

**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;~~ and to provide a contingent  
5 effective date.

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

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

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

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

3 ~~— **21-03-08. Maximum interest rate, maturity, and denominations.**~~

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

12 ~~— **SECTION 3. AMENDMENT.** Section 21-03-19 of the North Dakota Century Code is~~  
13 ~~amended and reenacted as follows:~~

14 ~~— **21-03-19. Bonds -- Terms.**~~

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

24 **SECTION 2. AMENDMENT.** Section 57-15-06.6 of the North Dakota Century Code is  
25 amended and reenacted as follows:

26 **57-15-06.6. County capital projects levy.**

- 27 1. The board of county commissioners of each county may levy an annual tax not  
28 exceeding ten mills plus any voter-approved additional levy as provided in  
29 subsection 8 of section 57-15-06.7 for the purpose of the following capital projects:
- 30 4. a. Constructing and, equipping, and maintaining structural and mechanical  
31 components of regional or county corrections centers or for the purpose of

- 1 contracting for corrections center space capacity from another public or private  
2 entity.
- 3 ~~2.~~ b. Acquiring real estate as a site for public parks and construction ~~and~~, equipping,  
4 and maintaining structural and mechanical components of recreational facilities  
5 under section 11-28-06.
- 6 ~~3.~~ c. Acquiring real estate as a site for county buildings and operations and  
7 constructing ~~and~~, equipping, and maintaining structural and mechanical  
8 components of county buildings and property.
- 9 ~~4.~~ d. Acquiring real estate as a site for county fair buildings and operations and  
10 constructing ~~and~~, equipping, and maintaining structural and mechanical  
11 components of county fair buildings and property as provided in section 4-02-26.
- 12 ~~5.~~ e. Acquiring and developing real estate, capital improvements, buildings, pavement,  
13 equipment, and debt service associated with financing for county supported  
14 airports or airport authorities.
- 15 ~~6.~~ f. Expenditures for the cost of leasing as an alternative means of financing for any  
16 of the purposes for which expenditures are authorized under  
17 ~~subsections 1~~subdivisions a through 5e.
- 18 g. Improvement of the county road system, including the acquisition of land;  
19 construction of new paved and unpaved roads, bridges, or public places;  
20 replacement of existing paved and unpaved roads, bridges, or public places; and  
21 maintenance and repair of existing paved and unpaved roads, bridges, or public  
22 places.
- 23 2. Any voter-approved levy for the purposes specified in this section approved by the  
24 electors before January 1, 2015, remains effective through 2024 or the period of time  
25 for which it was approved by the electors, whichever is less, under the provisions of  
26 law in effect at the time it was approved. After January 1, 2015, approval or  
27 reauthorization by electors of increased levy authority under this section may not be  
28 effective for more than ten taxable years.

29 **SECTION 3. AMENDMENT.** Section 57-47-02 of the North Dakota Century Code is  
30 amended and reenacted as follows:

1           **57-47-02. County authorized to borrow - Term - Interest rate.**

2           Whenever in the judgment of the board of county commissioners all taxes authorized to be  
3 levied in any one year for general or special county purposes are insufficient to carry on the  
4 primary governmental functions, or to pay the mandatory obligations imposed by law upon a  
5 county, then such a county may borrow money in such an amount as the board shall determine  
6 ~~to be~~determines necessary to meet the deficiencies existing in its general or special funds, or to  
7 carry on primary governmental functions, and to pay mandatory obligations. For the purpose of  
8 borrowing, a county may issue evidences of indebtedness, which must consist of an agreement  
9 by the county to pay a stated sum on a specified date, or on or before a specified date, not  
10 more than ~~five~~twenty years in the future, or twenty years for loans issued under section 6-09-49,  
11 together with interest thereon at a rate or rates resulting in an average annual net interest cost  
12 not to exceed twelve percent per annum if sold privately, or with no interest rate ceiling if sold at  
13 a public sale or to the state of North Dakota or any of its agencies or instrumentalities. A public  
14 sale must comply with the procedures set out in chapter 21-03. There is no requirement for an  
15 advertisement for bids if an evidence of indebtedness is sold privately or to the state of North  
16 Dakota or any of its agencies or instrumentalities.

17           **SECTION 4. AMENDMENT.** Section 57-47-02 of the North Dakota Century Code is  
18 amended and reenacted as follows:

19           **57-47-02. County authorized to borrow - Term - Interest rate.**

20           Whenever in the judgment of the board of county commissioners all taxes authorized to be  
21 levied in any one year for general or special county purposes are insufficient to carry on the  
22 primary governmental functions, or to pay the mandatory obligations imposed by law upon a  
23 county, then such a county may borrow money in an amount the board determines necessary to  
24 meet the deficiencies existing in its general or special funds, or to carry on primary  
25 governmental functions, and to pay mandatory obligations. For the purpose of borrowing, a  
26 county may issue evidences of indebtedness, which must consist of an agreement by the  
27 county to pay a stated sum on a specified date, or on or before a specified date, not more than  
28 five years in the future, or twenty years for loans issued under section 6-09-49 or 6-09-49.1,  
29 together with interest at a rate or rates resulting in an average annual net interest cost not to  
30 exceed twelve percent per annum if sold privately, or with no interest rate ceiling if sold at a  
31 public sale or to the state of North Dakota or any of its agencies or instrumentalities. A public

1 sale must comply with the procedures set out in chapter 21-03. There is no requirement for an  
2 advertisement for bids if an evidence of indebtedness is sold privately or to the state of North  
3 Dakota or any of its agencies or instrumentalities.

4 **SECTION 5. EFFECTIVE DATE.** Sections 42 and 53 of this Act are effective for taxable  
5 years beginning after December 31, 2020.

6 **SECTION 6. CONTINGENT EFFECTIVE DATE.** Section 4 of this Act is effective at the time  
7 provided in Section 5 of this Act if section 6-09-49.1, as created by House Bill No. 1425, is  
8 approved by the sixty-seventh legislative assembly.