

WATERS

CHAPTER 554

HOUSE BILL NO. 1513

(Representatives Charging, Drovdal, Froelich, Onstad, Wrangham)
(Senator Warner)

EMERGENCY DRINKING WATER GRANT PROGRAM

AN ACT to create and enact a new section to chapter 61-02 of the North Dakota Century Code, relating to an emergency municipal, tribal, and rural water system drinking water grant program.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 61-02 of the North Dakota Century Code is created and enacted as follows:

Emergency municipal, tribal, and rural water system drinking water grant program. The commission may establish an emergency municipal, tribal, and rural water assistance program for municipalities, tribes, and rural water systems, whose primary source of water is the Missouri River, Lake Sakakawea, or Lake Oahe. The commission may establish procedures, cost-share guidelines, and other criteria for municipalities, tribes, and rural water systems that request emergency assistance due to low water conditions on the Missouri River, Lake Sakakawea, or Lake Oahe. The purpose of this program is to provide emergency grant funds to municipalities, tribes, and rural water systems facing a critical need or health risk as a result of the inability of the water intake system for the municipal, tribal, or rural water system to supply an adequate quantity of quality water to the people served by the municipal, tribal, or rural water system.

Approved April 13, 2007
Filed April 16, 2007

CHAPTER 555**HOUSE BILL NO. 1282**
(Representatives Damschen, Monson)
(Senators Fischer, Olafson)**FEDERALLY CONSTRUCTED PROJECT
MAINTENANCE ASSESSMENTS**

AN ACT to amend and reenact section 61-16.1-40.1 of the North Dakota Century Code, relating to approval of assessments for maintenance of federally constructed flood control or soil conservation service projects.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 61-16.1-40.1 of the North Dakota Century Code is amended and reenacted as follows:

61-16.1-40.1. Maintenance of federally constructed projects - Assessment district established. If a water resource board enters or has been assigned rights in a contract with a federal agency for construction of a flood control project or soil conservation service project, and the terms of the contract require the water resource board to provide for maintenance of the project after construction, the water resource board may finance in whole or in part the maintenance of the project with funds raised through the collection of a special assessment levied against the land and premises benefited by maintenance of the project. The assessments to be levied may not exceed ~~one dollar and fifty cents~~ two dollars per acre [.40 hectare] annually on agricultural lands and may not exceed ~~one dollar and fifty cents~~ two dollars annually for each five hundred dollars of taxable valuation of nonagricultural property. No action is required for the establishment of the assessment district or the assessments except the water resource board must approve the maintenance and assessment therefor by a vote of two-thirds of the members and the board of county commissioners of the county in which the project is located must approve and levy the assessments to be made by a vote of two-thirds of its members. If a board that undertakes a project finds that the project may benefit lands in this state outside water resource district boundaries, the board shall provide notice to the water resource board where the benefited lands are located. The board of each water resource district containing lands benefited by a project must approve the project and assessment by vote of two-thirds of its members. The board of county commissioners in each county that contains lands benefited by a project must approve and levy the assessment to be made by vote of two-thirds of its members. If a project and assessment is not approved by all affected water resource boards and boards of county commissioners, the board of each water resource district and the board of county commissioners of each county shall meet to ensure that all common water management problems are jointly addressed. In addition, the water resource board that undertakes the project may proceed with the project if the board finances the cost of the project and does not assess land outside of the district. Before an assessment may be levied under this section, a public hearing must be held. The hearing must be preceded by notice as to date, time, location, and subject matter published in the official newspaper in the county or counties in which the proposed

assessment is to be levied. The notice must be published at least ten days but not more than thirty days before the public hearing.

Approved April 10, 2007
Filed April 11, 2007

CHAPTER 556**HOUSE BILL NO. 1266**

(Representative Aarsvold)

(Senator Fischer)

ASSESSMENT DRAIN MAINTENANCE

AN ACT to amend and reenact sections 61-16.1-45 and 61-21-46 of the North Dakota Century Code, relating to maintenance of assessment drains.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 61-16.1-45 of the North Dakota Century Code is amended and reenacted as follows:

61-16.1-45. Maintenance of drainage projects. If it is desired to provide for maintenance of an assessment drain in whole or in part by means of special assessments, the levy in any year for the maintenance may not exceed ~~one dollar and fifty cents~~ two dollars per acre [.40 hectare] on any agricultural lands benefited by the drain. The district, at its own discretion, may utilize either of the following methods for levying special assessments for the maintenance:

