of any city may ~~also~~, by resolution adopted by a two-thirds vote,
2 dedicate the mill levy authorized by section 57-15-42 and ~~may~~ authorize and issue
3 general obligation bonds to be paid by the dedicated levy for the purpose of providing
4 funds for the purchase, construction, reconstruction, or repair of public buildings or fire
5 stations; provided, that the initial resolution authorizing the mill levy dedication and
6 general obligation bonds must be published in the official newspaper, and any owner
7 of taxable property within the city may, within sixty days after publication, file with the
8 city auditor a protest against the adoption of the resolution.
- 9 a. Protests must be in writing and must describe the property ~~which~~that is the
10 subject of the protest.
- 11 b. If the governing body finds ~~such~~the protests to have been signed by the owners
12 of taxable property having an assessed valuation equal to five percent or more of
13 the assessed valuation of all taxable property within the city, as ~~theretofore~~ last
14 finally equalized, all further proceedings under the initial resolution are barred.
- 15 6. The governing body of any county may ~~also~~, by resolution adopted by a two-thirds
16 vote, dedicate the tax levies authorized by section 57-15-06.6 and subsection 5 of
17 section 57-15-06.7 and ~~may~~ authorize and issue general obligation bonds to be paid
18 by the dedicated levy for the purposes identified under section 57-15-06.6 and
19 subsection 5 of section 57-15-06.7; provided, that the initial resolution authorizing the
20 tax levy dedication and general obligation bonds must be published in the official
21 newspaper, and any owner of taxable property within the county may, within sixty days
22 after publication, file with the county auditor a protest against the adoption of the
23 resolution.
- 24 a. Protests must be in writing and ~~must~~ describe the property ~~which~~that is the
25 subject of the protest.
- 26 b. If the governing body finds ~~such~~the protests to have been signed by the owners
27 of taxable property having an assessed valuation equal to five percent or more of
28 the assessed valuation of all taxable property within the county, as last finally
29 equalized, all further proceedings under the initial resolution are barred.
- 30 7. The governing body of any public school district may ~~also~~, by resolution adopted by a
31 two-thirds vote, dedicate the tax levies as authorized by section 15.1-09-47,

15.1-09-49, or 57-15-16 and may authorize and issue general obligation bonds to be paid by these dedicated levies for the purpose of providing funds for the purchase, construction, reconstruction, or repair of public school buildings or for the construction or improvement of a project under section 15.1-36-02 or 15.1-36-08.

a. The initial resolution authorizing the tax levy dedication and general obligation bonds must be published in the official newspaper of the school district, and any owner of taxable property within the school district may, within sixty days after publication, file with the business manager of the school district a protest against the adoption of the resolution.

b. Protests must be in writing and must describe the property that is the subject of the protest.

c. If the governing body finds the protests have been signed by the owners of taxable property having an assessed valuation equal to five percent or more of the assessed valuation of all taxable property within the school district, as ~~therefore~~ last finally equalized, all further proceedings under the initial resolution are barred.

8. The governing body of any city having a population of twenty-five thousand persons or more may use the provisions of subsection 3 to provide funds to participate in the cost of any construction, improvement, financing, and planning of any bypass routes, interchanges, or other intersection improvements on a federal or state highway system which is situated in whole or in part outside of the corporate limits of the city; provided, that the governing body ~~thereof~~ of the city shall determine by resolution that the undertaking of ~~such~~ the work is in the best interest of the city for the purpose of providing access and relieving congestion or improving traffic flow on municipal streets.

9. The governing body of a municipality or other political subdivision, located at least in part within a county that is included within a disaster or emergency executive order or proclamation of the governor under chapter 37-17.1, may by resolution adopted by a two-thirds vote authorize and issue general obligation bonds of the political subdivision without an election for the purpose of providing funds to pay costs associated with the emergency condition. The political subdivision may dedicate and levy taxes for

retirement of bonds under this subsection and ~~such~~the levies are not subject to limitations as otherwise provided by law.

