

2019 SENATE FINANCE AND TAXATION

SB 2040

2019 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Lewis and Clark Room, State Capitol

SB 2040
1/8/2019
Job # 30506

- Subcommittee
 Conference Committee

Committee Clerk: Alicia Larsgaard

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact section 40-22-18 of the North Dakota Century Code, relating to treatment of property owned by a political subdivision when calculating protests against the formation of a special improvement district.

Minutes:

Attachments: 1-3

Chairman Cook: Opened the hearing on SB 2040.

Senator Unruh: This is a bill that came out of the interim tax committee. The bill is as simple as it looks. This has to do with special assessment districts. This would exclude political subdivisions from a special assessment district. It would solve the problem we heard about in the interim which was that if a political subdivision owns more than half of the land in a special assessment district then they could out way all the rights of the individual property owners in that special assessment district. There is no way for those individual property owners to protest those special assessment district. This takes care of that issue but also causes another one. If a political subdivision is proposing a special assessment district that includes a different political subdivision, then that other political subdivision, wouldn't have the right to protest the special assessment district with the way the bill is written now. I have an amendment here now that would take care of that issue right now. Overall, I think it is a good piece of legislation. With that I will stand for questions.

Senator Patten: The fix then would remove the ability of the political subdivisions to vote correct?

Senator Unruh: The amendment reads "Property owned by political subdivisions, is not included when determining whether the protests contain the names of owners. The majority of the area including within the improvement district, unless the political subdivision filed a protest. They would have the ability to protest but not overrun the other residential folks.

Chairman Cook: Thank you. Further testimony in support? Any testimony opposed?

(3:50) Dana Schaar Jahner: See attachment #1 for testimony opposed to the bill. Introduced Cole Higlin.

(5:08) Chairman Cook: Handed out proposed amendment to the bill. See attachment #2.

Cole Higlin: There is a special assessment district that was partaking with this exact same measure. The Mandan park district owned 54% of the land in an assessment district of \$7 million. We were getting assessed \$800,000. Residents were ranging \$15,000 up to \$30,000 on about \$150,000 homes and they were frustrated that they couldn't protest. They were only 23% of the entire assessment district. They were doing a lot of lobbying to the park commissioners because they set up this district and the park district was 54% as Senator Unruh stated, we support your amendment in the fact that we shouldn't make an assessment district move forward just because we own 54% of the land. We feel the tax payers should have that right to decide if they want street sewers and waters of their residents. So, the stats that we have taken from the park district was that we moved our decision and stayed neutral and put it back on the city commissioners to make the determination. What we did to the citizens is we pulled out all political subdivision's property. We pulled out around 62% and it got brought down to about 38%. Of that 38%, the citizens were still short about 7%. So, now they were lobbying to the park district to help support them by protesting the assessment district and we didn't want to get involved with those type of projects as far as assessments. The bill you have presented, we oppose, but the amendments you have stated, we definitely support. We feel the park districts should have the ability to protest. We have the ability to assess everybody in the city so we feel that if these numbers are not justified or if we do not benefit accordingly, we should have the right to protest and help the entire city to not have to pay the protests. I will stand for any questions at this time.

Chairman Cook: So when you said we pulled all the political subs out, you mean the city of Mandan did?

Cole Higlin: No, the Mandan park district did. We didn't want to have the public land in there. We wanted to know exactly what the citizens wanted. The only way you can get that is to pull the park property out and see how many submitted a protest. As of yesterday there was 11.1% that protested.

Chairman Cook: So the special assessment district is going to move forward then?

Cole Higlin: We will know tonight from the city commission. We basically stayed neutral and allowed them to make the decision. What I foresee happening, is that we gave our recommendations and hopefully they will find different ways and measure to make this assessment happen.

Chairman Cook: Further testimony opposed to SB 2040.

Amy De Kok: (See attachment #3) We take the same position as the park district association takes. We will support SB 2040 along with the proposed amendment. As of now we oppose it because of the other political subdivisions and we believe school districts should have the right to protest their creation of the special assessment district. I will take any questions at this time.

