

FIRST ENGROSSMENT
with Senate Amendments

Sixty-first
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1398

Introduced by

Representatives Kasper, Dosch, Ruby, Thoreson

Senators Freborg, Wardner

1 A BILL for an Act to create and enact section 21-03-06.1 of the North Dakota Century Code,
2 relating to voter approval of public building projects funded through a building authority or other
3 indirect means.

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

5 **SECTION 1.** Section 21-03-06.1 of the North Dakota Century Code is created and
6 enacted as follows:

7 **21-03-06.1. Voter approval of building authority or other indirect funding**
8 **methods - School construction project approval.**

9 1. Notwithstanding any other provision of law, a municipality or governing body of a
10 municipality may not enter an agreement pursuant to internal revenue service
11 revenue ruling 63-20 under which payments of any kind would be required by the
12 municipality to any building authority or other entity that incurs indebtedness or
13 other obligation in connection with acquisition, improvements, or construction of
14 any property or structure to be used by the municipality unless the agreement has
15 been approved by a vote of a majority of the qualified electors of the municipality
16 voting on the question if the agreement is for acquisition, improvements, or
17 construction of any property or structure for which an election would be required if
18 the municipality undertook the acquisition or construction project through issuance
19 of bonds of the municipality. The governing body of a city or county may not
20 supersede this subsection under home rule authority.

21 2. The school board of a school district may not enter an agreement pursuant to
22 internal revenue service revenue ruling 63-20 under which payments of any kind
23 would be required by the school district to any building authority or other entity that
24 incurs indebtedness or other obligation regarding construction, purchase, repair,

1 improvement, modernization, or renovation of any building or facility to be used by
2 the school district without approval by the superintendent of public instruction in
3 the manner provided in section 15.1-36-01, if approval by the superintendent of
4 public instruction would be required for the project under section 15.1-36-01 if the
5 school district undertook the project itself.