

HOUSE BILL NO. 1136

Introduced by

Representative Belter

1 A BILL for an Act to create and enact a new subsection to section 57-15-20.2 and a new
2 chapter to title 58 of the North Dakota Century Code, relating to township flood protection and
3 property tax levy authority for a township flood protection fund; and to provide an effective date.

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

5 **SECTION 1.** A new subsection to section 57-15-20.2 of the North Dakota Century Code
6 is created and enacted as follows:

7 A township levying a tax for a flood protection fund in accordance with section 2 of
8 this Act may levy a tax not exceeding one mill.

9 **SECTION 2.** A new chapter to title 58 of the North Dakota Century Code is created and
10 enacted as follows:

11 **Flood protection fund - Levy - Balance limit.** A township may establish a special
12 fund to be known as the flood protection fund to be used to provide flood protection for property
13 within the township and may levy a tax for this purpose in an amount not exceeding the
14 limitation in section 1 of this Act. A levy under this chapter may not be made in an amount in
15 dollars which would bring the balance in the flood protection fund to more than seventy-five
16 thousand dollars. Interest and income of the fund must be retained in the fund except that any
17 earnings that would bring the balance in the fund to more than seventy-five thousand dollars
18 must be deposited in the township general fund.

19 **Flood protection fund uses.**

- 20 1. The flood protection fund may be used for the purposes in this subsection.
21 a. Temporary flood protection measures may be funded for eligible residential or
22 commercial structures within the township including acquisition of plastic,
23 lumber, dirt, sand, and sandbag materials. The board of township supervisors

1 may determine reasonable and appropriate protective measures for structures
2 on an individual property basis.

3 b. The board of township supervisors may purchase materials for cooperative
4 flood protection measures or for distribution to individual property owners or
5 may authorize individual property owners to acquire materials and apply for
6 reimbursement from the flood protection fund for protective measures taken
7 by individual property owners. For reimbursement, individuals must provide
8 receipts that state the purchase price, the name and address of the provider
9 of the goods, property owner's name and address, location where the
10 materials were delivered, and dates of purchase and delivery.

11 c. The maximum benefit to any parcel of property from the flood protection
12 account may not exceed one thousand five hundred dollars for any single
13 flood event. However, for residential property within a platted and recorded
14 rural subdivision, the maximum benefit to an individual property from the flood
15 protection fund is five hundred dollars and this amount must be expended for
16 the protection of the subdivision as a whole and as determined by consensus
17 of the residential property owners within the platted and recorded rural
18 subdivision.

19 d. A platted and recorded rural subdivision that has water, sewer, or roadways
20 within the subdivision is eligible for up to five hundred dollars from the flood
21 protection fund for protection of these infrastructure systems.

22 2. The flood protection fund may not be used for the purposes in this subsection.

23 a. Funds may not be disbursed for costs of interior property cleanup labor or
24 supplies, repair or replacement of any property, including culverts, roads,
25 driveways, landscaping, or vegetation of any kind, including crops.

26 b. Funds may not be used for hiring labor of any kind, except truck delivery of
27 required protection materials.

28 **Sales and use tax exemption.** Materials purchased by the township with moneys from
29 the flood protection fund or purchased by an individual and reimbursable from the flood
30 protection fund are exempt from state, city, and county sales and use taxes. Upon notification
31 by a board of township supervisors that a flood emergency exists requiring use of flood

1 protection fund moneys, the tax commissioner shall provide the township board of supervisors
2 with an identification number that may be used for exempt purchases under this section.

3 **Property ineligible for flood protection fund assistance.** Owners of the following
4 property are not entitled to financial assistance or protective measures funded from the flood
5 protection fund:

- 6 1. Commercial structures that are exempt from property taxes.
- 7 2. Farm homes and other farm structures that are exempt from property taxes.
- 8 3. Residential structures that are exempt from property taxes.
- 9 4. Vacant land or land owned by a land or subdivision developer.
- 10 5. Any structure built or placed in an identified floodplain which is not in conformance
11 with township flood plan management ordinances, rules, or regulations.
- 12 6. Any residential or commercial structure located within the corporate limits of a city.
- 13 7. A structure owned by a political subdivision.

14 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
15 December 31, 2001.