

GOVERNMENTAL FINANCE

CHAPTER 176

S. B. No. 190

(Trenbeath, Miller and Erickstad)

TAXING DISTRICTS

AN ACT

To amend and reenact section 21-0101 of the North Dakota Revised Code of 1943, as amended, and subsection 6 of section 57-0201 of the North Dakota Revised Code of 1943 relating to taxing districts.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Amendment.) Section 21-0101 of the North Dakota Revised Code of 1943, as amended, is hereby amended and reenacted to read as follows:

21-0101. Definitions.) The term "taxing district" when used in this chapter, unless the context thereof clearly requires otherwise, shall mean any county, city, village, school district, township, park district, water conservation and flood control district, "Garrison diversion conservancy district", county park district, joint county park district, or irrigation district in the state. The term "warrant" when used in this chapter shall mean an order drawn by the proper taxing district officials on the treasurer of said taxing district, the warrant or order to be so drawn that when signed by the treasurer in an appropriate place it becomes a check on the taxing district depository. No warrant upon the treasurer shall be delivered or mailed to the payee or his agent or representative until such warrant has been signed by the treasurer and entered on the treasurer's books as a check drawn on a bank depository.

§ 2. Amendment.) Subsection 6 of section 57-0201 of the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

6. "Municipality" or "taxing district" means a county, city, village, township, school district, water conservation and flood control district, "Garrison diversion conservancy district", county park district, joint county park district, irrigation district, or park district, empowered to levy taxes;

Approved March 6, 1957.

CHAPTER 177

S. B. No. 100

(Trenbeath, Miller and Erickstad)

PUBLIC CERTIFICATES OF INDEBTEDNESS

AN ACT

To amend and reenact section 21-0202 of the North Dakota Revised Code of 1943 relating to certificates of indebtedness.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. **Amendment.**) That section 21-0202 of the North Dakota Revised Code of 1943 be and the same is hereby amended to read as follows:

21-0202. Certificates Of Indebtedness; By Whom Issued; Term; Interest; Tax When Deemed Levied.) Counties, cities, villages, townships, school districts, park districts, irrigation districts, water conservation and flood control districts, Garrison Diversion Conservancy District, county park districts, or joint park districts shall have power to borrow in anticipation of revenues to be derived from taxes already levied. The aggregate amount of such borrowings at any time shall not exceed the amount of uncollected taxes which have been levied during the year in which the borrowing is made, plus uncollected taxes remaining upon the tax lists of the four preceding years, exclusive of levies for the purpose of retiring bond issues and the interest thereon. For the purpose of borrowing, all such taxing districts may issue certificates of indebtedness. A certificate of indebtedness shall consist of an agreement on the part of the taxing district to pay a stated sum on a specified date, or on or before a specified date, not more than twenty-four months in the future, together with interest thereon at a specified rate not exceeding seven percent per annum, which may be made payable semiannually. Such certificate shall be signed on behalf of the district by its president or chairman and also by its auditor, clerk, or secretary, and shall be payable out of funds derived from uncollected taxes levied for the current tax year and four previous years which have not been set aside for the payment of other certificates of indebtedness pursuant to sections 21-0207, 21-0208, and 21-0209. However, a certificate of indebtedness shall be the general obligation of the issuing taxing district.

Approved March 6, 1957.

CHAPTER 178

H. B. No. 614
(Gefreh and Nygaard)

ASSESSSED VALUE FOR BOND ISSUES

AN ACT

To amend and reenact subsection 4 of section 21-0301 of the 1953 Supplement to the North Dakota Revised Code of 1943, as amended, relating to the definition of assessed valuation as it relates to municipal bond issues and declaring an emergency.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. **Amendment.)** Subsection 4 of section 21-0301 of the 1953 Supplement to the North Dakota Revised Code of 1943, as amended by chapter 170 of the North Dakota Session Laws of 1955 is hereby amended and reenacted to read as follows:

4. "Value of taxable property" or "the assessed valuation" of a municipality shall mean the full and true one hundred percent value of all taxable property in such municipality as finally equalized by the state board of equalization.

§ 2. **Emergency.)** This Act is hereby declared to be an emergency measure and shall be in full force and effect from and after its passage and approval.

Approved March 14, 1957.

