

**Fifty-eighth Legislative Assembly of North Dakota  
In Regular Session Commencing Tuesday, January 7, 2003**

SENATE BILL NO. 2368  
(Senators Cook, Fischer, J. Lee)  
(Representatives Clark, R. Kelsch, Porter)

AN ACT to create and enact two new sections to chapter 40-23 of the North Dakota Century Code, relating to audits of special assessments when costs exceed estimates and future assessments on annexed property; and to provide an effective date.

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

**SECTION 1.** A new section to chapter 40-23 of the North Dakota Century Code is created and enacted as follows:

**Audit of certain special assessment improvements.** If the costs of an improvement determined and assessed under section 40-23-07 or 40-23.1-04 exceeds the costs of the work as contained in the engineer's estimate under section 40-22-10 by seventy percent or more, the governing body of the city shall secure an audit of all costs included in the assessment for the project, prepared in accordance with generally accepted auditing standards. The audit report must include a separate statement of the engineer's estimate of the cost of the work, the actual cost of the work, the cost of extra work, engineering fees, fiscal agents' fees, attorneys' fees, publication costs, warrant printing costs, interest costs, and each separate item of expense incurred in making the improvement and levying the assessment for the improvement. The city shall make a copy of the audit report available without charge to any person who requests a copy. The audit report is not required if the costs of an improvement exceed the costs of the work as contained in the engineer's estimate by seventy percent or more because of a petition to enlarge the district under section 40-22-09 or a request for additional work within the district by the owners of a majority of the area of the property in the district. Audit and copying expenses under this section must be paid by the city and may not be paid from special assessment funds.

**SECTION 2.** A new section to chapter 40-23 of the North Dakota Century Code is created and enacted as follows:

**Future assessments on annexed property.** The special assessment commission shall prepare and file with the city auditor a list of estimated future assessments on property located outside the corporate limits of the city at the time of contracting for an improvement but which the special assessment commission determines is potentially benefited by the improvement and likely to be annexed to the city.

**SECTION 3. EFFECTIVE DATE.** This Act is effective for special assessment improvement projects for which a resolution of necessity is adopted after July 31, 2003.

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President of the Senate

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Fifty-eighth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2368.

Senate Vote:    Yeas    46        Nays    0        Absent    1

House Vote:    Yeas    90        Nays    1        Absent    3

\_\_\_\_\_  
Secretary of the Senate

Received by the Governor at \_\_\_\_\_ M. on \_\_\_\_\_, 2003.

Approved at \_\_\_\_\_ M. on \_\_\_\_\_, 2003.

\_\_\_\_\_  
Governor

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 2003,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State