

2017 North Dakota League of Cities LEGISLATIVE REPORT

The 65th Legislative Assembly finished its work on April 27, 2017. The North Dakota League of Cities and its members had an active session as the League was tracking 156 bills and was actively engaged on a good portion of those bills. Cities were also very engaged in helping the legislators make good policy during this session and more than 40 cities had representatives that called in for the League's weekly legislative update calls. Additionally, a countless number of city officials contacted their legislators when a "Call to Action" was emailed out regarding a critical issue affecting cities. City participation is crucial to the League's legislative process and we are grateful to everyone who contributed their time and expertise this session.

The League would also like to thank Levi Andrist and Joel Gilbertson with GA Group, Lacey Anderson and Shane Goettle with Goettle Law, John Olson with Olson Effertz Consulting Group, and Dana Schaar Jahner with the North Dakota Recreation & Park Association for providing their insight at the weekly telephone calls and during the legislative session.

If you have any questions about how your legislator voted on a particular bill, go to www.ndlc.org/120/legislative-information for instructions on how to look up this information.

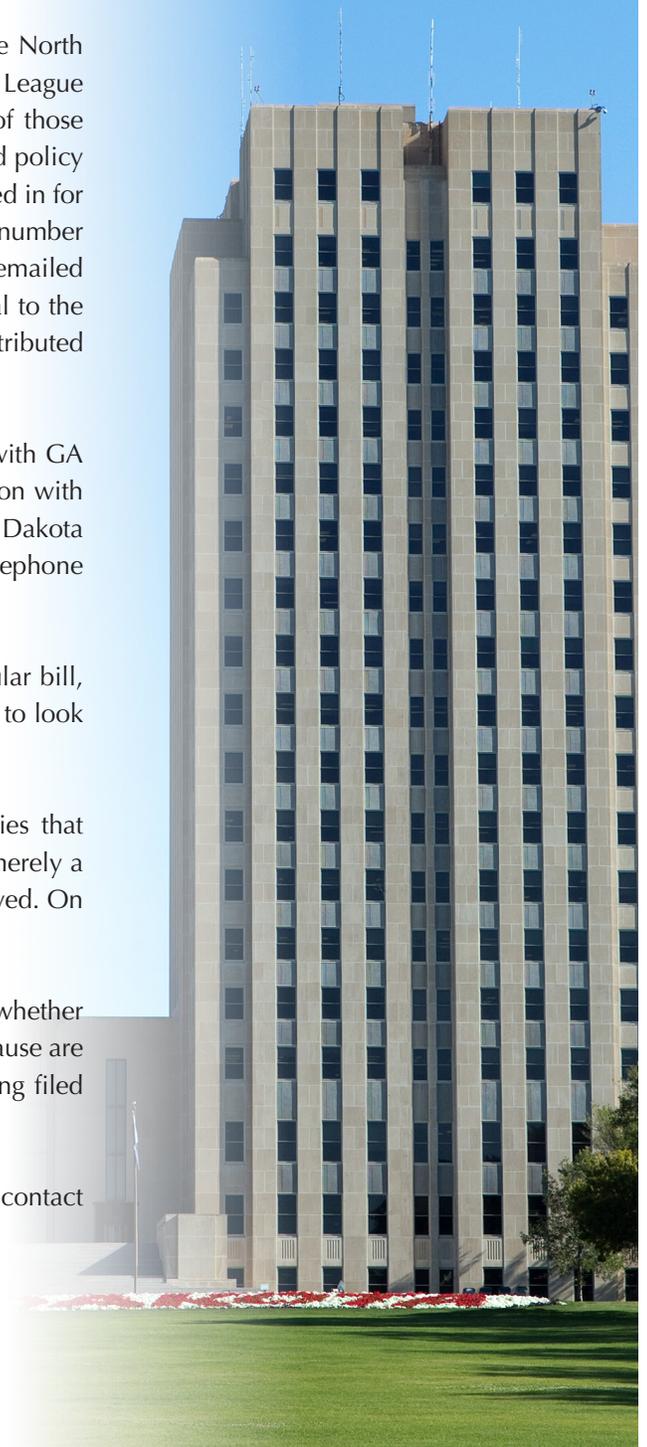
In this publication you will find a summary of the bills affecting cities that passed this session. Please remember that the information enclosed is merely a summary. If you have specific questions, the entire bill should be reviewed. On page 5 of this publication, there is a list of bills that failed this session.

Generally, bills are effective either July 1 or August 1, depending on whether they are an appropriation bill or a policy bill. Bills with an emergency clause are currently in effect because those bills became effective upon them being filed with the secretary of state.

If you have any questions about the information in this report, please contact Blake at blake@ndlc.org or Stephanie at stephanie@ndlc.org.