1. Agricultural lands that carried the highest assessment when the drain was originally established, or received the most benefits under a reassessment of benefits, may be assessed the maximum amount of ~~one dollar and fifty cents~~ two dollars per acre [.40 hectare]. The assessment of other agricultural lands in the district must be based upon the proportion that the assessment of benefits at the time of construction or at the time of any reassessment of benefits bears to the assessment of the benefits of the agricultural land assessed the full one dollar per acre [.40 hectare]. Nonagricultural property must be assessed the sum in any one year as the ratio of the benefits under the original assessments or any reassessment bears to the assessment of agricultural lands bearing the highest assessment.
2. Agricultural lands must be assessed uniformly throughout the entire assessed area. Nonagricultural property must be assessed an amount not to exceed one dollar for each five hundred dollars of taxable valuation of the nonagricultural property.

In case the maximum levy or assessment on agricultural and nonagricultural property for any year will not produce an amount sufficient to cover the cost of cleaning out and repairing the drain, a water resource board may accumulate a fund in an amount not exceeding the sum produced by the maximum permissible levy for ~~four~~ six years.

If the cost of, or obligation for, the cleaning and repair of any drain exceeds the total amount that may be levied by the board in any ~~four-year~~ six-year period, the board shall obtain the approval of the majority of the landowners as determined by chapter 61-16.1 before obligating the district for the costs.

SECTION 2. AMENDMENT. Section 61-21-46 of the North Dakota Century Code is amended and reenacted as follows:

61-21-46. Maximum levy - Accumulation of fund. The levy in any year for cleaning out and repairing a drain may not exceed ~~one dollar and fifty cents~~ two dollars per acre [.40 hectare] on any agricultural lands in the drainage district.

1. Agricultural lands that carried the highest assessment when the drain was originally established, or received the most benefits under a reassessment of benefits, may be assessed the maximum amount of ~~one dollar and fifty cents~~ two dollars per acre [.40 hectare]. The assessment of other agricultural lands in the district must be based upon the proportion that the assessment of benefits at the time of construction or at the time of any reassessment of benefits bears to the assessment of the benefits of the agricultural land assessed the full ~~one dollar and fifty cents~~ two dollars per acre [.40 hectare]. Nonagricultural property must be assessed the sum in any one year as the ratio of the benefits under the original assessments or any reassessments bears to the assessment of agricultural land bearing the highest assessment.
2. Agricultural lands must be assessed uniformly throughout the entire assessed area. Nonagricultural property must be assessed an amount not to exceed one dollar for each five hundred dollars of taxable valuation of the nonagricultural property.

In case the maximum levy or assessment on agricultural and nonagricultural property for any year will not produce an amount sufficient to cover the cost of cleaning out and repairing the drain, the board may accumulate a fund in an amount not exceeding the sum produced by the maximum permissible levy for ~~four~~ six years. If the cost of, or obligation for, the cleaning and repair of any drain exceeds the total amount that can be levied by the board in any ~~four-year~~ six-year period, the board shall obtain an affirmative vote of the majority of the landowners as determined by section 61-21-16 before obligating the district for the costs.

Approved March 6, 2007
Filed March 7, 2007

CHAPTER 557**HOUSE BILL NO. 1331**

(Representatives Aarsvold, Hanson, Metcalf)
(Senators Heitkamp, Lindaas, Wardner)

DRAIN OBSTRUCTIONS

AN ACT to amend and reenact sections 61-16.1-51 and 61-21-43.1 of the North Dakota Century Code, relating to obstructions to drains.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 61-16.1-51 of the North Dakota Century Code is amended and reenacted as follows:

61-16.1-51. Removal of obstructions to drain - Notice and hearing - Appeal - Injunction - Definition. If a water resource board determines that an obstruction to a drain has been caused by the negligent act or omission of a landowner or tenant, the board shall notify the landowner by registered mail at the landowner's post-office address of record. A copy of the notice must also be sent to the tenant, if any. The notice must specify the nature and extent of the obstruction, the opinion of the board as to its cause, and must state that if the obstruction is not removed within such period as the board determines, but not less than fifteen days, the board shall procure removal of the obstruction and assess the cost of the removal, or the portion the board determines appropriate, against the property of the landowner responsible. The notice must also state that the affected landowner, within fifteen days of the date the notice is mailed, may demand, in writing, a hearing on the matter. Upon receipt of the demand the board shall set a hearing date within fifteen days from the date the demand is received. In the event of an emergency the board may immediately apply to the appropriate district court for an injunction prohibiting a landowner or tenant from maintaining an obstruction. Assessments levied under the provisions of this section must be collected in the same manner as other assessments authorized by this chapter. If, in the opinion of the board, more than one landowner or tenant has been responsible, the costs may be assessed on a pro rata basis in accordance with the proportionate responsibility of the landowners. A landowner aggrieved by action of the board under this section may appeal the decision of the board to the district court of the county in which the land is located in accordance with the procedure provided in section 28-34-01. A hearing as provided for in this section is not a prerequisite to an appeal. If the obstruction is located in a road ditch, the timing and method of removal must be approved by the appropriate road authority before the notice required by this section is given and appropriate construction site protection standards must be followed.

