

**HOUSE BILL NO. 1484**

Introduced by

Representative Christensen

1 A BILL for an Act to amend and reenact section 21-03-06 of the North Dakota Century Code,  
2 relating to county bonding authority.

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

4 **SECTION 1. AMENDMENT.** Section 21-03-06 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **21-03-06. Purposes and specific limitations of bond issues.**

7 Municipalities are empowered to borrow money, subject to the general limitations of  
8 amounts prescribed by sections 21-03-04 and 21-03-05, and subject, in certain cases, to the  
9 further limitations prescribed by the section, and to issue bonds thereof for the purposes  
10 enumerated in the section. Such bonds may be issued:

- 11 1. By any county:
- 12 a. ~~Fe~~Upon a two-thirds vote of the qualified electors of the county, to provide county  
13 buildings and to acquire land for county purposes, but all outstanding unpaid  
14 bonds for this purpose may not exceed in amount at any one time five percent of  
15 the value of taxable property in such county.
- 16 b. To construct, enlarge, or repair, or aid in the construction, enlargement, or repair,  
17 of bridges within or without the county, but all outstanding unpaid bonds for this  
18 purpose may not exceed in amount at any one time one percent of the value of  
19 taxable property in the county.
- 20 c. To provide funds for the original construction and for the improvement and  
21 maintenance of highways, but all outstanding unpaid bonds for these purposes  
22 may not exceed in amount at any one time four percent of the value of taxable  
23 property in such county.

- 1           d. To provide funds for the construction of solid waste disposal facilities, for the  
2           acquisition of real estate for that purpose, for facilities and equipment for the  
3           collection of solid wastes, and for facilities and equipment to dispose of waste  
4           products.
- 5           e. To provide money for the payment of any deficiency in the fund of any special  
6           improvement district whenever the special assessment or taxes levied and  
7           collected for the specific improvements are insufficient to pay the principal or  
8           interest of any special improvement warrants or bonds issued for the  
9           improvement and due and unpaid, but only to the extent of that deficiency.
- 10          f. To provide funds for the acquiring, laying out, equipping, and improving parks and  
11          recreational facilities and to acquire land for these purposes.
- 12          g. To provide funds to purchase not to exceed two hundred forty acres  
13          [97.12 hectares] of real estate and construct buildings and improvements for the  
14          conduct of a county fair.
- 15        2. By any city:
- 16          a. For the erection, purchase, construction, enlargement, or repair of municipal or  
17          public buildings for the following purposes: city halls, fire protection buildings,  
18          waterworks buildings, police stations, city markets, public baths, hospitals,  
19          libraries, museums, auditoriums, armories, gymnasiums, and music halls; and to  
20          purchase and acquire sites for such buildings, and for the equipment and  
21          furnishing thereof.
- 22          b. For the purchase of fire engines and other equipment and materials for fire  
23          protection and for the purchase, construction, and installation of pumps,  
24          watermains, reservoirs, and other necessary facilities for fire protection.
- 25          c. For the construction and extension of water plants or the purchase of existing  
26          plants; the construction and improvement of watermains, sewers, and drains; or  
27          for the joint construction and establishment of a water and sewer system; or for  
28          the erection, planning, construction, and establishment of a sewage disposal  
29          plant or system; or for the erection, construction, and enlargement of garbage  
30          disposal plants and to purchase sites and grounds, either within or without the  
31          limits of the city, for the disposal of sewage, garbage, and other refuse; or for the

