Sixty-fourth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 6, 2015

SENATE BILL NO. 2056
(Legislative Management)
(Taxation Committee)

AN ACT to create and enact section 11-11-05.1, a new subsection to section 11-11-14, and a new subsection to section 40-05-01 of the North Dakota Century Code, relating to joint meetings of boards of county commissioners and financial information requests for city or county governing body consideration of property tax levy requests of unelected governing bodies; to amend and reenact subsections 8 and 9 of section 2-06-10, sections 2-06-14, 2-06-15, 4-02-27, 4.1-47-14, and 4.1-47-25, subsection 2 of section 11-11-53, sections 11-11.1-04, 11-28-06, 11-28-17, 11-36-14, 11-37-13, 23-18.2-12, 23-24-09, and 40-38-02, subsection 6 of section 40-57.4-03, and sections 40-57.4-04 and 61-04.1-26 of the North Dakota Century Code, relating to approval authority of boards of county commissioners and city governing bodies over property tax levies of unelected governing bodies; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsections 8 and 9 of section 2-06-10 of the North Dakota Century Code are amended and reenacted as follows:

8. ~~Whenever bonds are issued under this chapter and made payable from revenues of an airport involving municipalities with over ten thousand population, subject to requirements of subsection 9, the governing body of the municipality, if at any time all revenues, including taxes, appropriated and theretofore collected for such bonds are insufficient to pay principal or interest then due, shall levy a general tax upon all of the taxable property in the municipality for the payment of the deficiency. If at any time a deficiency is likely to occur within one year for the payment of principal and interest due on the bonds, the governing body, in its discretion, may levy a general tax upon all the taxable property in the municipality for the payment of the deficiency~~The governing body of the municipality shall levy a general tax upon all of the taxable property in the municipality for the payment of any deficiency in airport authority funds to pay principal or interest due for revenue bonds issued under this chapter before August 1, 2015, and made payable from revenues of an airport authority. The governing body of the municipality may levy a general tax upon all of the taxable property in the municipality for the payment of any deficiency that is likely to occur within one year in airport authority funds to pay principal or interest due for revenue bonds issued under this chapter before August 1, 2015, and made payable from revenues of an airport authority. The taxes levied by the municipality under this subsection are not subject to any limitation of rate or amount applicable to other municipal taxes.

9. ~~For bonds issued under this section to be an obligation of a municipality or authority, the issuance of the bonds must be approved by a majority vote of the governing body of each municipality involved or, within thirty days after the authority decides it wishes to issue the bonds, the municipality or authority must put the question, specifying the amount of the bond at issue, to the people at an election. The question may be put at a general election, a primary election, a municipal election, or at an election called for the purpose. If a majority of the qualified electors voting on the issue vote in favor of issuing the bonds, the authority or municipality may, to the amount authorized in the election, pledge the general obligation of the authority or municipality to guarantee the repayment of the principal and interest on the bonds~~Revenue bonds issued by an airport authority after July 31, 2015, must include the commitment of the municipality for the payment of any deficiency in airport authority funds to pay principal or interest due for revenue bonds as provided in this subsection. The governing body of the municipality shall levy a general tax upon all of the taxable property in the municipality for the payment of any deficiency in airport authority funds to pay principal or

interest due for revenue bonds issued under this chapter after July 31, 2015, and made payable from revenues of an airport authority. The governing body of the municipality may levy a general tax upon all of the taxable property in the municipality for the payment of any deficiency that is likely to occur within one year in airport authority funds to pay principal or interest due for revenue bonds issued under this chapter after July 31, 2015, and made payable from revenues of an airport authority. The taxes levied by the municipality under this subsection are not subject to any limitation of rate or amount applicable to other municipal taxes. The commitment of the municipality and the issuance of the bonds must be approved by a majority vote of the governing body of each municipality involved or, upon placement of the question on the ballot at a primary, general, or special election, by approval of a majority of the qualified electors of the municipalities voting on the question.

SECTION 2. AMENDMENT. Section 2-06-14 of the North Dakota Century Code is amended and reenacted as follows:

2-06-14. Tax levy may be ~~certified~~requested by airport authority or municipality.