For the purposes of this section, "an obstruction to a drain" means a barrier to a watercourse, as defined by section 61-01-06, or an artificial drain, including if the watercourse or drain is located within a road ditch, which materially affects the free flow of waters in the watercourse or drain.

SECTION 2. AMENDMENT. Section 61-21-43.1 of the North Dakota Century Code is amended and reenacted as follows:

61-21-43.1. Removal of obstructions to drain - Notice and hearing - Appeal - Injunction. If the board determines that an obstruction to a drain, including if the drain is located within a road ditch, has been caused by the negligent act or omission of a landowner or landowner's tenant, the board shall notify the landowner by registered mail at the landowner's post office of record. A copy of the notice must also be sent to the tenant, if any. The notice must specify the nature and extent of the obstruction, the opinion of the board as to its cause, and must state that if the obstruction is not removed within the period the board determines, but not less than fifteen days, the board shall procure removal of the obstruction and assess the cost of the removal, or the portion the board determines, against the property of the landowner responsible. The notice must also state that the affected landowner, within fifteen days of the date the notice is mailed, may demand in writing a hearing upon the matter. Upon receipt of the demand the board shall set a hearing date within fifteen days from the date the demand is received. In the event of an emergency the board may, immediately upon learning of the existence of the obstruction, apply to a court of proper jurisdiction for an injunction prohibiting the landowner or landowner's tenant to maintain the obstruction. Assessments levied under this section must be collected in the same manner as other assessments authorized by this chapter. If, in the opinion of the board, more than one landowner or tenant has been responsible, the costs may be assessed on a pro rata basis in accordance with the proportionate responsibility of the landowners. A landowner aggrieved by action of the board under this section may appeal the decision of the board to the district court of the county in which the land is located in accordance with the procedure provided for in section 28-34-01. A hearing as provided for in this section is not a prerequisite to an appeal. If the obstruction is located in a road ditch, the timing and method of removal must be approved by the appropriate road authority before the notice required by this section is given and appropriate construction site protection standards must be followed.

Approved March 21, 2007
Filed March 21, 2007

CHAPTER 558**HOUSE BILL NO. 1265**

(Representatives Aarsvold, Hofstad, Nelson)

(Senator Lindaas)

ASSESSMENT DRAIN CULVERTS

AN ACT to create and enact a new section to chapter 61-21 of the North Dakota Century Code, relating to culverts for assessment drains.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 61-21 of the North Dakota Century Code is created and enacted as follows:

Assessment drain culverts. As part of the design and construction of a proposed assessment drain or the maintenance or reconstruction of an existing assessment drain, the board, upon approval of the appropriate road authority, may locate, relocate, size, and install culverts through roads which are not on the routes of assessment drains but which are within the assessment area and which are necessary for surface water to reach the assessment drain. The design and installation of culverts under this section must be consistent with chapters 24-03 and 24-06 and the streamcrossing and construction site protection standards prepared by the department of transportation and the state engineer.

Approved March 6, 2007

Filed March 7, 2007

CHAPTER 559**SENATE BILL NO. 2345**

(Senators Fischer, Grindberg, Robinson)
(Representatives Aarsvold, Carlson, Wieland)

**RED RIVER VALLEY WATER SUPPLY PROJECT
BONDS**

AN ACT to authorize the state water commission to issue bonds for the Red River valley water supply project; to amend and reenact section 61-02.1-05 of the North Dakota Century Code, relating to the water development trust fund; and to provide a continuing appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**SECTION 1. Legislative findings and intent - Authority to issue bonds.**