Chairman Cook: Any further opposed testimonies. Closed the hearing on SB 2040.

Committee Discussion: The committee briefly discussed the amendment and bill taking effect.

Senator Unruh: Moved amendment 19.0238.01001.

Senator Meyer: Seconded.

No Discussion Took Place.

A Voice Vote Was Taken. All Were in Favor.

The Amendment Carried.

Senator Patten: Moved a Do Pass on SB 2040 as Amended.

Senator Unruh: Seconded.

A Roll Call Vote Was Taken: 6 yeas, 0 nays, 0 absent.

Motion Carried.

Chairman Cook Will Carry the Bill.

January 8, 2019

SK
1061

PROPOSED AMENDMENTS TO SENATE BILL NO. 2040

Page 1, line 2, replace "exclusion" with "treatment"

Page 1, line 2, replace "from consideration in" with "when calculating"

Page 1, line 3, after "against" insert "the formation of a"

Page 1, line 3, replace "districts" with "district"

Page 1, line 10, remove "not including property owned"

Page 1, line 11, remove "by a political subdivision."

Page 1, line 16, remove "not including property owned by a political subdivision."

Page 1, line 22, after the period insert "Property owned by a political subdivision is not included when determining whether the protests contain the names of the owners of a majority of the area included within the improvement district unless the political subdivision filed a protest."

Renumber accordingly

Date: 1-8-19
 Roll Call Vote #: 1

**2019 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2040**

Senate Finance and Taxation Committee

Subcommittee

Amendment LC# or Description: 19.0238.01001

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Unruh Seconded By Meyer

Senators	Yes	No	Senators	Yes	No
Chairman Cook			Senator Dotzenrod		
Vice Chairman Kannianen					
Senator Meyer					
Senator Patten					
Senator Unruh					
VOICE VOTE CARRIED					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 1-8-19
Roll Call Vote #: 2

2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2040

Senate Finance and Taxation Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Patten Seconded By Unruh

Senators	Yes	No	Senators	Yes	No
Chairman Cook	✓		Senator Dotzenrod	✓	
Vice Chairman Kannianen	✓				
Senator Meyer	✓				
Senator Patten	✓				
Senator Unruh	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Senator Cook

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2040: Finance and Taxation Committee (Sen. Cook, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2040 was placed on the Sixth order on the calendar.

Page 1, line 2, replace "exclusion" with "treatment"

Page 1, line 2, replace "from consideration in" with "when calculating"

Page 1, line 3, after "against" insert "the formation of a"

Page 1, line 3, replace "districts" with "district"

Page 1, line 10, remove "not including property owned"

Page 1, line 11, remove "by a political subdivision."

Page 1, line 16, remove "not including property owned by a political subdivision."

Page 1, line 22, after the period insert "Property owned by a political subdivision is not included when determining whether the protests contain the names of the owners of a majority of the area included within the improvement district unless the political subdivision filed a protest."

Renumber accordingly

2019 HOUSE FINANCE AND TAXATION

SB 2040

2019 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2040
2/27/2019
#32912

- Subcommittee
 Conference Committee

Committee Clerk: Mary Brucker

Explanation or reason for introduction of bill/resolution:

A bill relating to treatment of property owned by a political subdivision when calculating protests against the formation of a special improvement district.

Minutes:

Attachment 1-2

Chairman Headland: Opened hearing on SB 2040.

Emily Thompson, Legal Council: Introduced bill. The interim taxation committee had three property tax studies that it reviewed and special assessments came up quite a bit during discussion. The problem this bill was seeking to fix were situations in which a special assessment district was forming and potentially the party benefited by the district could be the city or county. The language correction in this is if the city was forming a district and owned more than 50% of the land in order to protest that district the taxpayers would not be able to protest it. In order to protest the formation of that initial special assessment district you have to have a majority of the owners of the area of the land, meaning the number of acreage. As it initially came out of the interim committee the language is a bit different than what you see now. We had language placed in that said "not including property owned by a political subdivision" when you were calculating that total acreage. There was concern on the Senate side that the political subdivision which owned more than 50% of the property might not be in favor of the district. In one instance the Mandan Park District owned 54% of the land in the proposed special assessment district. They wouldn't have been the primary beneficiary so this would have precluded their opportunity to protest but that wasn't the result we were seeking. This language was slightly tweaked to read "property owned by a political subdivision is not included when determining whether the protest contains the names of the owners of a majority of the area included in the district unless that political subdivision filed a protest." If the Mandan Park District filed a protest against that district, then they could also be included in that count.

