

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.

1 2. Any

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

8 3. Any

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

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

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

23 **21-03-07. Election required - Exceptions.**

24 ~~No~~A municipality, ~~and no~~ or governing board ~~thereof, of a municipality~~ may not issue bonds
25 without being first authorized to do so at a primary or general election by a vote equal to sixty
26 percent of all the qualified voters of ~~such~~the municipality voting upon the question of ~~such~~
27 ~~issue~~issuing the bonds except:

- 28 1. As otherwise provided in section 21-03-04.
- 29 2. The governing body may issue bonds of the municipality for the purpose and within
30 the limitations specified by subdivision e of subsection 1 of section 21-03-06,

1 subdivision g of subsection 2 of section 21-03-06, and subsections 4.1 and 7 of
2 section 21-03-06 without an election.

- 3 3. The governing body of any municipality may issue bonds of the municipality for the
4 purpose of providing funds to meet its share of the cost of any highway project
5 undertaken under an agreement entered ~~into~~ by the governing body with the United
6 States government, the director of the department of transportation, the board of
7 county commissioners, or any of them, including the cost of any construction,
8 improvement, financing, planning, and acquisition of right of way of a bridge eligible for
9 matching funds, highway routed through the municipality and of any bridges and
10 controlled access facilities thereon and any necessary additional width or capacity of
11 the bridge or roadway thereof greater than that required for federal or state bridge or
12 highway purposes, and of any necessary relaying of utility mains and conduits, curbs
13 and gutters, and the installation of utility service connections and streetlights.

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

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

26 c. A protest must describe the property that is the subject of the protest. If the
27 governing body finds protests have been signed by the owners of taxable
28 property having an assessed valuation equal to five percent or more of the
29 assessed valuation of all taxable property in the municipality, as most recently
30 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 e. (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.