1. The legislative assembly finds that the provision of water of sufficient quantity and quality to supply homes, businesses, industries, wildlife, and recreation in the Red River valley within this state is necessary for the protection of health, property, and enterprises and for the promotion of prosperity and the general welfare of the people of the Red River valley and that construction of the Red River valley water supply project involves and requires the exercise of the sovereign powers of the state and concerns a public purpose. Therefore, it is declared necessary and in the public interest that the state by and through the state water commission assist in financing the cost of constructing the Red River valley water supply project through the issuance of bonds.
2. In furtherance of the public purpose set forth in subsection 1, the state water commission may issue bonds under chapter 61-02 and the proceeds are appropriated for construction of the Red River valley water supply project authorized and funded in part by the federal government and designed to provide reliable sources of water of sufficient quantity and quality to supply homes, businesses, industries, wildlife, and recreation in the Red River valley within this state.
3. This Act does not affect the state water commission's authority to otherwise issue bonds pursuant to chapter 61-02 or section 61-24.3-01.

SECTION 2. Funding - Red River valley water supply project - Bond issuance amount. The state water commission may provide the nonfederal share of funds necessary to construct the Red River valley water supply project by issuing bonds in an amount not to exceed forty million dollars plus the cost of issuance of the bonds, capitalized interest, and reasonably required reserves. The proceeds of any bonds issued under the authority provided in this section are appropriated to the state water commission for the purposes set forth in this Act.

SECTION 3. Limitation of action. An action may not be brought or maintained in any court in this state questioning the validity of any bonds issued as provided in this Act unless the action is commenced within thirty days after the adoption of the resolution of the state water commission authorizing the sale of

bonds. The state water commission may commence a special proceeding at any time after the effective date of this Act, in and by which the constitutionality and validity of the bonds to be issued pursuant to this Act may be judicially examined, approved and confirmed, or disapproved and disaffirmed. Proceedings must comply as nearly as possible with the procedure required for declaratory judgment proceedings.

SECTION 4. Bonds payable from water development trust fund.

1. Principal and interest on bonds issued for the Red River valley water supply project as provided in this Act are payable from the water development trust fund from funds transferred from the tobacco settlement trust fund.
2. Obligations issued as provided in this Act do not constitute a debt, liability, or obligation of the state of North Dakota or a pledge of the faith and credit of the state of North Dakota, but are payable solely from the sources as described in this Act.
3. The state water commission shall include in its submission to the governor for inclusion by the governor in the biennial executive budget of the state for each year of the respective biennium during the term of any bonds issued as provided in this Act an amount fully sufficient to pay the principal and interest required to be paid in each year of the biennium, if any, from moneys from the water development trust fund. If the governor does not include in the executive budget for any reason the amounts required to be included by this section, the state water commission shall request independently that the legislative assembly amend the executive budget appropriation so as to include the amounts.

SECTION 5. State funding plan.

1. The remaining sixty million dollars to comprise a total of one hundred million dollars to meet the one hundred million dollar state share of phase one of the Red River valley water supply project is to be funded over three bienniums. The sixty million dollars is to be derived from thirty million dollars from the general fund and thirty million dollars from the resources trust fund.
2. The state shall provide an additional one hundred million dollars of municipal, rural, and industrial water supply funds for phase two of the Red River valley water supply project, to meet the two hundred million dollar state share of the project.

SECTION 6. AMENDMENT. Section 61-02.1-05 of the North Dakota Century Code is amended and reenacted as follows:

61-02.1-05. Water development trust fund. Moneys received by the state pursuant to the 1998 settlement agreement with tobacco product manufacturers, or any successor agreement, and any earnings on these moneys, must be deposited in the water development trust fund in the state treasury for use in paying for bonds issued as provided in this chapter and for other water projects as provided in section 54-27-25 and subsection 23 of section 54-44-04 and for the Red River valley water supply project as provided in this Act.

Approved March 30, 2007

Filed March 30, 2007

CHAPTER 560**SENATE BILL NO. 2096**

(Natural Resources Committee)
(At the request of the State Engineer)

SOVEREIGN LAND MANAGEMENT

AN ACT to create and enact a new section to chapter 61-33 of the North Dakota Century Code, relating to sovereign land management regulation violations; to amend and reenact subsection 1 of section 20.1-02-15.1 and sections 61-03-21.3 and 61-33-05 of the North Dakota Century Code, relating to powers of the game and fish department, dangers in navigable waters, and powers of the state engineer; and to provide a penalty.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 1 of section 20.1-02-15.1 of the North Dakota Century Code is amended and reenacted as follows:

1. To enforce state laws and rules on any game refuge, game management area, or other land or water owned, leased, or managed by the department and on sovereign lands as defined by section 61-33-01.