- 1 leasing or purchase of lands, either within or without the limits of the city, for the  
2 purpose of providing airports or landing fields or for the construction of buildings  
3 thereon or the procuring of equipment therefor; and other like municipal  
4 purposes.
- 5 d. To construct, acquire, enlarge, extend, or maintain any plant or equipment, or any  
6 part of a plant or equipment, for the production, transmission, delivery or  
7 furnishing of heat, light, or power, either directly or indirectly, to or for the public,  
8 or to enlarge and extend such plants or equipment or any part thereof. This  
9 subdivision may not be construed as an amendment to sections 40-33-01 to  
10 40-33-09, nor to section 40-33-15.
- 11 e. To purchase, acquire, or establish any public utility and in cities having a  
12 population of more than five thousand to purchase or acquire a public  
13 transportation system. This subdivision may not be construed as impairing,  
14 altering, or affecting the powers of the public service commission in any such  
15 proceeding.
- 16 f. To provide for acquiring, laying out, and improving parks, parkways, park  
17 buildings, public drives, boulevards, highways, streets, state highways, and  
18 cemeteries, and to acquire land for these purposes.
- 19 g. To provide money for the payment of any deficiency in the fund of any special  
20 improvement district whenever the special assessment or taxes levied and  
21 collected for the specific improvements are then insufficient to pay the principal or  
22 interest of any special improvement warrants issued for such improvement and  
23 then due and unpaid, but only to the extent of such deficiency.
- 24 h. For the purchase of automobiles, trucks, tractors, flushers, sprinklers, street  
25 sweepers, graders, rollers, loaders, plows, conveyors and other machinery,  
26 equipment and materials for the cleaning, flushing, and sweeping of any street,  
27 highway, avenue, alley, or public place within the city, the removal of snow and  
28 ice therefrom, and other like municipal purposes.
- 29 i. For the purchase of trucks, garbage collectors, and other vehicles, equipment  
30 and materials for the collection, removal, and disposal of garbage, rubbish,  
31 ashes, refuse, and other wastes within the city.

- 1           j. To provide for the acquiring and constructing of parking lots and facilities for  
2           motor vehicle parking.
- 3           k. To provide funds for the erection, purchase, construction, enlargement, or repair  
4           of bridges, and to purchase and acquire necessary real estate, sites, or  
5           easements for such bridges.
- 6           l. To provide funds for all works in connection with flood control and the necessary  
7           land or easements for such flood control works.
- 8           m. To provide required matching funds for a capital construction project at a state  
9           institution of higher education located within the city for which an appropriation  
10          has been made by the legislative assembly. Bonds issued under this subdivision  
11          are deemed to be issued for corporation purposes under subsection 5 of section  
12          40-05-01.
- 13          3. Repealed by S.L. 1967, ch. 323, § 285.
- 14          4. By any public school district, or the school district of the city of Fargo, to purchase,  
15          erect, enlarge, and improve school buildings and teacherages, to acquire sites therefor  
16          and for playgrounds, to furnish and equip the same with heat, light, and ventilation or  
17          other necessary apparatus, to pay advance rentals to the state school construction  
18          fund, and also to purchase schoolbus equipment which must meet the standards set  
19          up by the state superintendent of public instruction and the director of the department  
20          of transportation.
- 21          4.1. By any school district having a community or junior college or off-campus educational  
22          center as provided in chapter 15-18 which has an enrollment of one thousand or more  
23          students, upon motion of the governing body, for capital construction purposes,  
24          including the construction and equipping of new buildings or repairing or renovating  
25          and equipping existing buildings. The governing body may levy a tax not exceeding  
26          two mills on the dollar of the taxable valuation of the school district for the purpose of  
27          paying the principal and interest on bonds issued pursuant to this subsection. The mill  
28          levy authorized by this subsection is in addition to any mill levy limitations provided by  
29          law. The total principal amount of bonds issued pursuant to this subsection may not  
30          exceed seven hundred thousand dollars, and any indebtedness incurred by a school

1 district must be within debt limitations established by law. Bonds issued under this  
2 subsection must never become a general obligation of this state.

3 5. By any township:

4 a. For the erection of a township hall and the purchase of a site therefor; and

5 b. For the construction of roads and bridges, but all outstanding unpaid bonds for  
6 road and bridge purposes may not exceed in amount at any one time one and  
7 one-half percent of the value of the taxable property in such township.

8 6. By any park district which constitutes a distinct municipality, to provide for acquiring,  
9 laying out, and improving parks, parkways, boulevards, and pleasure drives, and to  
10 acquire land for these purposes, but such indebtedness may not at any time exceed  
11 one percent of the value of the taxable property in such park district.

12 7. By any municipality as herein defined:

13 a. For the purpose of paying any final judgment obtained against the municipality  
14 within the state of North Dakota in case the governing body does not deem it  
15 advisable to pay such judgment out of current revenues. In case the bonds  
16 authorized by this subsection cannot be sold in accordance with this chapter,  
17 they may be issued to the judgment creditor in payment of such judgment.