CHAPTER 179

S. B. No. 173

(Larson, Foss and Freed, by request)

MUNICIPAL BOND ISSUE ELECTION

AN ACT

To amend and reenact section 21-0307 of the 1953 Supplement to the North Dakota Revised Code of 1943, relating to the issuance of bonds by a municipality, providing for elections thereon and for exceptions thereto in the case of certain issues, including federal aid highway bonds of certain municipalities, and declaring an emergency.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Amendment.) Section 21-0307 of the 1953 Supplement to the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

21-0307. Election Required; Exceptions.) No municipality, and no governing board thereof, shall issue bonds without being first authorized to do so by a vote equal to sixty-six and two-thirds percent, in the case of municipalities having a population of less than five thousand, or a vote of sixty percent in the case of municipalities having a population of five thousand or more, of all the qualified voters of such municipality voting upon the question of such issue except:

1. As otherwise provided in section 21-0304;
2. The governing body may issue bonds of the municipality for the purpose and within the limitations specified by section 21-0306, subsection 2, subdivision g, including village bonds for such purpose, and section 21-0306, subsection 7, without an election;
3. Any municipality, as defined and listed in section 21-0306, may issue its bonds for the replacement of municipally owned public buildings within such municipality upon the authorization of sixty percent of the electors voting upon the question of such issue in the following cases:
 - a. When such building has been destroyed by fire, wind, explosion, or other cause;
 - b. When, after a public hearing, the governing body of such municipality shall adopt a resolution declaring it necessary to replace a municipally owned public

building for the reason that such building has become unsafe or inadequate for use and occupancy as a public building, or for keeping the public records or property of such municipality housed therein. The governing body of such municipality shall give notice of such public hearing by a statement published once each week for two successive weeks in any legal newspaper published within such municipality, or in the official county newspaper, if the municipality is the county, or if no newspaper is published within such municipality then by publication in the official newspaper of the county, and by posting a statement in five separate public places within the municipality. Such statement shall set forth the time and place of the hearing and the reasons therefor; and

4. The governing body of any municipality having a population of five thousand or more may issue bonds of the municipality for the purpose of providing funds to meet its share of the cost of any federal aid highway project undertaken under an agreement entered into by authority of such governing body with the United States government, the commissioner of the state highway department, the board of county commissioners, or any of them, including, but without limitation, the cost of any construction, improvement, financing, planning and acquisition of right-of-way of a federal aid highway routed through the municipality and of any bridges and controlled access facilities thereon and any necessary additional width or capacity of the roadway thereof greater than that required for federal or state highway purposes, and of any necessary relaying of utility mains and conduits, curbs and gutters and the installation of utility service connections and street lights; provided that the portion of the total cost of such project to be paid by the municipality under such agreement, including all items of cost incurred directly by the municipality and all amounts to be paid by it for work done or contracted for by other parties to the agreement, shall not exceed a sum equal to twenty-five percent of the total cost, including engineering and other incidental costs, of all construction and reconstruction work to be done plus fifty percent of the total cost of all right-of-way to be acquired in connection therewith. Nothing herein shall be deemed to prevent any municipality from appropriating funds for or financing out of taxes, special assessments or utility revenues any work incidental to any such project, in the manner and to the extent otherwise permitted by law, and the cost of any work so

financed shall not be included in computing the portion of the project cost payable by the municipality, within the meaning of this subsection, unless such work is actually called for by the agreement between the municipality and the other governmental agencies involved.

No municipality having a board of budget review shall issue any bond or hold any election to secure authority to issue any bond, until there has been compliance with the provisions of sections 40-4106 and 40-4107. All questions of population shall be governed by the last state or federal census.

§ 2. Emergency.) This Act is hereby declared to be an emergency measure and shall be in full force and effect from and after its passage and approval.

Approved March 2, 1957.

CHAPTER 180

S. B. No. 177

(Hernett, George, Klefstad, Wenstrom and Sayer)

SECURITY PLEDGES

AN ACT

To amend and reenact section 21-0409 of the North Dakota Revised Code of 1943, relating to the pledge of securities for public deposits.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Amendment.) Section 21-0409 of the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

21-0409. Pledge Of Security In Place Of Depository Bond.)

The board of any public corporation may accept from any banking corporation, as security for repayment of deposits, a pledge of securities in lieu of a personal or surety bond. When securities are so pledged to the board of any public corporation, such board shall require security in the amount of one hundred ten dollars for every one hundred dollars of public deposits. Securities which shall be eligible for such pledge shall be notes or bonds issued by the United States Government, its agencies or instrumentalities, all bonds and notes guaranteed by the United States Government, Federal Land Bank bonds, bonds issued by any state of the United

States. Such securities may be delivered to and held for safekeeping by any bank or trust company, other than the depository, which the depository and the public corporation may agree upon, which bank or trust company prior thereto has been approved as a custodian for such purpose by the state examiner. Whenever any such securities are so deposited for safekeeping with any custodian, such custodian shall issue a receipt therefor jointly to the depository and the public corporation.

Any bank pledging such securities, at any time it deems it advisable or desirable, and without the consent of the board of the public corporation, may substitute other eligible securities for all or any part of the securities so pledged. The securities so substituted shall, at the time of such substitution, have a market value at least equal to the market value of the securities released and delivered to the depository.