SECTION 2. AMENDMENT. Section 61-03-21.3 of the North Dakota Century Code is amended and reenacted as follows:

61-03-21.3. Removal, modification, or destruction of dangers in, on the bed of, or adjacent to a navigable lake waters.

1. If the state engineer finds that buildings, structures, boat docks, debris, or other manmade objects, except a fence or corral, situated in, on the bed of, or adjacent to a lake waters that ~~has~~ have been determined to be navigable by a court are, or are imminently likely to be, a menace to life or property or public health or safety, the state engineer shall issue an order to the person responsible for the object. The order must specify the nature and extent of the conditions, the action necessary to alleviate, avert, or minimize the danger, and a date by which that action must be taken. If the state engineer determines that an object covered by flood insurance is imminently likely to be a menace to life or property or public health or safety, the date specified in the order for action to be taken may not precede the date on which the person is eligible to receive flood insurance proceeds. The If a building, structure, boat dock, debris, or other manmade object, except a fence or corral, is partially or completely submerged due to the expansion of navigable waters, the person responsible is the person who owns or has had control of the property on which the object is located; or if the property is inundated with water, the person who owned or had control of the property immediately before it became inundated submerged by water.
2. If the action is not taken by the date specified, but not less than twenty days from the date of service of the notice, the state engineer may

cause the action to be taken. The state engineer may require the action to be taken in less than twenty days if an emergency exists.

3. The state engineer may bring an action to enforce an order of the state engineer, or if the state engineer causes the action to be taken, the state engineer may:
 - a. Assess the costs of taking such action, or such portion as the state engineer determines, against any property of the person responsible; or
 - b. Bring a civil action against the person responsible to recover the costs incurred in taking the action.

If the state engineer chooses to recover costs by assessing the cost against property of the person responsible and the property is insufficient to cover the costs incurred, the state engineer may bring a civil action to recover any costs not recovered through the assessment process. Any assessments levied under this section must be collected in the same manner as other real estate taxes are collected and paid. Any costs recovered must be deposited in the fund from which the expenses were paid.

4. A person who receives an order, within ten days of the date of service of the order, may demand, in writing, a hearing on the matter. The demand for a hearing must state with particularity the issues, facts, and points of law to be presented at the hearing. If the state engineer determines the issues, facts, and law to be presented are well-founded and not frivolous, and the request for a hearing was not made merely to interpose delay, the state engineer shall set a hearing date without undue delay.
5. In the event of an emergency, the state engineer may immediately apply to the district court of the county in which the property is located for an injunction ordering the person responsible to modify, remove, abate, or otherwise eliminate the dangerous condition.
6. Any person aggrieved by the action of the state engineer may appeal the decision to the district court of the county in which the land is located in accordance with chapter 28-32. A hearing as provided for in this section is a prerequisite to an appeal unless the hearing was denied by the state engineer.
7. If the state engineer has issued an order under this section with regard to a building, structure, boat dock, debris, or other manmade object that the state engineer has determined is imminently likely to be a menace to life or property or public health or safety, and it later becomes known that the object would not have become a menace, a person who has taken action required by the state engineer's order is entitled to compensation in an amount equal to the value of any property destroyed and reasonable costs incurred as a result of complying with the state engineer's notice.
8. Any person claiming compensation for the destruction of property or costs incurred under subsection 7 must file a claim with the state engineer in the form and manner required by the state engineer. Unless

the amount of compensation is agreed to between the claimant and the state engineer, the amount of compensation must be calculated in the same manner as compensation due for taking of property pursuant to the condemnation laws of this state. In determining compensation, the proceeds of any flood or other insurance or any other kind of compensatory payments must be subtracted from the amount paid.

SECTION 3. AMENDMENT. Section 61-33-05 of the North Dakota Century Code is amended and reenacted as follows:

61-33-05. Duties and powers of the state engineer. The state engineer shall manage, operate, and supervise all properties transferred to it by this chapter; may enter into any agreements regarding such property; may enforce all rights of the owner in its own name; may issue and enforce administrative orders and recover the cost of the enforcement from the party against which enforcement is sought; and may make and execute all instruments of release or conveyance as may be required pursuant to agreements made with respect to such assets, whether such agreements were made heretofore, or are made hereafter. The state engineer may enter agreements with the game and fish department or other law enforcement entities to enforce this chapter and rules adopted under this chapter.

