

Sixty-ninth  
Legislative Assembly  
of North Dakota

**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 21-03-04 and 21-03-07 of the North Dakota  
2 Century Code, relating to the requirements of a municipal bond election.

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

4 **SECTION 1. AMENDMENT.** Section 21-03-04 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **21-03-04. Grant of power to borrow - General limitations of indebtedness.**

7 Every

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

15 ~~1. Any~~

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

2. Any

b. A county or city, when authorized by a majority vote of the qualified voters thereof of the county or city voting upon said the question at a primary or general or special election, may issue bonds upon any revenue-producing utility owned 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 2. 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 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 States government, the director of the department of transportation, the board of county commissioners, or any of them, including the cost of any construction, improvement, financing, planning, and acquisition of right of way of a bridge eligible for matching funds, highway routed through the municipality and of any bridges and controlled access facilities thereon and any necessary additional width or capacity of the bridge or roadway thereof greater than that required for federal or state bridge or highway purposes, and of any necessary relaying of utility mains and conduits, curbs and gutters, and the installation of utility service connections and streetlights.

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

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

c. A protest must describe the property that is the subject of the protest. If the governing body finds 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 in the municipality, as most recently finally equalized, all further proceedings under the initial resolution are barred.

1           d.   Nothing ~~herein~~in this section may be deemed to prevent any municipality from  
2           appropriating funds for or financing out of taxes, special assessments, or utility  
3           revenues any work incidental to ~~any such~~the project, in the manner and to the  
4           extent otherwise permitted by law, and the cost of any work so financed may not  
5           be included in computing the portion of the project cost payable by the  
6           municipality, within the meaning of this subsection, unless the work is actually  
7           called for by the agreement between the municipality and the other governmental  
8           agencies involved.

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

- 23          a.   (1)   Any street improvement, as defined in subsection 2 of section 40-22-01, to  
24               be made in or upon any federal or state highway or any other street  
25               designated by ordinance as an arterial street.
- 26          b.   (2)   The construction of a bridge, culvert, overpass, or underpass at the  
27               intersection of any street with a stream, watercourse, drain, or railway, and  
28               the acquisition of any land or easement required for that purpose.
- 29          c.   (3)   Any improvement incidental to the carrying out of an urban renewal project,  
30               the issuance of bonds for which is authorized by subsection 4 of section  
31               40-58-13.

1                   Nothing herein

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

6           5.   The governing body of any city may ~~also~~, by resolution adopted by a two-thirds vote,  
7           dedicate the mill levy authorized by section 57-15-42 and ~~may~~ authorize and issue  
8           general obligation bonds to be paid by the dedicated levy for the purpose of providing  
9           funds for the purchase, construction, reconstruction, or repair of public buildings or fire  
10          stations; provided, that the initial resolution authorizing the mill levy dedication and  
11          general obligation bonds must be published in the official newspaper, and any owner  
12          of taxable property within the city may, within sixty days after publication, file with the  
13          city auditor a protest against the adoption of the resolution.

14          **a.**   Protests must be in writing and must describe the property ~~which~~that is the  
15          subject of the protest.

16          **b.**   If the governing body finds ~~such~~the protests to have been signed by the owners  
17          of taxable property having an assessed valuation equal to five percent or more of  
18          the assessed valuation of all taxable property within the city, as ~~theretofore~~ last  
19          finally equalized, all further proceedings under the initial resolution are barred.

20          6.   The governing body of any county may ~~also~~, by resolution adopted by a two-thirds  
21          vote, dedicate the tax levies authorized by section 57-15-06.6 and subsection 5 of  
22          section 57-15-06.7 and ~~may~~ authorize and issue general obligation bonds to be paid  
23          by the dedicated levy for the purposes identified under section 57-15-06.6 and  
24          subsection 5 of section 57-15-06.7; provided, that the initial resolution authorizing the  
25          tax levy dedication and general obligation bonds must be published in the official  
26          newspaper, and any owner of taxable property within the county may, within sixty days  
27          after publication, file with the county auditor a protest against the adoption of the  
28          resolution.

29          **a.**   Protests must be in writing and ~~must~~ describe the property ~~which~~that is the  
30          subject of the protest.

1           **b.** If the governing body finds ~~such~~the protests to have been signed by the owners  
2           of taxable property having an assessed valuation equal to five percent or more of  
3           the assessed valuation of all taxable property within the county, as last finally  
4           equalized, all further proceedings under the initial resolution are barred.

- 5           7. The governing body of any public school district may ~~also~~, by resolution adopted by a  
6           two-thirds vote, dedicate the tax levies as authorized by section 15.1-09-47,  
7           15.1-09-49, or 57-15-16 and may authorize and issue general obligation bonds to be  
8           paid by these dedicated levies for the purpose of providing funds for the purchase,  
9           construction, reconstruction, or repair of public school buildings or for the construction  
10          or improvement of a project under section 15.1-36-02 or 15.1-36-08.

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

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

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

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

- 1       9. The governing body of a municipality or other political subdivision, located at least in  
2       part within a county that is included within a disaster or emergency executive order or  
3       proclamation of the governor under chapter 37-17.1, may by resolution adopted by a  
4       two-thirds vote authorize and issue general obligation bonds of the political subdivision  
5       without an election for the purpose of providing funds to pay costs associated with the  
6       emergency condition. The political subdivision may dedicate and levy taxes for  
7       retirement of bonds under this subsection and ~~such~~the levies are not subject to  
8       limitations as otherwise provided by law.
- 9       10. The governing board of any county, city, public school district, park district, or township  
10      may, by resolution adopted by a two-thirds vote, dedicate the tax levy authorized by  
11      section 57-15-41 and authorize and issue general obligation bonds to be paid by the  
12      dedicated levy for the purpose of providing funds to prepay outstanding special  
13      assessments made in accordance with the provisions of title 40 against property  
14      owned by the county, city, public school district, park district, or township.
- 15      11. The governing body of any park district that constitutes a distinct municipality may  
16      issue general obligation bonds of the park district for the purpose of providing funds to  
17      acquire, lay out, and improve parks, parkways, boulevards, and pleasure drives, and  
18      to acquire land for these purposes, but the indebtedness may not at any time exceed  
19      one percent of the assessed valuation of the taxable property in the park district.
- 20      a. The initial resolution authorizing the issuance of general obligation bonds under  
21      this subsection must be published in the official newspaper of the park district,  
22      and any owner of taxable property within the park district may, within sixty days  
23      after publication, file with the clerk of the park district a protest against the  
24      adoption of the resolution.
- 25      b. Protests must be in writing and must describe the property that is the subject of  
26      the protest.
- 27      c. If the governing body finds the protests have been signed by the owners of  
28      taxable property having an assessed valuation equal to five percent or more of  
29      the assessed valuation of all taxable property within the park district, as last  
30      finally equalized, all further proceedings under the initial resolution are barred.