~~The~~An airport authority may ~~certify~~request annually ~~to~~from the governing bodies, ~~the~~an amount of tax to be levied by each municipality participating in the creation of the airport authority, and the municipality ~~shall~~may levy the amount ~~certified~~requested, pursuant to provisions of law authorizing cities and other political subdivisions of this state to levy taxes for airport purposes. With its levy request under this section, an airport authority may certify its current and anticipated revenues and resources, any anticipated revenue shortfall for bonded debt payment, and the amount necessary from its property tax levy authority for its annual principal and interest payment for bonded debt incurred under this chapter and, if it finds that the certified amount is necessary for the annual bonded debt payment, the municipality shall levy for the airport authority not less than the certified amount. The levy made may not exceed the maximum levy permitted by the laws of this state for airport purposes.

The municipality shall collect the taxes ~~certified by~~levied for an airport authority in the same manner as other taxes are levied and collected. The proceeds of such taxes must be deposited in a special account or accounts in which other revenues of the authority are deposited and may be expended by the authority as provided for in this chapter.

Prior to the issuance of bonds under section 2-06-10 the airport authority or the municipality may by resolution ~~covenant and agree~~provide its commitment as provided in section 2-06-10 that the total amount of such taxes then authorized by law, or such portion thereof as may be specified by the resolution, will be certified, levied, and deposited annually until the bonds and interest are fully paid.

SECTION 3. AMENDMENT. Section 2-06-15 of the North Dakota Century Code is amended and reenacted as follows:

2-06-15. ~~County tax~~Tax levy by county, city, or township for airport or airport authority purposes.

~~In counties supporting airports or airport authorities, a~~A county, city, or township supporting an airport or airport authority may levy not exceeding ~~the limitation in subsection 1 of section 57-15-06.7 may be made for such~~four mills for airport or airport authority purposes~~, but this levy shall not apply to any city, township, or park district that already has an airport levy~~. If any city or township within the county is levying a tax for support of an airport or airport authority and the total of the county and city or county and township levies exceeds four mills, the county tax levy within the city or township levying under this section must be reduced so the total levy in the city or township does not exceed four mills.

SECTION 4. AMENDMENT. Section 4-02-27 of the North Dakota Century Code is amended and reenacted as follows:

4-02-27. Reports required - Tax ~~levies for support thereof~~levy authority.

Any county fair association receiving the aid provided for in this chapter, at the regular meeting of the board of county commissioners held in the month of January following the holding of such county fair, shall make a full report to the board of all moneys received by it from all sources and of all disbursements. The report must show the amount of the debts and the amount of moneys in the treasury of the association, and the amount of any deficit after the payment of its expenses, and must contain an estimate of the amount, if any, which it will be necessary to raise above the estimated ordinary receipts of the association for the purposes of its fair for the ensuing year. The report and estimate must be verified by the oath of the president, or vice president, the secretary, treasurer, and a majority of the board of directors of the association. After the filing and approval of the report, the board of county commissioners ~~shall~~may levy a tax for the current year equal to the estimate contained in the association's report, if the report filed shows that the funds have been expended legally and if the levy has been approved by the voters or the board of county commissioners, as required by law. The tax levied for the current year may not exceed the limitation in section 57-15-06.7, and the amount levied must be paid to the association as provided in section 4-02-26.

SECTION 5. AMENDMENT. Section 4.1-47-14 of the North Dakota Century Code is amended and reenacted as follows:

4.1-47-14. County noxious weed control program - Payment of expenses - ~~Mill~~Tax levy authorization.

1. The board of county commissioners may pay the expenses of a county noxious weed control program authorized under this chapter from the county general fund, the noxious weed control fund, or both.

2. a. The county weed board may annually ~~certify to~~request from the board of county commissioners a tax, not to exceed two mills on the taxable valuation of all property in the county, other than that which lies within the boundaries of a city having a noxious weed control program under this chapter.

   b. In addition to the levy authorized in subdivision a, the board of county commissioners may levy an amount not to exceed two mills per dollar on the taxable valuation of all property in the county, other than that which lies within the boundaries of a city having a noxious weed control program under this chapter.

   c. The board of county commissioners ~~shall~~may levy the taxes authorized by this subsection and shall place those moneys in a separate fund designated as the noxious weed control fund, which is used to pay the expenses of a county noxious weed control program.

   d. The tax may be levied in excess of the mill levy limit prescribed by law for general purposes.

