

**SENATE BILL NO. 2275**

Introduced by

Senators Cook, Krebsbach, Warner

Representatives R. Kelsch, Porter, Price

1 A BILL for an Act to amend and reenact subsection 3 of section 23-35-05 and subsection 1 of  
2 section 23-35-07 of the North Dakota Century Code, relating to property tax levy limitations of  
3 merged health districts; and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Subsection 3 of section 23-35-05 of the North Dakota  
6 Century Code is amended and reenacted as follows:

7 3. Any two or more health districts may merge into a single health district upon a  
8 majority vote of the respective boards of health and a majority vote of the  
9 governing body of each county. The assets of each merging health district become  
10 the property of the newly created health district. Board of health membership of a  
11 new health district must be determined under section 23-35-03, unless otherwise  
12 decided by the board. The new health district maintains the same authority and  
13 powers of the previous health districts. The mill levy of the newly created health  
14 district is not limited by the old mill levy but may not exceed the amount allowed  
15 under section 23-35-07, unless one or more of the combining entities was  
16 previously levying more than five mills, in which case the mill levy for property  
17 within the former district that was levying more than five mills may not exceed the  
18 cap, expressed in mills, as previously authorized for that entity.

19 **SECTION 2. AMENDMENT.** Subsection 1 of section 23-35-07 of the North Dakota  
20 Century Code is amended and reenacted as follows:

21 1. A district board of health shall prepare a budget for the next fiscal year at the time  
22 at which and in the manner in which a county budget is adopted and shall submit  
23 this budget to the joint board of county commissioners for approval. The amount  
24 budgeted and approved must be prorated in health districts composed of more

1 than one county among the various counties in the health district according to the  
2 taxable valuation of the respective counties in the health district. For the purpose  
3 of this section, "prorated" means that each member county's contribution must be  
4 based on an equalized mill levy throughout the district, except as otherwise  
5 permitted under subsection 3 of section 23-35-05. Within ten days after approval  
6 by the joint board of county commissioners, the district board of health shall certify  
7 the budget to the respective county auditors and the budget must be included in  
8 the levies of the counties. The budget may not exceed the amount that can be  
9 raised by a levy of five mills on the taxable valuation, subject to public hearing in  
10 each county in the health district at least fifteen days before an action taken by the  
11 joint board of county commissioners. Action taken by the joint board of county  
12 commissioners must be based on the record, including comments received at the  
13 public hearing. A levy under this section is not subject to the limitation on the  
14 county tax levy for general and special county purposes. The amount derived by a  
15 levy under this section must be placed in the health district fund. The health district  
16 fund must be deposited with and disbursed by the treasurer of the district board of  
17 health. Each county in a health district quarterly shall remit and make settlements  
18 with the treasurer. Any funds remaining in the fund at the end of any fiscal year  
19 may be carried over to the next fiscal year.

20 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
21 December 31, 2004.