

**SENATE BILL NO. 2061**

Introduced by

Senator Lips

1 A BILL for an Act to amend and reenact section 21-03-07 and subsection 3 of section  
2 21-03-10.1 of the North Dakota Century Code, relating to the vote required to approve issuance  
3 of bonds by political subdivisions.

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

5 **SECTION 1. AMENDMENT.** Section 21-03-07 of the 1995 Supplement to the North  
6 Dakota Century Code is amended and reenacted as follows:

7 **21-03-07. Election required - Exceptions.** No municipality, and no governing board  
8 thereof, may issue bonds without being first authorized to do so by a vote equal to ~~sixty~~ at least  
9 fifty-five percent of all the qualified voters of such municipality voting upon the question of such  
10 issue except:

- 11 1. As otherwise provided in section 21-03-04.
- 12 2. The governing body may issue bonds of the municipality for the purpose and within  
13 the limitations specified by subdivision e of subsection 1 of section 21-03-06,  
14 subdivision g of subsection 2 of section 21-03-06, and subsections 4.1 and 7 of  
15 section 21-03-06 without an election.
- 16 3. The governing body of any municipality may issue bonds of the municipality for the  
17 purpose of providing funds to meet its share of the cost of any federal-aid highway  
18 project undertaken under an agreement entered into by the governing body with  
19 the United States government, the director of the department of transportation, the  
20 board of county commissioners, or any of them, including, but without limitation,  
21 the cost of any construction, improvement, financing, planning, and acquisition of  
22 right of way of a federal-aid highway routed through the municipality and of any  
23 bridges and controlled access facilities thereon and any necessary additional width  
24 or capacity of the roadway thereof greater than that required for federal or state

1 highway purposes, and of any necessary relaying of utility mains and conduits,  
2 curbs and gutters, and the installation of utility service connections and streetlights;  
3 provided, that the portion of the total cost of such project to be paid by the  
4 municipality under such agreement, including all items of cost incurred directly by  
5 the municipality and all amounts to be paid by it for work done or contracted for by  
6 other parties to the agreement, may not exceed a sum equal to thirty percent of the  
7 total cost, including engineering and other incidental costs, of all construction and  
8 reconstruction work to be done plus fifty percent of the total cost of all right of way  
9 to be acquired in connection therewith. The initial resolution authorizing issuance  
10 of bonds under this subsection must be published in the official newspaper of the  
11 municipality. Within sixty days after publication, an owner of taxable property  
12 within the municipality may file with the auditor or chief fiscal officer of the  
13 municipality a written protest against adoption of the resolution. A protest must  
14 describe the property that is the subject of the protest. If the governing body finds  
15 protests have been signed by the owners of taxable property having an assessed  
16 valuation equal to five percent or more of the assessed valuation of all taxable  
17 property in the municipality, as most recently finally equalized, all further  
18 proceedings under the initial resolution are barred. Nothing herein may be deemed  
19 to prevent any municipality from appropriating funds for or financing out of taxes,  
20 special assessments, or utility revenues any work incidental to any such project, in  
21 the manner and to the extent otherwise permitted by law, and the cost of any work  
22 so financed may not be included in computing the portion of the project cost  
23 payable by the municipality, within the meaning of this subsection, unless such  
24 work is actually called for by the agreement between the municipality and the other  
25 governmental agencies involved.

26 4. The governing body of any city may also by resolution adopted by a two-thirds vote  
27 authorize and issue general obligation bonds of the city for the purpose of  
28 providing funds to pay the cost of any improvement of the types stated below, to  
29 the extent that the governing body determines that such cost should be paid by the  
30 city and should not be assessed upon property specially benefited thereby;  
31 provided that the initial resolution authorizing such bonds must be published in the

1 official newspaper, and any owner of taxable property within the city may, within  
2 sixty days after such publication, file with the city auditor a protest against the  
3 adoption of the resolution. If the governing body finds such protests to have been  
4 signed by the owners of taxable property having an assessed valuation equal to  
5 five percent or more of the assessed valuation of all taxable property within the  
6 city, as theretofore last finally equalized, all further proceedings under such initial  
7 resolution are barred. This procedure is authorized for the financing of the  
8 following types of improvements:

- 9 a. Any street improvement, as defined in subsection 2 of section 40-22-01, to be  
10 made in or upon any federal or state highway or any other street designated  
11 by ordinance as an arterial street.
- 12 b. The construction of a bridge, culvert, overpass, or underpass at the  
13 intersection of any street with a stream, watercourse, drain, or railway, and  
14 the acquisition of any land or easement required for that purpose.
- 15 c. Any improvement incidental to the carrying out of an urban renewal project,  
16 the issuance of bonds for which is authorized by subsection 4 of section  
17 40-58-13.