3. For purposes of this section, the expenses of a county noxious weed control program include compensation for and the reimbursement of expenses incurred by the county weed board, the county weed control officer, and other employees of the board, and expenses incurred in the provision of noxious weed control, as authorized by this chapter.

SECTION 6. AMENDMENT. Section 4.1-47-25 of the North Dakota Century Code is amended and reenacted as follows:

4.1-47-25. City noxious weed control program - Payment of expenses - ~~Mill~~Tax levy authorization.

1. The governing body of a city may pay the expenses of a city noxious weed control program authorized under this chapter from the city general fund, the noxious weed control fund, or both.

2. a. The city weed board may annually ~~certify to~~request from the governing body of a city a tax, not to exceed two mills on the taxable valuation of all property in the city.

   b. In addition to the levy authorized in subdivision a, the governing body of a city may levy an amount not to exceed two mills per dollar on the taxable valuation of all property in the city.

   c. The governing body of a city ~~shall~~may levy the taxes authorized by this subsection and shall place those moneys in a separate fund designated as the noxious weed control fund, which is used to pay the expenses of a city noxious weed control program.

   d. The tax may be levied in excess of the mill levy limit prescribed by law for general purposes.

3. For purposes of this section, the expenses of a city noxious weed control program include compensation for and the reimbursement of expenses incurred by the city weed board, the city weed control officer, and other employees of the board, and expenses incurred in the provision of noxious weed control, as authorized by this chapter.

SECTION 7. Section 11-11-05.1 of the North Dakota Century Code is created and enacted as follows:

11-11-05.1. Joint meetings of boards of county commissioners for consideration of levies of taxing districts in multiple counties.

If feasible, the boards of county commissioners of affected counties shall hold joint public hearings and deliberations when considering the proposed property tax levy of a taxing district seeking authority for a levy against property within multiple counties. If joint hearing and deliberation is not feasible, the boards of county commissioners of affected counties shall coordinate their levy directives to be applied to property within the taxing district.

SECTION 8. A new subsection to section 11-11-14 of the North Dakota Century Code is created and enacted as follows:

To require that financial records, including all revenues, expenditures, fund balances, and complete budgets, be submitted to the board of county commissioners at a time and in a format requested by the board by all boards, authorities, committees, and commissions with members appointed by the board of county commissioners before the board's consideration of the budget and tax levy.

SECTION 9. AMENDMENT. Subsection 2 of section 11-11-53 of the North Dakota Century Code is amended and reenacted as follows:

2. The board of county commissioners may levy a tax, not exceeding the limitation in subsection 8 of section 57-15-06.7, for the promotion of historical works within the borders of the county and in general defray the expense of carrying on historical work in the county, including the maintenance of any historical room or building, and furthering the work of the historical society of the county. The levy is in addition to any moneys appropriated from the general fund of the county for historical work as provided in subsection 1. The board of county commissioners may, by resolution, submit the question of an additional tax levy to the qualified electors of the county at the next countywide general, primary, or special election. If sixty

percent of the qualified electors voting on the question approve, a tax ~~must~~may be levied not exceeding the limitation in subsection 8 of section 57-15-06.7, which tax may be expended as provided in this section.

SECTION 10. AMENDMENT. Section 11-11.1-04 of the North Dakota Century Code is amended and reenacted as follows:

11-11.1-04. Tax levy for job development authorities.

The board of county commissioners of a county which has a job development authority or joint job development authority shall establish a job development authority fund and may levy a tax not exceeding the limitations in subsection 29 of section 57-15-06.7.

The county treasurer shall keep the job development authority fund separate from other money of the county. If directed by the board of county commissioners, the county treasurer shall keep a separate fund for the job development authority for the proceeds of any designated portion of the levy for promotion of tourism by the job development authority. The county treasurer shall transmit all funds received pursuant to this section within thirty days to the board of directors of the authority. The funds when paid to the authority must be deposited in a special account, or special accounts if the authority chooses to maintain a separate account for promotion of tourism, in which other revenues of the authority are deposited. Moneys received by the job development authority from any other source must also be deposited in the special accounts. The moneys in the special accounts may be expended by the authority as provided in sections 11-11.1-02 and 11-11.1-03.