Chairman Headland: We'll take support for SB 2040.

Dana Schaar-Jahner, North Dakota Recreation and Park Association (NDRPA): Distributed written testimony, see attachment 1. Ended testimony at 4:56.

Cole Higlin, Director of the Mandan Park District: We had a \$7.5 million special assessment in southwest Mandan. The boundaries that were there pulled in our nine-hole golf course and 13 baseball and softball fields which brought us up to the 54% acreage we owned. We didn't want to be involved where individual citizens were being assessed. They were getting assessed in the range of \$30,000-50,000 for their homes. The only way we could stop that protest was if the Mandan Park District took a stance in support of the citizens. We didn't want to get in between the city and parks because the storm water and the streets needed to be completed. We felt the taxpayers should have that right to support it whether they wanted it or not, not the park district. We took a neutral stance and put it back in the city commissioner's responsibility to make that determination. By default, and the park district not speaking up, this would move forward and the citizens would have no other way to stop a protest if they chose not to move forward with the special assessment districts. We've always had 10-15% of the land so it's never really been an issue before. I would support a do pass on this.

Chairman Headland: Is there further support? Is there opposition? Neutral testimony?

Steve Vogelpohl, municipal bond attorney: Distributed written testimony, see attachment 2. Ended testimony at 10:00.

Chairman Headland: Does anyone else want to testify? We'll close the hearing on SB 2040. Emily, could you address Mr. Vogelpohl's proposed amendment? Does it cause any problems?

Emily Thompson: I would have no objections to the additional language.

Chairman Headland: What are your wishes?

Vice Chairman Grueneich: **MADE A MOTION TO ADOPT THE AMENDMENT and on line 23 insert "or a separate property area."**

Representative Blum: SECONDED

Representative Ertelt: What is the effect of that additional language?

Emily Thompson: It's just clarifying language for the district or a separate property area. On line 15 you'll notice it states the names of the owners of a majority of any separate property area included within the district.

Representative Ertelt: If they own multiple parcels within that special assessment district is that what it's trying to address?

Emily Thompson: There are separate property areas within that, yes.

Chairman Headland: Is there anything else?

VOICE VOTE: MOTION CARRIED

House Finance and Taxation Committee
SB 2040
February 27, 2019
Page 3

Chairman Headland: We have amended SB 2040 before us.

Vice Chairman Grueneich: MADE A MOTION FOR A DO PASS AS AMENDED

Representative Toman: SECONDED

**ROLL CALL VOTE: 12 YES 0 NO 2 ABSENT
MOTION CARRIED**

Representative Toman will carry this bill.

DP 2/27/19

19.0238.02001
Title.03000

Adopted by the House Finance and Taxation
Committee

February 27, 2019

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2040

Page 1, line 23, after "district" insert "or a separate property area"

Renumber accordingly

Date: 2-27-19
Roll Call Vote #: 1

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2040

House Finance and Taxation Committee

Subcommittee

Amendment LC# or Description: insert line 23 "or a separate property area"

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Rep. Grueneich Seconded By Rep. Blum

Representatives	Yes	No	Representatives	Yes	No
Chairman Headland			Representative Eidson		
Vice Chairman Grueneich			Representative Mitskog		
Representative Blum					
Representative Dockter					
Representative Ertelt					
Representative Fisher					
Representative Hatlestad					
Representative Kading					
Representative Koppelman					
Representative Steiner					
Representative Toman					
Representative Trottier					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Voice Vote = Motion carried