18 b. To provide necessary funds for the payment of the principal and interest of bonds  
19 of such municipality, due or about to become due, for the payment of which the  
20 municipality has not sufficient funds, but only to the extent of such deficit; or to  
21 refund outstanding bonds of the municipality which are called for redemption and  
22 prepayment in accordance with their terms, or by the consent of the holders  
23 thereof, within six months from the date of the refunding bonds, when in the  
24 judgment of the governing body the best interests of the municipality will be  
25 served thereby, through the reduction of interest cost or the extension of  
26 maturities.

27 c. To refund outstanding bonds not yet due or to become due or subject to  
28 redemption and prepayment within six months, when in the judgment of the  
29 governing body the best interests of the municipality will be served thereby,  
30 through the reduction of debt service costs or the extension or adjustment of  
31 maturities in relation to the resources available for their payment. The proceeds

1 of the refunding bonds, including any premium and accrued interest, must be  
2 deposited in escrow with a suitable bank or trust company, having its principal  
3 place of business within or without the state, and must be invested in such  
4 amount and in securities maturing on such dates and bearing interest at such  
5 rates as are required to provide funds sufficient to pay when due the interest to  
6 accrue on each bond refunded to its maturity or, if it is prepayable and called for  
7 redemption, to an earlier prior date upon which it may be called for redemption,  
8 and to pay and redeem the principal amount of each such bond at maturity or, if  
9 prepayable and called for redemption, at the earlier redemption date, and pay  
10 any premium required for redemption on such date; or in the case of a crossover  
11 refunding, must be invested in securities irrevocably appropriated to the payment  
12 of principal and interest on the refunding bonds until the date the proceeds are  
13 applied to the payment or redemption of the bonds to be refunded. The governing  
14 body's resolution authorizing the refunding bonds shall irrevocably appropriate for  
15 these purposes the escrow fund and all investments thereof, which must be held  
16 in safekeeping by the escrow agent, and all income therefrom, and may provide  
17 for the call for redemption of all prepayable bonds in accordance with their terms.  
18 The securities to be purchased with the escrow fund must be limited to general  
19 obligations of the United States, securities whose principal and interest payments  
20 are guaranteed by the United States, and securities issued by the following  
21 United States government agencies: banks for cooperatives, federal home loan  
22 banks, federal intermediate credit banks, federal land banks, and the federal  
23 national mortgage association. Such securities must be purchased  
24 simultaneously with the delivery of the refunding bonds. Moneys on hand in the  
25 sinking fund maintained for the payment of the outstanding bonds, and not  
26 immediately needed for the payment of interest or principal due, or other legally  
27 available funds of the municipality may likewise be deposited in the escrow fund  
28 and invested in the same manner as the proceeds of the refunding bonds, to the  
29 extent consistent with the provisions of resolutions authorizing the outstanding  
30 bonds.

31 8. By any recreation service district:

- 1           a. For the construction and extension of water plants or the purchase of existing  
2           plants; the construction and improvement of watermains, sewers, and drains; or  
3           for the joint construction and establishment of a water and sewer system; or for  
4           the erection, planning, construction, and establishment of a sewage disposal  
5           plant or system; or for the erection, construction, and enlargement of garbage  
6           disposal plants and to purchase sites and grounds, either within or without the  
7           limits of the recreation service district, for the disposal of sewage, garbage, and  
8           other refuse; and other like recreation service district purposes.
- 9           b. To provide for acquiring, laying out, and improving parks, parkways, park  
10          buildings, public drives, boulevards, highways, streets, state highways, and to  
11          acquire land for these purposes.
- 12          c. To provide money for the payment of any deficiency in the fund of any special  
13          improvement district whenever the special assessment or taxes levied and  
14          collected for the specific improvements are then insufficient to pay the principal or  
15          interest of any special improvement warrants issued for such improvement and  
16          then due and unpaid, but only to the extent of such deficiency.
- 17          d. For the purchase of trucks, garbage collectors, and other vehicles, equipment,  
18          and materials for the collection, removal, and disposal of garbage, rubbish,  
19          ashes, refuse, and other wastes within the recreation service district.
- 20          e. For the purpose of providing services described in section 11-28.2-04.
- 21          f. For the purpose of dredging any waters or waterways within or contiguous to the  
22          recreation service district.
- 23          9. By any rural fire protection district for the purchase of such firefighting equipment,  
24          ambulances, or other emergency vehicles, or the acquisition, construction, and  
25          equipping of such real property and improvements thereto, as is necessary and proper  
26          to carry out the general fire protection program of the district.