SECTION 11. AMENDMENT. Section 11-28-06 of the North Dakota Century Code is amended and reenacted as follows:

11-28-06. Tax levy by board of county commissioners.

At the time of levying taxes for other county purposes, the board of county commissioners shall consider the ~~certificate and~~ budget statement and levy request of the board of county park commissioners and ~~shall~~may levy each year upon all taxable property in the county a tax sufficient in amount to pay the actual necessary expenses and activities program of the board of county park commissioners, including construction, improvement, repair, operation, and maintenance of the park and recreational areas and their facilities under its control and those recreational activities of benefit to the general populace of the county which are under the control of a city or a city park district within the county, not exceeding the limitation in subsection 10 of section 57-15-06.7. No levy in excess of this limitation shall be made without approval of the eligible voters in the county at a special or general election.

The county auditor shall credit the proceeds of such tax to the separate fund of the board of county park commissioners. This levy shall not apply to cities that already have a park levy unless the governing body of the city by resolution consents to the levy.

SECTION 12. AMENDMENT. Section 11-28-17 of the North Dakota Century Code is amended and reenacted as follows:

11-28-17. District budget - Tax levy - Election.

The board of joint park commissioners shall request the respective boards of county commissioners of the counties within the joint park district to submit to the electors of the joint county park district at any general election the question of a maximum tax levy therein for park purposes. The question shall be submitted as follows: Shall the board of county commissioners be authorized to levy a tax of not to exceed _____ mills for joint county park district purposes? The rate proposed shall in no event exceed three mills. If a majority of the vote cast thereon is favorable to such levy, the board of joint park commissioners shall meet annually during the month of July and at such meeting shall prepare a budget for the ensuing year, estimating and itemizing the expenses and obligations of the joint county park district. Upon completion and adoption of such budget, the board shall ~~make~~request from the

respective boards of county commissioners a tax levy in mills, within the limit of the authorization, to meet such budget. Such levy shall be in the form of a resolution adopted by a majority vote of the members of the board and thereafter prior to the first day of July of each year such levy shall be ~~certified~~submitted to the county auditor of each county within the joint park district by the secretary of the board.

At the time of levying taxes for other county purposes, the respective boards of county commissioners of each county within the joint park district ~~shall~~may levy the tax ~~certified~~requested by the board of joint park commissioners upon all taxable property in the county in the same manner other taxes are levied. The question of the maximum levy may be submitted from time to time by the board of joint park commissioners.

SECTION 13. AMENDMENT. Section 11-36-14 of the North Dakota Century Code is amended and reenacted as follows:

11-36-14. Tax levy may be ~~certified~~requested by port authority or municipality.

~~The~~A port authority may ~~certify~~request annually ~~to~~from the governing bodies the amount of tax to be levied by each municipality participating in the creation of the port authority, and the municipality ~~shall~~may levy the amount ~~certified~~approved, pursuant to provisions of law authorizing political subdivisions of this state to levy taxes for port purposes. The levy made may not exceed the maximum levy permitted by the laws of this state for port purposes.

The municipality shall collect the taxes ~~certified by~~approved for a port authority in the same manner as other taxes are levied and collected. The proceeds of such taxes must be deposited in a special account or accounts in which other revenues of the port authority are deposited and may be expended by the port authority as provided in this chapter. Before issuance of bonds under section 11-36-10, the port authority or the municipality by resolution may covenant and agree that the total amount of the taxes then authorized by law, or such portion of the taxes as may be specified by the resolution, will be certified, levied, and deposited annually until the bonds and interest are fully paid.

SECTION 14. AMENDMENT. Section 11-37-13 of the North Dakota Century Code is amended and reenacted as follows:

11-37-13. Tax levy may be requested by political subdivision.

~~The~~A commerce authority may ~~certify~~request annually ~~to~~from the governing bodies the amount of tax requested to be levied by each political subdivision participating in the commerce authority. The governing body of each political subdivision shall consider the levy request of the commerce authority and determine the amount to be levied.