Date: 2-27-19
Roll Call Vote #: 2

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB2040

House Finance and Taxation Committee

Subcommittee

Amendment LC# or Description: 19.0238.02001

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar

Other Actions: Reconsider _____

Motion Made By Rep. Grueneich Seconded By Rep. Toman

Representatives	Yes	No	Representatives	Yes	No
Chairman Headland	X		Representative Eidson	X	
Vice Chairman Grueneich	X		Representative Mitskog	A	
Representative Blum	X				
Representative Dockter	X				
Representative Ertelt	X				
Representative Fisher	X				
Representative Hatlestad	X				
Representative Kading	X				
Representative Koppelman	A				
Representative Steiner	X				
Representative Toman	X				
Representative Trottier	X				

Total (Yes) 12 No 0

Absent 2

Floor Assignment Rep. Toman

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2040, as engrossed: Finance and Taxation Committee (Rep. Headland, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2040
was placed on the Sixth order on the calendar.

Page 1, line 23, after "district" insert "or a separate property area"

Renumber accordingly

2019 CONFERENCE COMMITTEE

SB 2040

2019 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Lewis and Clark Room, State Capitol

SB 2040
4/10/2019
Job #34666

- Subcommittee
 Conference Committee

Committee Clerk: Alicia Larsgaard

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact section 40-22-18 of the North Dakota Century Code, relating to treatment of property owned by a political subdivision when calculating protests against the formation of a special improvement district.

Minutes:

Attachments: 1

Chairman Cook: Called the Conference Committee to order on SB 2040.

Representative Koppelman: Distributed **Attachment #1**.

Chairman Cook: This will probably be the fastest conference committee you have ever had. I got my question answered.

Senator Kannianen: Moved that the Senate Accede to the House Amendments.

Senator Patten: Seconded.

Chairman Cook: Any Discussion?

A Roll Call Vote Was Taken: 6 yeas, 0 nays, 0 absent

Motion Carried

Senator Cook will carry the bill for the Senate

Representative Koppelman will carry the bill for the House

**2019 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. 2040 as (re) engrossed

Senate Finance and Taxation Committee

- Action Taken** **SENATE accede to House Amendments**
 SENATE accede to House Amendments and further amend
 HOUSE recede from House amendments
 HOUSE recede from House amendments and amend as follows
- Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Kannianen Seconded by: Patten

Senators	4/10		Yes	No	Representatives	4/10		Yes	No
Senator Cook	✓		✓		Representative Koppelman	✓		✓	
Senator Kannianen	✓		✓		Representative Toman	✓		✓	
Senator Patten	✓		✓		Representative Eidson	✓		✓	
Total Senate Vote					Total Rep. Vote				

Vote Count Yes: 6 No: 0 Absent: 0

Senate Carrier COOK House Carrier Koppelman

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted
Statement of purpose of amendment

REPORT OF CONFERENCE COMMITTEE

SB 2040, as engrossed: Your conference committee (Sens. Cook, Kannianen, Patten and Reps. B. Koppelman, Toman, Eidson) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 1053 and place SB 2040 on the Seventh order.

Engrossed SB 2040 was placed on the Seventh order of business on the calendar.

2019 TESTIMONY

SB 2040



**Testimony of Dana Schaar Jahner
Executive Director
North Dakota Recreation and Park Association
Senate Finance and Taxation Committee
Opposition to SB 2040
Tuesday, January 8, 2019**

Chairman Cook and Members of the Committee, my name is Dana Schaar Jahner, and I am executive director of the North Dakota Recreation and Park Association (NDRPA). NDRPA represents more than 700 members across the state, including park board members and park district staff, and works to advance parks, recreation and conservation for an enhanced quality of life in North Dakota. I am here on behalf of NDRPA in opposition to Senate Bill 2040 as introduced.

During its study, the Interim Taxation Committee determined that a special improvement district could be drawn with more than 50 percent of the property area within the district owned by the political subdivision that would benefit from the creation of the district. This effectively bars private property owners from protesting the formation of the district, which resulted in the legislation before us. The interim committee also acknowledged there may be unforeseen consequences with the bill.