In the event of such substitution the holder or custodian of the pledged securities shall, on the same day, forward by registered or certified mail to the public corporation and the depository bank a receipt specifically describing and identifying both the securities so substituted and those released and returned to the depository bank.

Approved March 6, 1957.

CHAPTER 181

S. B. No. 138
(Hernett and Dewing)

INVESTMENT OF VARIOUS STATE FUNDS

AN ACT

To amend and reenact section 15-3926 of the North Dakota Revised Code of 1943, as amended by chapter 139 of the 1955 Session Laws, sections 26-2210, 26-2303, and 26-2407 of the North Dakota Revised Code of 1943, and subsection B of section 52-0906 and section 65-0431 of the 1953 Supplement to the North Dakota Revised Code of 1943, relating to investment of state funds.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. Amendment.) Section 15-3926 of the North Dakota Revised Code of 1943, as amended by chapter 139 of the 1955 Session Laws, is hereby amended and reenacted to read as follows:

15-3926. Investment Of Moneys In Fund.) The board, when authorized to do so by a resolution duly adopted by the industrial commission of the state of North Dakota, may invest moneys in the fund in bonds and mortgages or other securities the payment of which is guaranteed by the United States of America, bonds of the state of North Dakota or any other state, refunding bonds provided for by chapter 40-36 in certificates of indebtedness of the state of North Dakota or in bonds, certificates of indebtedness, or warrants of any political subdivision of the state of North Dakota which constitutes the general or contingent general obligations of the issuing tax authority, and purchase such loans and purchase such mortgage investments dated after the effective date of this Act as are insured by or guaranteed in any manner wholly or in part, or other investments that are fully guaranteed by the United States or any instrumentality thereof, or by this state or instrumentality thereof. Before any investment is made in any securities, however, the investment shall be approved by the board and the securities shall be approved by the attorney general as to the form and legality thereof. The state treasurer shall be the custodian of all such securities, and the board shall deliver any securities so purchased to the state treasurer as such custodian. This section shall constitute a continuing appropriation out of the fund of all moneys that may be required for the making of the investments authorized by this section. Any member of the board and any officer thereof who shall participate in the investment of any moneys in the fund without first having obtained the authorization of the industrial commission as provided in this section shall be guilty of a misdemeanor.

§ 2. **Amendment.)** Section 26-2210 of the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

26-2210. Treasurer To Place Moneys In Hail Insurance Fund At Interest; Investment; Continuing Appropriations; Penalty.) The state treasurer shall deposit all funds received by him under the provisions of this chapter in the depository bank designated by law for state funds in the manner which is most advantageous to the state hail insurance department. The commissioner of insurance, when authorized to do so by a resolution duly adopted by the industrial commission of the state of North Dakota, may invest moneys in the state hail insurance fund in bonds of the United States of America, bonds of the state of North Dakota or of any other state, or in certificates of indebtedness of the state of North Dakota, or in bonds, certificates of indebtedness, or warrants of any political subdivision of the state of North Dakota, which constitute the general or contingent general obligations of the

issuing tax authority. Before any investment is made in any securities, however, the investment shall be approved by the commissioner and such securities shall be approved by the attorney general as to the form and legality thereof. The state treasurer shall be the custodian of all such securities, and the commissioner shall deliver any securities so purchased to the state treasurer as such custodian. This section shall constitute a continuing appropriation out of the state hail insurance fund of all moneys that may be required for the making of the investments authorized by this section. The commissioner of insurance or any other officer who shall invest any moneys in the state hail insurance fund without having first obtained the authorization of the industrial commission as provided in this section shall be guilty of a misdemeanor.

§ 3. Amendment.) Section 26-2303 of the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

26-2303. Deposit Of Fund At Interest; Investments Authorized; Continuing Appropriation.) The state treasurer shall deposit the fund in the depository bank designated by law for state funds, subject to check, at the usual rate of interest paid on other funds of the state. Whenever there is more than ten thousand dollars in such checking account, the state treasurer shall deposit the excess over such amount upon time certificates of deposit drawing the same rate of interest as is drawn on other state funds deposited upon time certificates. The commissioner, when authorized to do so by a resolution duly adopted by the industrial commission of the state of North Dakota, may invest excess moneys in the fund in bonds of the United States of America, bonds of the state of North Dakota or of any other state, or in certificates of indebtedness of the state of North Dakota, or in bonds, certificates of indebtedness, or warrants of any political subdivision of the state of North Dakota which constitute the general or contingent general obligations of the issuing tax authority, and purchase such loans and purchase such mortgage investments dated after the effective date of this Act as are insured by or guaranteed in any manner wholly or in part, or other investments that are fully guaranteed by the United States or any instrumentality thereof, or by this state or instrumentality thereof. Before any investment is made in any securities, however, the investment shall be authorized by the commissioner and such securities shall be approved by the attorney general as to the form and legality thereof. The state treasurer shall be the custodian of all such securities and the commissioner shall deliver any securities so purchased to the state treasurer as such custodian. This section shall constitute a continuing appropriation out of

the fund of all moneys that may be required for the making of the investments authorized by this section. The commissioner or any other officer who shall invest any moneys in the fund without first having obtained the authorization of the industrial commission as provided in this section is guilty of a misdemeanor.