The levy may not exceed the maximum levy permitted for commerce authority purposes. Each political subdivision shall collect the taxes levied on behalf of a commerce authority in the same manner as other taxes are levied and collected. The proceeds of the taxes must be deposited in a special account or accounts in which other revenues of the commerce authority are deposited and may be expended by the commerce authority as provided in this chapter. Before issuance of bonds under section 11-37-09, the commerce authority by resolution may covenant and agree that the total amount of the taxes authorized by law, or the portion of the taxes specified by the resolution, will be certified and deposited annually until the bonds and interest are fully paid.

SECTION 15. AMENDMENT. Section 23-18.2-12 of the North Dakota Century Code is amended and reenacted as follows:

23-18.2-12. Tax levy may be ~~certified~~requested by nursing home authority.

~~The~~A nursing home authority may ~~certify~~request annually ~~to~~from the board of county commissioners a tax not exceeding the limitation in subsection 13 of section 57-15-06.7 for a nursing home fund ~~which~~. Such tax may be levied by the board of county commissioners.

The proceeds of the tax collected in the nursing home fund must be used first for the payment of principal and interest on any bonds, issued under the provisions of this chapter, which may be due or about to become due. The remaining proceeds in the fund may also be used for any other corporate purpose of the authority, including~~, but not limited to,~~ costs of operation and costs of obligations entered into with private nursing homes.

SECTION 16. AMENDMENT. Section 23-24-09 of the North Dakota Century Code is amended and reenacted as follows:

23-24-09. ~~District~~Vector control district budget - Tax levy by county.

When a vector control district has been created and a board of commissioners has been organized, the board shall estimate the expenses of the district from the date of its establishment until the end of the ensuing fiscal year and before July first in each year and thereafter shall estimate district expenses for the fiscal year ensuing. Estimates of district expenses may include all outlays necessary to carry out the powers of the board herein provided for.

Upon ~~completion and~~ adoption of a budget ~~covering necessary expenses~~, the board of commissioners shall send a copy of such budget to the county auditor of each county in the district. If a district is situated in more than one county, the estimate must be apportioned to the counties affected. Such county auditor shall transmit the same to the board of commissioners of the auditor's county. The board of county commissioners of each county in which the district is situated ~~shall~~may by resolution levy, authorize, and direct their county auditor to extend and spread upon the tax roll of the county a tax not exceeding the limitation in section 57-15-26.2. Funds produced each year by such tax levy must be available until expended and if such tax levy in any year will not produce sufficient revenue to cover district expenses a fund sufficient to pay the same may be accumulated.

SECTION 17. A new subsection to section 40-05-01 of the North Dakota Century Code is created and enacted as follows:

> Appointed board budgets. To require that financial records, including all revenues, expenditures, fund balances, and complete budgets, be submitted to the governing body of the municipality at a time and in a format requested by that governing body by all boards, authorities, committees, and commissions with members appointed by the governing body before the governing body's approval of the budget and tax levy.

SECTION 18. AMENDMENT. Section 40-38-02 of the North Dakota Century Code is amended and reenacted as follows:

40-38-02. Library fund - Levy - Kept separate - Exemption for city levying tax - Increasing levy.

1. For the purpose of establishing and maintaining public library service, the governing body of a municipality or county authorizing the same shall establish a library fund. The library fund shall consist of annually levying and causing to be collected as other taxes are collected a municipal or county tax not exceeding the limitations in subsection 15 of section 57-15-06.7 and subsection 5 of section 57-15-10 and any other moneys received for library purposes from federal, state, county, municipal, or private sources.

2. The city auditor or county treasurer shall establish and maintain the fund to account for library revenues and shall make payments from the fund for invoices that have been submitted and approved by the governing body of the library. In the case of a contract with another library for service delivery, the city auditor or county treasurer shall promptly transmit all funds received to the established library fund of the agency delivering service. On request of the city auditor or county treasurer and during an audit, the governing board of the library shall supply its records. The records must be provided on a timely basis. The fund may not revert to the governing body of the city or county at the end of any fiscal year. The fund must be used exclusively for the establishment and maintenance of public library service.