NDRPA believes this is the case in that SB 2040 prohibits park districts from protesting a special improvement district created by a city, giving elected park board commissioners no recourse if the proposed district would negatively impact the park district.

NDRPA supports the amendments offered today that would allow park districts to protest the creation of a special improvement district but not bar private property owners from protesting if a park district owns a majority of the property in the proposed district.

We recommend a do not pass recommendation on SB 2040 unless the requested amendments are adopted. In closing, I'd like to introduce Cole Higlin, NDRPA public policy chair, to provide further details about the impact of this bill on park districts. Thank you.

19.0238.01001

Sixty-sixth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2040

Introduced by

Legislative Management

(Taxation Committee)

1 A BILL for an Act to amend and reenact section 40-22-18 of the North Dakota Century Code,
2 relating to ~~exclusion~~treatment of property owned by a political subdivision ~~from consideration~~
3 ~~in~~when calculating protests against the formation of a special improvement ~~districts~~district.

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

5 **SECTION 1. AMENDMENT.** Section 40-22-18 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **40-22-18. Protest bar to proceeding - Invalid or insufficient protests - Payment of**
8 **costs - Tax levy.**

9 If the governing body finds the protests to contain the names of the owners of a majority of
10 the area of the property included within the improvement district, ~~not including property owned~~
11 ~~by a political subdivision,~~ the protests shall be a bar against proceeding with any special
12 assessment for the improvement project. However, the protests do not bar proceeding with the
13 improvement project described in the plans and specifications if the governing body funds the
14 project with funds other than special assessments. If the governing body finds the protests to
15 contain the names of the owners of a majority of any separate property area included within the
16 district, such~~not including property owned by a political subdivision,~~ the protests shall be a bar
17 against proceeding with special assessments to be assessed in whole or in part upon property
18 within such~~the~~ area, but shall not bar against proceeding with the improvement project or
19 assessing the cost thereof against other areas within the district, unless such~~the~~ protests
20 represent a majority of the area of the entire district. If the protests represent a majority of the
21 area of the entire district, such~~the~~ protests bar any special assessment for the improvement
22 project. Property owned by a political subdivision is not included when determining whether the
23 protests contain the names of the owners of a majority of the area included within the
24 improvement district unless the political subdivision filed a protest.

Sixty-sixth
Legislative Assembly

1 The termination of proceedings, by reason of protest or otherwise, shall not relieve the
2 municipality of responsibility for payment of costs theretofore incurred and for payment of
3 ~~such~~the costs a municipality may, if funds on hand and available for the purpose are insufficient,
4 issue its certificates of indebtedness or warrants, or levy a tax which shall be considered a tax
5 for a portion of the cost of a special improvement project by general taxation within the meaning
6 of section 57-15-10. If the protests are found to be insufficient or invalid, the governing body
7 may cause the improvement to be made and may contract or otherwise provide in accordance
8 with this title for the construction thereof and the acquisition of property required in connection
9 therewith and may levy and collect assessments therefor.



NDSBA
NORTH DAKOTA SCHOOL
BOARDS ASSOCIATION

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TESTIMONY ON SB 2040
SENATE FINANCE AND TAXATION COMMITTEE

January 8, 2019

By Amy L. De Kok, Legal Counsel
North Dakota School Boards Association

Chairman and Members of the Committee:

My name is Amy De Kok and I am in-house Legal Counsel for the North Dakota School Boards Association (NDSBA). NDSBA represents all operating schools districts within the State of North Dakota. I appear before you today to testify in support of SB 2040 with the amendment as proposed.

NDSBA understands the concern underlying SB 2040 as initially introduced; however, like the other political subdivision representatives here today, NDSBA believes it is important that a school district be able to protest the creation of a special assessment for an improvement project to which its property would be subject. It is common for a school district to own several parcels of real property that could be subject to special assessments and that could result in significant expense. School districts do not have the ability to defray expenses through the special assessment method and therefore, the problem intended to be remedied by SB 2040 is not implicated with school district property owners.