§ 4. **Amendment.)** Section 26-2407 of the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

26-2407. Deposit Of Fund At Interest: Investments Authorized: Continuing Appropriation.) The state treasurer shall deposit the fund in the Bank of North Dakota, subject to check, at the usual rate of interest paid on other funds of the state. Whenever there is more than fifty thousand dollars in such checking account, the state treasurer shall deposit the excess over such amount upon time certificates of deposit drawing the same rate of interest as is drawn by other state funds deposited upon time certificates. The commissioner, when authorized to do so by a resolution duly adopted by the industrial commission of the state of North Dakota, may invest excess moneys in the fund in bonds of the United States of America, bonds of the state of North Dakota or of any other state, or in certificates of indebtedness of the state of North Dakota, or in bonds, certificates of indebtedness, or warrants of any political subdivision of the state of North Dakota, which constitute the general or contingent general obligations of the issuing tax authority, and purchase such loans and purchase such mortgage investments dated after the effective date of this Act as are insured by or guaranteed in any manner wholly or in part, or other investments that are fully guaranteed by the United States or any instrumentality thereof, or by this state or instrumentality thereof. Investments in bonds, certificates of indebtedness, or warrants of political subdivisions at no time shall exceed twenty-five percent of the amount of the fund. In addition to the investments herein provided for, such moneys may be invested in legally issued and registered warrants of any school district in this state issued in payment of salaries, and such warrants shall be bought at par value and only from the payee named in such warrants. Before any investment other than registered school district warrants of any school district in this state is made in any securities, however, the investment shall be duly authorized by the commissioner, and such securities shall be approved by the attorney general as to the form and legality thereof. The state treasurer shall be the custodian of all such bonds, certificates, and warrants, and the commissioner shall deliver any such securities so purchased to the state treasurer

as such custodian. This section shall constitute a continuing appropriation out of the fund of all moneys that may be required for the making of the investments authorized by this section. The commissioner or any other officer who shall invest any moneys in the fund without first having obtained the authorization of the industrial commission as provided in this section shall be guilty of a misdemeanor.

§ 5. Amendment.) Subsection B of section 52-0906 of the 1953 Supplement to the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

- B. Invest such portion of said trust funds as are not needed for current payment of benefits under this chapter in interest bearing bonds issued by the United States, or by the state of North Dakota, or in bonds, certificates of indebtedness, or warrants of any political subdivision of the state which constitute the general or contingent general obligations of the issuing tax authority and to sell and dispose of the same when needed for the payment of benefits under this chapter.

§ 6. Amendment.) Section 65-0431 of the 1953 Supplement to the North Dakota Revised Code of 1943 is hereby amended and reenacted to read as follows:

65-0431. Investment Of Fund Authorized; Continuing Appropriation.) The bureau, upon a resolution to that effect duly entered upon the minutes of the bureau, concurred in by a majority of the commissioners, and when duly authorized so to do by a resolution duly adopted by the industrial commission of the state of North Dakota, may invest excess moneys in the fund in bonds of the United States of America, bonds and mortgages or other securities the payment of which is guaranteed by the United States of America, bonds of the state of North Dakota or of any other state, or in certificates of indebtedness of the state of North Dakota, or in bonds, certificates of indebtedness, or warrants of any political subdivision of the state of North Dakota which constitute the general or contingent general obligations of the issuing tax authority, and purchase such loans and purchase such mortgage investments dated after the effective date of this Act as are insured by or guaranteed in any manner wholly or in part, or other investments that are fully guaranteed by the United States or any instrumentality thereof, or by this state or instrumentality thereof. Before any investment is made in any securities, however, the securities shall be approved by the attorney general as to the form and legality thereof. The state treasurer shall be the custodian of all such securities, and the bureau shall deliver any securities so purchased to the state treasurer

as such custodian. This section shall constitute a continuing appropriation out of the fund of all moneys that may be required for the making of the investments authorized by this section. The bureau, or any commissioner or other officer thereof, who shall invest any moneys in the fund without first having obtained the authorization of the industrial commission as provided in this section shall be guilty of a misdemeanor.

Approved March 18, 1957.