3. The governing board of the library may request annually from the governing body of a city or county a tax not exceeding the limitation in subsection 15 of section 57-15-06.7 and subsection 5 of section 57-15-10. Such tax may be levied by the governing body of a city or county.

4. Whenever a tax for county library service is levied, any city already levying a tax for public library service under the provisions of this section or other provisions of law shall, upon written application to the ~~county board of the county~~board of county commissioners, be exempted from the county tax levy to the extent that the city making the application levies taxes for a library fund during the year for which the tax levy is made. If the city has been totally exempted from participation in any prospective county library program, the phrase "not less than fifty-one percent of the qualified electors of the city or county as determined by the total number of votes cast at the last general election" as stated in section 40-38-01 shall mean fifty-one percent of the total number of votes cast at the last general election in the county less the total number of votes cast at the last general election in the city. If an election on the question is held, the qualified electors of any city so exempted from the county library tax ~~shall~~are not ~~be~~ entitled to vote on the establishment or discontinuance of the county library service.

~~4.~~5. Upon motion of the governing body or upon petition of not less than twenty-five percent of the qualified electors in the last general election of any city, school district, township, or county, filed not less than sixty days before the next election, the governing body shall submit to the qualified electors at the next election the question of whether the governing body shall increase the mill levy a specified amount for public library service above the mill levy limitation set out in this section. The governing body may call a special election at any time for the purpose of voting on the question, and the election shall be called, conducted, and certified as are other elections in that political subdivision. Upon approval by sixty percent of the qualified electors voting in the election, the governing body shall increase the levy for public library service in the amount approved by the qualified electors.

SECTION 19. AMENDMENT. Subsection 6 of section 40-57.4-03 of the North Dakota Century Code is amended and reenacted as follows:

6. To ~~certify~~request a tax levy as provided in section 40-57.4-04 and to expend moneys raised by the tax for the purposes provided in this chapter.

SECTION 20. AMENDMENT. Section 40-57.4-04 of the North Dakota Century Code is amended and reenacted as follows:

40-57.4-04. Tax levy for city job development authorities.

The governing body of a city which has a city job development authority shall establish a city job development authority fund and may levy a tax not exceeding the limitation in subsection 28 of section 57-15-10.

The city auditor shall keep the job development authority fund separate from other money of the city and transmit all funds received under this section within thirty days to the board of directors of the city job development authority. The funds when paid to the city job development authority must be deposited in a special account in which other revenues of the city job development authority are deposited and may be expended by the city job development authority as provided in sections 40-57.4-02 and 40-57.4-03.

In lieu of establishing a job development authority, the governing body of a city where an active industrial development organization exists may levy a tax not exceeding the limitation in subsection 28 of section 57-15-10. The funds from the alternative levy may be used to enter into a contract with the industrial development organization for performance of the functions of a city job development authority.

SECTION 21. AMENDMENT. Section 61-04.1-26 of the North Dakota Century Code is amended and reenacted as follows:

61-04.1-26. Tax may be ~~certified~~requested by weather modification authority.

The weather modification authority may ~~certify~~request annually ~~to~~from the board of county commissioners a tax of not to exceed seven mills upon the taxable valuation of the property in the county for a weather modification fund. If weather modification services are not provided to the entire county, the ~~weather modification authority may certify annually to the~~ board of county commissioners may levy a tax for a weather modification fund of not to exceed seven mills upon the taxable valuation of the property in the county designated to receive weather modification services. The tax ~~shall~~may be levied by the board of county commissioners and may be levied in excess of the mill levy limit fixed by law for taxes for general county purposes. The weather modification fund shall be used only for weather modification activities in conjunction with the state of North Dakota. The tax certified by the weather modification authority is limited to the period of existence of the weather modification authority as provided for in this chapter.

SECTION 22. EFFECTIVE DATE. This Act is effective for taxable years beginning after December 31, 2015.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-fourth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2056.

Senate Vote:	Yeas 45	Nays 0	Absent 2
House Vote:	Yeas 82	Nays 6	Absent 6

Secretary of the Senate

Received by the Governor at 8:22 A M. on March 18, 2015.

Approved at 9:44 A M. on March 23, 2015.

Governor

Filed in this office this 23rd day of March, 2015,

at 12:07 o'clock P. M.

Secretary of State