SECTION 4. A new section to chapter 61-33 of the North Dakota Century Code is created and enacted as follows:

Penalty. A person who violates this chapter or any rule implementing this chapter is guilty of a class B misdemeanor unless a lesser penalty is indicated. A civil penalty may be imposed by a court in a civil proceeding or by the state engineer through an adjudicative proceeding pursuant to chapter 28-32. The assessment of a civil penalty does not preclude the imposition of other sanctions authorized by law, this chapter, or rules adopted under this chapter. The state engineer may bring a civil action to recover damages resulting from violations and may also recover any costs incurred.

Approved April 26, 2007
Filed April 27, 2007

CHAPTER 561**HOUSE BILL NO. 1215**

(Representatives Froelich, Herbel, Kempenich)
(Senators Erbele, Taylor)

**LIVESTOCK WATER ASSISTANCE PROGRAM
PROJECTS**

AN ACT to amend and reenact section 61-34-04 of the North Dakota Century Code, relating to drought livestock water assistance program maximum payments; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

²⁸⁶ **SECTION 1. AMENDMENT.** Section 61-34-04 of the North Dakota Century Code is amended and reenacted as follows:

61-34-04. Eligibility - Application for assistance. Applicants with livestock water supply problems caused by drought may apply for assistance from the program. An applicant must first apply for water cost-share assistance from the United States department of agriculture stabilization and conservation service farm service agency. If cost-share assistance is denied by the service agency, the applicant may forward the application to the commission for consideration. An application forwarded to the commission must include a document from the United States department of agriculture stabilization and conservation farm service agency stating the reason for denial of cost-share assistance. The state engineer shall review all applications received by the commission. If the state engineer approves an application, the applicant may receive up to fifty percent of the cost ~~of the project~~, but in no event more than three thousand five hundred dollars per project with a limit of three projects per applicant. The state engineer shall provide funds for approved applications in accordance with rules and criteria for eligibility and only to the extent that funding is available. A drought livestock water assistance program project located on Indian land is eligible for the program.

SECTION 2. EMERGENCY. This Act is declared to be an emergency measure.

Approved April 17, 2007
Filed April 18, 2007

²⁸⁶ Section 61-34-04 was also amended by section 10 of Senate Bill No. 2020, chapter 46.

CHAPTER 562**SENATE BILL NO. 2369**

(Senators Heitkamp, Fischer, G. Lee)
(Representatives Brandenburg, Kretschmar, Kroeber)

WATER DISTRICT BOND LIMITATIONS

AN ACT to amend and reenact section 61-35-15 of the North Dakota Century Code, relating to revenue bonds issued by water districts.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 61-35-15 of the North Dakota Century Code is amended and reenacted as follows:

61-35-15. Revenue bonds. A district may issue revenue bonds, not exceeding an aggregate total outstanding of ~~twenty-five~~ fifty million dollars, to finance construction of projects and incidental facilities authorized by this chapter. Issuance of revenue bonds must be approved by two-thirds of all of the members of the district board. The district shall pledge sufficient revenue from any revenue-producing facility constructed with the aid of revenue bonds for the payment of principal and interest on the bonds and shall establish rates for the facilities at a sufficient level to provide for the operation of such facilities and for the bond payments. Revenue bonds may not be a general obligation of any political subdivision and may not be secured by property taxes.

Approved March 12, 2007

Filed March 13, 2007

CHAPTER 563**HOUSE BILL NO. 1268**

(Representative Carlson)
(Senators Fischer, Heitkamp)

LAKE AGASSIZ WATER AUTHORITY BOND DUTIES

AN ACT to amend and reenact subsection 2 of section 61-39-14 of the North Dakota Century Code, relating to duties of the Lake Agassiz water authority relative to the issuance of bonds.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 2 of section 61-39-14 of the North Dakota Century Code is amended and reenacted as follows:

2. ~~Operate~~ Make certain any project financed by the authority is operated in an efficient and economical manner, enforce all water purchase and water sales contracts, and establish, levy, maintain, and collect related necessary or proper fees, tolls, rentals, rates, and other charges. Such fees, tolls, rental, rates, and other charges must be sufficient, after making due and reasonable allowances for contingencies and for a margin of error in the estimates, at least:
 - a. To pay all current expenses of operation and maintenance of any project;
 - b. To make all payments required under any water purchase contract the authority may execute;
 - c. To pay the interest and principal on the authority's notes and bonds as they become due;
 - d. To comply with the terms of the resolution authorizing the issuance of the bonds or any other contract or agreement with the holders of the refunding bonds; and
 - e. To meet any other obligations of the authority that are charges, liens, or encumbrances upon the revenues of the authority.

Approved March 9, 2007
Filed March 12, 2007