18 Nothing herein may be deemed to prevent any municipality from appropriating  
19 funds for or financing out of taxes, special assessments, or utility revenues any  
20 work incidental to any such improvement, in the manner and to the extent  
21 otherwise permitted by law.

- 22 5. The governing body of any city may also by resolution adopted by a two-thirds vote  
23 dedicate the mill levies as authorized by sections 57-15-42 and 57-15-44 and may  
24 authorize and issue general obligation bonds to be paid by these dedicated levies  
25 for the purpose of providing funds for the purchase, construction, reconstruction, or  
26 repair of public buildings or fire stations; provided, that the initial resolution  
27 authorizing the mill levy dedication and general obligation bonds must be published  
28 in the official newspaper, and any owner of taxable property within the city may,  
29 within sixty days after publication, file with the city auditor a protest against the  
30 adoption of the resolution. Protests must be in writing and must describe the  
31 property which is the subject of the protest. If the governing body finds such

1 protests to have been signed by the owners of taxable property having an  
2 assessed valuation equal to five percent or more of the assessed valuation of all  
3 taxable property within the city, as theretofore last finally equalized, all further  
4 proceedings under the initial resolution are barred.

5 6. The governing body of any county may also by resolution adopted by a two-thirds  
6 vote dedicate the tax levies as authorized by sections 57-15-06.6 and 57-15-06.9  
7 and may authorize and issue general obligation bonds to be paid by these  
8 dedicated levies for the purpose of providing funds for the purchase, construction,  
9 reconstruction, or repair of regional or county correction centers, or parks and  
10 recreational facilities; provided, that the initial resolution authorizing the tax levy  
11 dedication and general obligation bonds must be published in the official  
12 newspaper, and any owner of taxable property within the county may, within sixty  
13 days after publication, file with the county auditor a protest against the adoption of  
14 the resolution. Protests must be in writing and must describe the property which is  
15 the subject of the protest. If the governing body finds such protests to have been  
16 signed by the owners of taxable property having an assessed valuation equal to  
17 five percent or more of the assessed valuation of all taxable property within the  
18 county, as theretofore last finally equalized, all further proceedings under the initial  
19 resolution are barred.

20 7. The governing body of any public school district may also by resolution adopted by  
21 a two-thirds vote dedicate the tax levies as authorized by section 15-51-11,  
22 15-51-13, or 57-15-16 and may authorize and issue general obligation bonds to be  
23 paid by these dedicated levies for the purpose of providing funds for the purchase,  
24 construction, reconstruction, or repair of public school buildings or for the  
25 construction or improvement of a project pursuant to chapter 15-60. The initial  
26 resolution authorizing the tax levy dedication and general obligation bonds must be  
27 published in the official newspaper of the school district, and any owner of taxable  
28 property within the school district may, within sixty days after publication, file with  
29 the business manager of the school district a protest against the adoption of the  
30 resolution. Protests must be in writing and must describe the property that is the  
31 subject of the protest. If the governing body finds the protests to have been signed

1 by the owners of taxable property having an assessed valuation equal to five  
2 percent or more of the assessed valuation of all taxable property within the school  
3 district, as theretofore last finally equalized, all further proceedings under the initial  
4 resolution are barred.

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

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

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

29 **SECTION 2. AMENDMENT.** Subsection 3 of section 21-03-10.1 of the North Dakota  
30 Century Code is amended and reenacted as follows:

- 1           3. After approval of the bond issue, no change may be made in the purpose of  
2           expenditure of the bond proceeds except that, upon a favorable vote of ~~sixty~~ at  
3           least fifty-five percent of the qualified electors residing in any specific area intended  
4           to be served as provided in subsection 1, material changes may be made in such  
5           plan as it affects said area to the extent such changes do not conflict with  
6           contractual obligations incurred.