Sincerely,

Blake, Stephanie & Bill
NDLC Lobbying Team



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Alcohol

HB 1015	Office of Management and Budget budget. Removes prohibition on special event permit being issued for a location that has a permanent liquor license.
HB 1245	Eliminates Sunday liquor license.

Bidding

SB 2120	Modifies the definition of public contract from \$2,000 to \$4,000 for purposes of when a contractor's license is required to perform work.
SB 2142	Requires agency construction manager and construction manager at risk to publicly open subcontractor bids.
SB 2146	Raises public improvement bidding threshold from \$100,000 to \$150,000.
SB 2147	Provides that under agency construction manager, each contractor provides bond. Under construction manager at risk (CMAR), public entity cannot require each contractor to provide a bond, only the CMAR provides a bond.
SB 2197	Allows governing body or designated agent to publicly open bids.

Finance

HB 1003	Attorney General's budget. Contains funding for upgrade to the State Automated Victim Information and Notification System (SAVIN) to help comply with Marsy's law notice requirements. It also contains provisions for cost-sharing for the SAVIN upgrades by counties and cities whose courts use the Odyssey records system.
HB 1010	Insurance Commissioner's budget. Contains \$14,235,561 appropriation to eligible fire departments from the insurance tax distribution fund.
HB 1020	State Water Commission budget. Reduces funding buckets from 7 to 4. Cities will compete with regional water supply systems for \$60 million. Total appropriation is \$120 million but \$60 million of that is earmarked.
HB 1148	Allows firefighters to be added to the Public Employee Retirement System.
HB 1191	City borrowing from bank or credit union must be authorized by dual signatures.
SB 2013	Land Department Budget. Modifies definition of hub city to cities with population of 12,500 people which has more than two percent of its covered employees engaged in the mining industry. Allocates hub city money.
SB 2106	Creates fee structure for state radio system terminals based on county population.
SB 2178	Allows infrastructure revolving loan fund, through the Bank of North Dakota, to be used for essential infrastructure projects including new or replacement of existing water treatment plants, wastewater treatment plants, sewer lines and waterlines and storm water and transportation infrastructure.
SB 2200	Allows capital improvement levy fund to be used for airports. A majority vote is required to approve a city capital improvement levy for a single designated project up to ten mills. A single project exceeding ten mills but not more than twenty mills must be approved by sixty percent of the voters. If approved by sixty percent of the voters, a city can levy up to 10 mills for unspecified projects in a capital improvement fund.
SB 2206	Provides that the state will reimburse counties for social services levy per a specific formula during the two-year statewide pilot project. During the pilot project, the counties will not have social service levy authority.
SB 2298	Requires out of state sellers to comply with state and local sales tax law. Effective when federal law is changed to allow sales tax collection from remote sellers.
HCR 3014	Proposes study on costs related to publication requirements and possible alternatives.

League Initiated Legislation

SB 2148	Requires city auditors to be certified within one year of their appointment beginning January 1, 2018. The League is developing the curriculum which is intended to be mostly web-based and low cost.
SB 2188	Gives Department of Commerce authority to coordinate with a city to transmit city boundary and annexation information to the United States Census Bureau.
SB 2238	Allows city council member or city commissioner to be city employee in city with a population of 500 or less if no other qualified individual is available to hold the position at an equal cost to the city. The decision must receive unanimous approval of the other members of the governing body which is documented in the official minutes. Appointed city positions are not included in this exception. Contains emergency clause.
SB 2304	Changes the limit from 10 years to 20 years for the optional maximum time that cities can extend payment of special assessments for sidewalks
HCR 3016	Proposes study on moving political subdivision elections.

Open Records/Open Meetings

HB 1090	Makes bids received in response to an invitation for bids an exempt record until public bid opening under open records law. Proposals in response to a request for proposals are exempt records until notice of intent to issue award is issued. Employers may use the online recruiting solution system for notifying applicants claiming veteran's preference.
HB 1345	Open meeting and open records task force bill – Provisions include procedures for asking for request in writing when ambiguous and for dealing with a requester whose requests interfere with a city's business, among others. Contains an emergency clause.
SB 2152	Makes applications for vacant position exempt records in certain situations.

Police Jurisdiction

SB 2193	Clarifies university police jurisdiction. Contains an emergency clause.
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Public Safety

HB 1169	Eliminates requirement to have conceal and carry permit for firearm. To conceal and carry firearm, individual must have a license or non-driver's license id issued by the Department of Transportation for one year. In an encounter with law enforcement, individual must inform officer of the concealed weapon.
HB 1221	Creates requirements for law enforcement use of confidential informants.
HB 1279	Enacts exemption to prohibition to firearms in a building that is owned or managed by the state or public subdivision when an individual lives in the building, the firearm is stored in the residence, and the storage is agreed to by the state or local governing board. Contains an emergency clause.

