

**HOUSE BILL NO. 1116**

Introduced by

Representatives Klemin, Heinert

Senators Bekkedahl, Patten

1 A BILL for an Act to amend and reenact subsection 6 of section 21-03-07, and sections  
2 21-03-08, 21-03-19, 57-15-06.6, and 57-47-02 of the North Dakota Century Code, relating to  
3 the issuance and maximum term of general obligation bonds and the authorized uses of the  
4 county capital projects levy; and to provide an effective date.

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

6 **SECTION 1. AMENDMENT.** Subsection 6 of section 21-03-07 of the North Dakota Century  
7 Code is amended and reenacted as follows:

8 6. The governing body of any county may also by resolution adopted by a two-thirds vote  
9 dedicate the tax ~~levy~~ levies authorized by section 57-15-06.6 and subsection 5 of  
10 section 57-15-06.7 and may authorize and issue general obligation bonds to be paid  
11 by the dedicated levy for the ~~purpose of providing funds for the purchase, construction,~~  
12 ~~reconstruction, or repair of regional or county correction centers, or parks and~~  
13 ~~recreational facilities~~ purposes identified under section 57-15-06.6 and subsection 5 of  
14 section 57-15-06.7; provided, that the initial resolution authorizing the tax levy  
15 dedication and general obligation bonds must be published in the official newspaper,  
16 and any owner of taxable property within the county may, within sixty days after  
17 publication, file with the county auditor a protest against the adoption of the resolution.  
18 Protests must be in writing and must describe the property which is the subject of the  
19 protest. If the governing body finds such protests to have been signed by the owners  
20 of taxable property having an assessed valuation equal to five percent or more of the  
21 assessed valuation of all taxable property within the county, as ~~theretofore~~ last finally  
22 equalized, all further proceedings under the initial resolution are barred.

23 **SECTION 2. AMENDMENT.** Section 21-03-08 of the North Dakota Century Code is  
24 amended and reenacted as follows:

1       **21-03-08. Maximum interest rate, maturity, and denominations.**

2       No bonds issued under the provisions of this chapter may bear interest at a rate or rates  
3       and be sold privately at a price resulting in an average net interest cost higher than twelve  
4       percent per annum. There is no interest rate ceiling on those issues sold at public sale or to the  
5       state of North Dakota or any of its agencies or instrumentalities. No bonds issued under this  
6       chapter may run for a longer period than ~~twenty~~thirty years from their date. The bonds may not  
7       bear a date earlier than the date of the election authorizing their issuance, if such election is  
8       required, nor earlier than the date of the adoption of the resolution of the governing body  
9       determining to issue bonds for which no election is required.

10       **SECTION 3. AMENDMENT.** Section 21-03-19 of the North Dakota Century Code is  
11       amended and reenacted as follows:

12       **21-03-19. Bonds - Terms.**

13       Bonds issued under this chapter must be authorized by resolution, bear such date or dates,  
14       be in such denomination or denominations, be in such form, be subject to redemption with or  
15       without premium, and be subject to such other terms or conditions as in the judgment of the  
16       municipality are in the public interest of the municipality, and must provide that the last  
17       installment of principal falls due not more than ~~twenty~~thirty years from the date of the bonds.  
18       The requirements of this section apply to each new issue of bonds, or if so determined by the  
19       governing body, to the bonds of a new issue combined with all of the outstanding bonds of one  
20       or more designated issues of bonds previously issued and similarly payable from taxes or other  
21       sources of revenues, or both, as the case may be.

22       **SECTION 4. AMENDMENT.** Section 57-15-06.6 of the North Dakota Century Code is  
23       amended and reenacted as follows:

24       **57-15-06.6. County capital projects levy.**

25       1. The board of county commissioners of each county may levy an annual tax not  
26       exceeding ten mills plus any voter-approved additional levy as provided in  
27       subsection 8 of section 57-15-06.7 for the purpose of the following capital projects:

28       4. a. Constructing ~~and~~, equipping~~, and maintaining structural and mechanical  
29       components of regional or county corrections centers or for the purpose of  
30       contracting for corrections center space capacity from another public or private  
31       entity.~~



1 primary governmental functions, or to pay the mandatory obligations imposed by law upon a  
2 county, then such a county may borrow money in such an amount as the board shall determine  
3 ~~to be~~determines necessary to meet the deficiencies existing in its general or special funds, or to  
4 carry on primary governmental functions, and to pay mandatory obligations. For the purpose of  
5 borrowing, a county may issue evidences of indebtedness, which must consist of an agreement  
6 by the county to pay a stated sum on a specified date, or on or before a specified date, not  
7 more than ~~five~~twenty years in the future, together with interest ~~thereon~~ at a rate or rates  
8 resulting in an average annual net interest cost not to exceed twelve percent per annum if sold  
9 privately, or with no interest rate ceiling if sold at a public sale or to the state of North Dakota or  
10 any of its agencies or instrumentalities. A public sale must comply with the procedures set out in  
11 chapter 21-03. There is no requirement for an advertisement for bids if an evidence of  
12 indebtedness is sold privately or to the state of North Dakota or any of its agencies or  
13 instrumentalities.

14 **SECTION 6. EFFECTIVE DATE.** Sections 4 and 5 of this Act are effective for taxable years  
15 beginning after December 31, 2020.