10. The governing board of any county, city, public school district, park district, or township may, by resolution adopted by a two-thirds vote, dedicate the tax levy authorized by section 57-15-41 and authorize and issue general obligation bonds to be paid by the dedicated levy for the purpose of providing funds to prepay outstanding special assessments made in accordance with the provisions of title 40 against property owned by the county, city, public school district, park district, or township.

11. The governing body of any park district that constitutes a distinct municipality may issue general obligation bonds of the park district for the purpose of providing funds to acquire, lay out, and improve parks, parkways, boulevards, and pleasure drives, and to acquire land for these purposes, but the indebtedness may not at any time exceed one percent of the assessed valuation of the taxable property in the park district.

a. The initial resolution authorizing the issuance of general obligation bonds under this subsection must be published in the official newspaper of the park district, and any owner of taxable property within the park district may, within sixty days after publication, file with the clerk of the park district a protest against the adoption of the resolution.

b. Protests must be in writing and ~~must~~ describe the property that is the subject of the protest.

c. If the governing body finds the protests have been signed by the owners of taxable property having an assessed valuation equal to five percent or more of the assessed valuation of all taxable property within the park district, as last finally equalized, all further proceedings under the initial resolution are barred.

SECTION 5. AMENDMENT. Section 21-03-11 of the North Dakota Century Code is amended and reenacted as follows:

21-03-11. Elections - When and how called and held.

1. Upon or after the adoption of an initial resolution by the governing body, or at the first meeting of the governing body held after the filing of a petition and proposed initial resolution by the qualified electors as specified in subsection 2 of section 21-03-10, the governing body by resolution shall ~~provide for submitting~~submit the initial

resolution to the qualified electors of the municipality ~~the question whether the initial~~
~~resolution shall be approved for approval.~~

2. If the municipality is a county, city, public school district, or park district, the election
must be set for the same date as a statewide primary or general election. A city, public
school district, or park district shall enter an agreement with the governing body of the
county or counties in which the municipality lies concerning the use of a single
canvassing board, the sharing of election materials, the publishing of legal notices,
and the apportioning of election expenses. The city, public school district, or park
district shall notify the county auditor in writing, at least sixty-four days before the
election, of the question to appear on the primary or general election ballot.

3. For a municipality other than a county, city, public school district, or park district:

a. The date of the election must be not may not be less than twentysixty-four days
after the passage of the initial resolution by the governing body or in the filing
date of a sufficient petition therefor by the filed by the qualified electors of the
municipality.

b. The governing body shall designate the date of the election, the polling hours,
and polling place, which must be the same as for municipal elections therein,
and held within the municipality. The governing body shall appoint an inspector,
two judges, and two clerks of election for each polling place. In case of the
absence of any election official, or the official's inability to act at the opening of
the polls,

c. If an election official is absent or unable to serve as an election official when a
polling place is open, the remaining election officials for the polling place shall
appoint a qualified elector to fill the vacancy. The election must be conducted and
the election returns thereof must be made and canvassed as in the case in the
same manner of elections of members of the governing body of the
municipality.

SECTION 6. AMENDMENT. Section 21-03-13 of the North Dakota Century Code is
amended and reenacted as follows:

1 **21-03-13. Ballot - Contents.**

2 The ballot for a bond election must be separate from other ballots used on the same day for
3 other elections, ~~and~~but the separate ballot may be on the same paper or electronic ballot. The
4 ballot must be written or printed, and must state the question in substantially the following form:

5 Shall the _____ (here inserting the name of the municipality) issue its bonds in the
6 amount of not to exceed \$_____, (here inserting the amount) maturing within a
7 maximum of _____, (here inserting the duration) resulting in an estimated
8 additional millage of _____ (here inserting the number of mills) mills, equal to
9 \$_____ (here inserting the equivalent in dollars) on each \$1,000 of taxable valuation
10 for the first taxable year, for the purpose of _____ (here inserting
11 the purpose)?

2 Yes ☐

3 No ☐

4 ~~Spoiled or blank ballots cast at such election may not be counted for or against the proposed~~
5 ~~issue.~~