NDSBA supports SB 2040 with the amendment by which a political subdivision would retain the ability to protest the establishment of a special assessment improvement district regardless of the percentage of property owned by the political subdivision.

I'd be happy to answer any questions you have regarding the position taken by NDSBA on SB 2040. Thank you.

NDRPA

North Dakota Recreation & Park Association •

advancing parks and recreation for quality of life in North Dakota

#1
SB 2040
2-27-19



Testimony of Dana Schaar Jahner
Executive Director
North Dakota Recreation and Park Association
House Finance and Taxation Committee
Support for SB 2040
Wednesday, February 27, 2019

Chairman Headland and Members of the Committee, my name is Dana Schaar Jahner, and I am executive director of the North Dakota Recreation and Park Association (NDRPA). NDRPA represents more than 700 members across the state, including park board members and park district staff, and works to advance parks, recreation and conservation for an enhanced quality of life in North Dakota. I am here on behalf of NDRPA in support of Senate Bill 2040.

During its study, the Interim Taxation Committee determined that a special improvement district could be drawn with more than 50 percent of the property area within the district owned by the political subdivision that would benefit from the creation of the district. This effectively bars private property owners from protesting the formation of the district.

This bill allows private property owners to protest a special improvement district even if one or more political subdivisions own a majority of the property in the proposed district. It also allows political subdivisions, such as park districts, the right to protest the creation of a special improvement district by another political subdivision.

We support a do pass recommendation on SB 2040. Thank you.

66th Legislative Assembly of North Dakota
House Finance and Taxation Committee Hearing - February 27, 2019

#2
SB 2040
2-27-19
p. 1

REQUESTED AMENDMENT OF SENATE BILL NO. 2040

(PLEASE SEE REVERSE)

Mr. Chairman and Members of the Committee,

My name is Steve Vogelpohl. I am from Bismarck and am a municipal bond attorney.

As a municipal bond attorney rendering opinions regarding issuance of special assessment bonds, my work for this purpose includes review of proceedings of municipalities for compliance with provisions of N.D.C.C. Chapter 40-22. As such, I have an interest in the clarity of those provisions and for that reason appear here today to ask you to consider amending Senate Bill No. 2040.

The original Bill excluded property owned by political subdivisions from determinations of protest sufficiency, making protests by political subdivisions of no effect, and this whether the improvement district consists of either a single property area or of two or more geographically separate or noncontiguous property areas.

The Senate amended the original Bill before passing it and I believe the legislative intent in amending the Bill was to fully restore the effect of protests by political subdivisions to a pre-original Bill status, including regardless of whether the improvement district consists of a single property area or of separate property areas. I ask that you amend the Bill to more clearly reflect what I believe its intent by your inserting the language I've penciled in on line 23.

Steven L. Vogelpohl
February 27, 2019

Sixty-sixth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2040

Introduced by

Legislative Management

(Taxation Committee)

*Requested
insertion at
Line 23*

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2 relating to treatment of property owned by a political subdivision when calculating protests
3 against the formation of a special improvement district.

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10 the area of the property included within the improvement district, the protests shall be a bar
11 against proceeding with any special assessment for the improvement project. However, the
12 protests do not bar proceeding with the improvement project described in the plans and
13 specifications if the governing body funds the project with funds other than special
14 assessments. If the governing body finds the protests to contain the names of the owners of a
15 majority of any separate property area included within the district, ~~such~~the protests shall be a
16 bar against proceeding with special assessments to be assessed in whole or in part upon
17 property within ~~such~~the area, but shall not bar against proceeding with the improvement project
18 or assessing the cost thereof against other areas within the district, unless ~~such~~the protests
19 represent a majority of the area of the entire district. If the protests represent a majority of the
20 area of the entire district, ~~such~~the protests bar any special assessment for the improvement
21 project. Property owned by a political subdivision is not included when determining whether the
22 protests contain the names of the owners of a majority of the area included within the
23 improvement district, unless the political subdivision filed a protest.

or a separate property area