

**HOUSE BILL NO. 1116  
with Senate Amendments  
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 57-15-06.6 and 57-47-02 of the North Dakota Century Code, relating to the issuance of general  
3 obligation bonds and the authorized uses of the county capital projects levy; to provide an  
4 effective date; and to provide a contingent 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 57-15-06.6 of the North Dakota Century Code is  
24 amended and reenacted as follows:

1       **57-15-06.6. County capital projects levy.**

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

5       ~~1.~~ a. Constructing ~~and~~, equipping, and maintaining structural and mechanical  
6       components of regional or county corrections centers or for the purpose of  
7       contracting for corrections center space capacity from another public or private  
8       entity.

9       ~~2.~~ b. Acquiring real estate as a site for public parks and construction ~~and~~, equipping,  
10       and maintaining structural and mechanical components of recreational facilities  
11       under section 11-28-06.

12       ~~3.~~ c. Acquiring real estate as a site for county buildings and operations and  
13       constructing ~~and~~, equipping, and maintaining structural and mechanical  
14       components of county buildings and property.

15       ~~4.~~ d. Acquiring real estate as a site for county fair buildings and operations and  
16       constructing ~~and~~, equipping, and maintaining structural and mechanical  
17       components of county fair buildings and property as provided in section 4-02-26.

18       ~~5.~~ e. Acquiring and developing real estate, capital improvements, buildings, pavement,  
19       equipment, and debt service associated with financing for county supported  
20       airports or airport authorities.

21       ~~6.~~ f. Expenditures for the cost of leasing as an alternative means of financing for any  
22       of the purposes for which expenditures are authorized under  
23       ~~subsections 1~~subdivisions a through ~~5~~e.

24       g. Improvement of the county road system, including the acquisition of land;  
25       construction of new paved and unpaved roads, bridges, or public places;  
26       replacement of existing paved and unpaved roads, bridges, or public places; and  
27       maintenance and repair of existing paved and unpaved roads, bridges, or public  
28       places.

29       2. Any voter-approved levy for the purposes specified in this section approved by the  
30       electors before January 1, 2015, remains effective through 2024 or the period of time  
31       for which it was approved by the electors, whichever is less, under the provisions of

1 law in effect at the time it was approved. After January 1, 2015, approval or  
2 reauthorization by electors of increased levy authority under this section may not be  
3 effective for more than ten taxable years.

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

6 **57-47-02. County authorized to borrow - Term - Interest rate.**

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

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

24 **57-47-02. County authorized to borrow - Term - Interest rate.**

25 Whenever in the judgment of the board of county commissioners all taxes authorized to be  
26 levied in any one year for general or special county purposes are insufficient to carry on the  
27 primary governmental functions, or to pay the mandatory obligations imposed by law upon a  
28 county, then such a county may borrow money in an amount the board determines necessary to  
29 meet the deficiencies existing in its general or special funds, or to carry on primary  
30 governmental functions, and to pay mandatory obligations. For the purpose of borrowing, a  
31 county may issue evidences of indebtedness, which must consist of an agreement by the

1 county to pay a stated sum on a specified date, or on or before a specified date, not more than  
2 five years in the future, or twenty years for loans issued under section 6-09-49 or 6-09-49.1,  
3 together with interest at a rate or rates resulting in an average annual net interest cost not to  
4 exceed twelve percent per annum if sold privately, or with no interest rate ceiling if sold at a  
5 public sale or to the state of North Dakota or any of its agencies or instrumentalities. A public  
6 sale must comply with the procedures set out in chapter 21-03. There is no requirement for an  
7 advertisement for bids if an evidence of indebtedness is sold privately or to the state of North  
8 Dakota or any of its agencies or instrumentalities.

9 **SECTION 5. EFFECTIVE DATE.** Sections 2 and 3 of this Act are effective for taxable years  
10 beginning after December 31, 2020.

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