Property Tax Incentives - Renaissance Zone, TIF, etc

SB 2166	<p>Requires consultation process with the county and school district for tax incentives, including TIF projects, longer than 5 years. County and school can opt to exclude their portion of the mill levy amount out of a property tax incentive that is over 5 years. Development plan for renaissance zone must include letters of support from the county and the school district to designate a new renaissance zone or to renew a renaissance zone. Legislative management shall consider studying the effective property tax incentives have on cities. Effective for property tax incentives approved after July 31, 2017.</p> <p>NOTE: In the Office of Management and Budget budget (HB 1015) an amendment was added that provides that property subject to a TIF development agreement, under NDCC 40-58-20.1, before August 1, 2017 is not subject to SB 2166. Amendments to that development agreement can be made after August 1, 2017. The amendment also requires county auditors to provide property valuation and property tax levy information to the Tax Commissioner.</p>
SB 2283	Prohibits an individual from receiving a state or local tax incentive unless that person has satisfied all tax obligations owed to the state or a political subdivision.

SIRN

HB 1178	Creates a statewide interoperability network (SIRN) fund and requires jurisdictions to impose an additional \$.50 on assessed communication fee to help pay for SIRN.
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Tax Payer Notice

SB 2288	Creates new taxpayer notice to be sent by the county auditor to all taxpayers. Requires cities to have preliminary budget statement and budget hearing dates to the county auditor by August 10. Failure to have this information to the county auditor by August 10 will result in a city being limited to levying the same amount in dollars as it levied the previous year.
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Workers' Compensation

SB 2048	Modifies law so that an injured employee receives payment of attorney fees and costs when prevailing at the administrative agency or district court level, regardless of whether Workforce Safety and Insurance ultimately prevails in an appeal.
SB 2094	Requires employer to reimburse Workforce Safety and Insurance (WSI) for all medical related expenses up to \$250. If a claim is filed by midnight on the first business day following the injury, WSI will pay the first \$250. If the claim is filed more than fourteen days after the date the employer received notice of injury, the employer shall reimburse WSI up to \$300.

Miscellaneous

HB 1026	Changes to one-call locating procedures.
HB 1249	Provides a political subdivision cannot impose a tax on or require a license for a transfer network company. Examples of transfer network companies are Lyft and Uber.
HB 1398	Provides exemption to Public Service Commission permitting process for natural gas for cities that are not served by natural gas on August 1, 2017, when seeking to serve less than 2,500 customers.
SB 2132	Requires that cases that were transferred to district court to preserve a defendant's right to a jury trial are transferred back to municipal court upon agreement between the defendant and prosecuting attorney.
SB 2262	Prohibits city from regulating or prohibiting the registration, labeling, distribution, sale, handling, use, or application of fertilizer. Does not prevent enforcement of fire codes or hazardous waste disposal restrictions.
SB 2344	Contains the North Dakota Compassionate Care Act (medical marijuana).

Defeated

HB 1168	Restricts compensation and travel reimbursement for public employees for attendance at legislative meetings.
HB 1170	Modifies procedure for forfeiting property that was seized due to its relation to illegal activity. Provides that local political subdivisions cannot retain any money from forfeiture proceeding.
HB 1182	Removes income tax incentive for any renaissance zone project after December 31, 2017.
HB 1224	Creates sales tax exemption for purchases made by a contractor on behalf of an exempt entity.
HB 1258	Abolishes extraterritorial zoning.
HB 1276	Imposes 3% cap on individual parcel's tax amount compared to previous year.
HB 1290	Raises public improvement bidding and engineering threshold to \$250,000.
HB 1298	Prohibits cities, counties and townships from hiring lobbyists without public vote and if the public voted to have a lobbyist, the political subdivision would not receive property tax relief from the state.
HB 1326	Requires approval from other taxing entities for local property tax incentives.
HB 1361	Imposes 3% cap on growth of political subdivision, excluding schools, without a public vote.
HB 1364	Adds home rule cities to parking meter ban.
HB 1388	Eliminates renaissance zone, new single family residence incentive, and TIF financing.
HB 1424	Requires that all real property owned by a religious organization is deemed used for religious purpose and tax exempt.
SB 2055	Requires city to have letters of support from county and school when applying for renaissance zone or for extension of renaissance zone. This requirement became part of SB 2166.
SB 2086	Allows citizen of extraterritorial zone to be appointed to city council as non-voting member and citizens of extraterritorial zone to vote in city elections.
SB 2190	Allows multiple prime bids for general, electrical and mechanical portions of project. Single prime bids are required to list mechanical and electrical contractors in base bid.
SB 2204	Adds surcharges to traffic and criminal violations to pay for State Interoperability Radio Network.
SB 2247	Repeals prohibition against parking meters.
SB 2257	Reduces extraterritorial zone by half and removes joint agreement provisions.
SB 2280	Changes city's emergency mill levy authority to be based on a city's population size - 30,000 plus = 2.5 mills - 5000 to 30,000 = 4 mills - Less than 5000 = 6 mills.