

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

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 ~~4.~~ 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 special election or a majority of the qualified
18 voters of the city voting upon the question at a statewide primary or general ~~or~~
19 special election, may increase ~~such~~the limit of indebtedness three percent on
20 ~~such~~the assessed value beyond ~~said~~the five percent limit, and a school district,

1 by a majority vote of the qualified voters ~~thereof~~ of the school district voting upon
2 ~~said~~the question at a primary or general ~~or special~~ election, may increase
3 ~~such~~the limitation of indebtedness five percent on ~~such~~the assessed value
4 beyond the ~~said~~ five percent limit.

5 ~~2.~~ Any

6 b. A county or city, when authorized by a majority vote of the qualified voters
7 ~~thereof~~ of the county or city voting upon ~~said~~the question at a primary-~~or~~ general, or special,
8 or special election, may issue bonds upon any revenue-producing utility owned
9 by ~~such~~a county or city, for the purchase or acquisition of ~~such~~the utility, or the
10 building or establishment ~~thereof~~ of the utility, in amounts not exceeding the
11 physical value of ~~such~~the utility, industry, or enterprise.

12 ~~3.~~ Any

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

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

25 **SECTION 2. AMENDMENT.** Section 21-03-07 of the North Dakota Century Code is
26 amended and reenacted as follows:

27 **21-03-07. Election required - Exceptions.**

28 ~~Ne~~A municipality, ~~and no~~ or governing board ~~thereof~~, of a municipality may not issue bonds
29 without being first authorized to do so at a primary or general election by a vote equal to a
30 majority of all the qualified voters of the municipality voting upon the question of issuing the

1 bonds, or at a special election by a vote equal to sixty percent of all the qualified voters of
2 suchthe municipality voting upon the question of such ~~issue~~issuing the bonds, except:

- 3 1. As otherwise provided in section 21-03-04.
- 4 2. The governing body may issue bonds of the municipality for the purpose and within
5 the limitations specified by subdivision e of subsection 1 of section 21-03-06,
6 subdivision g of subsection 2 of section 21-03-06, and subsections 4.1 and 7 of
7 section 21-03-06 without an election.
- 8 3. The governing body of any municipality may issue bonds of the municipality for the
9 purpose of providing funds to meet its share of the cost of any highway project
10 undertaken under an agreement entered ~~intø~~ by the governing body with the United
11 States government, the director of the department of transportation, the board of
12 county commissioners, or any of them, including the cost of any construction,
13 improvement, financing, planning, and acquisition of right of way of a bridge eligible for
14 matching funds, highway routed through the municipality and of any bridges and
15 controlled access facilities thereon and any necessary additional width or capacity of
16 the bridge or roadway thereof greater than that required for federal or state bridge or
17 highway purposes, and of any necessary relaying of utility mains and conduits, curbs
18 and gutters, and the installation of utility service connections and streetlights.
 - 19 a. The portion of the total cost of the project to be paid by the municipality under the
20 agreement, including all items of cost incurred directly by the municipality and all
21 amounts to be paid by it for work done or contracted for by other parties to the
22 agreement, may not exceed a sum equal to thirty percent of the total cost,
23 including engineering and other incidental costs, of all construction and
24 reconstruction work to be done plus fifty percent of the total cost of all right of
25 way to be acquired in connection therewith.
 - 26 b. The initial resolution authorizing issuance of bonds under this subsection must be
27 published in the official newspaper of the municipality. Within sixty days after
28 publication, an owner of taxable property within the municipality may file with the
29 auditor or chief fiscal officer of the municipality a written protest against adoption
30 of the resolution.

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

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

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

28 a. (1) Any street improvement, as defined in subsection 2 of section 40-22-01, to
29 be made in or upon any federal or state highway or any other street
30 designated by ordinance as an arterial street.

1 newspaper, and any owner of taxable property within the county may, within sixty days
2 after publication, file with the county auditor a protest against the adoption of the
3 resolution.

4 a. Protests must be in writing and ~~must~~ describe the property ~~which~~that is the
5 subject of the protest.

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

10 7. The governing body of any public school district may ~~also~~, by resolution adopted by a
11 two-thirds vote, dedicate the tax levies as authorized by section 15.1-09-47,
12 15.1-09-49, or 57-15-16 and ~~may~~ authorize and issue general obligation bonds to be
13 paid by these dedicated levies for the purpose of providing funds for the purchase,
14 construction, reconstruction, or repair of public school buildings or for the construction
15 or improvement of a project under section 15.1-36-02 or 15.1-36-08.

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

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

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

28 8. The governing body of any city having a population of twenty-five thousand persons or
29 more may use the provisions of subsection 3 to provide funds to participate in the cost
30 of any construction, improvement, financing, and planning of any bypass routes,
31 interchanges, or other intersection improvements on a federal or state highway system

1 which is situated in whole or in part outside of the corporate limits of the city; provided,
2 that the governing body ~~thereof~~of the city shall determine by resolution that the
3 undertaking of ~~such~~the work is in the best interest of the city for the purpose of
4 providing access and relieving congestion or improving traffic flow on municipal
5 streets.

6 9. The governing body of a municipality or other political subdivision, located at least in
7 part within a county that is included within a disaster or emergency executive order or
8 proclamation of the governor under chapter 37-17.1, may by resolution adopted by a
9 two-thirds vote authorize and issue general obligation bonds of the political subdivision
10 without an election for the purpose of providing funds to pay costs associated with the
11 emergency condition. The political subdivision may dedicate and levy taxes for
12 retirement of bonds under this subsection and ~~such~~the levies are not subject to
13 limitations as otherwise provided by law.

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

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

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

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

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