Sixty-seventh Legislative Assembly of North Dakota

SENATE BILL NO. 2208

Introduced by

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Senator Wardner

Representative Schmidt

1	A BILL for an Act to create and enact six new sections to chapter 61-16.1 of the North Dakota
2	Century Code, relating to procedures for drain permits, assessments projects, and operations of
3	water resource districts; to amend and reenact subsection 1 of section 54-57-03, sections
4	61-02-01.4 and 61-05-02.1, subsection 3 of section 61-16-08, section 61-16.1-02,
5	subsection 16 of section 61-16.1-09, and sections 61-16.1-09.1, 61-16.1-09.2, 61-16.1-15,
6	61-16.1-17, 61-16.1-18, 61-16.1-19, 61-16.1-20, 61-16.1-21, 61-16.1-22, 61-16.1-23,
7	61-16.1-24, 61-16.1-26, 61-16.1-27, 61-16.1-28, 61-16.1-29, 61-16.1-30, 61-16.1-31,
8	61-16.1-32, 61-16.1-33, 61-16.1-34, 61-16.1-39.2, 61-16.1-42, 61-16.1-43, 61-16.1-45,
9	61-16.1-46, 61-16.1-47, 61-16.1-48, 61-16.1-54, 61-16.1-62, and 61-16.1-63 of the North
10	Dakota Century Code, relating to assessment projects, operations of water resource districts,
11	and removal of obsolete text; to repeal sections 61-16.1-01 and 61-16.1-61 and chapters 61-21-
12	and 61-32 of the North Dakota Century Code, relating to assessment drains, drain permits,
13	noncompliant drains, and obsolete provisions; and to provide a penalty.for an Act to provide for
14	a legislative management study of drainage and other water-related issues.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

16 SECTION 1. AMENDMENT. Subsection 1 of section 54-57-03 of the North Dakota Century 17 Code is amended and reenacted as follows: 18 Notwithstanding the authority granted in chapter 28-32 allowing agency heads or other-19 persons to preside in an administrative proceeding, all adjudicative proceedings of 20 administrative agencies under chapter 28-32, except those of the public service-21 commission, the industrial commission, the insurance commissioner, the state-22 engineer, the department of transportation, job service North Dakota, and the labor-23 commissioner, must be conducted by the office of administrative hearings in 24 accordance with the adjudicative proceedings provisions of chapter 28-32 and any

rules adopted pursuant to chapter 28-32. But However, appeals hearings pursuant to section 61-03-22 and drainage permit appeals from water resource boards to the state engineer pursuant to chapter 61-3261-16.1 must be conducted by the office of administrative hearings. Additionally, hearings of the department of corrections and rehabilitation for the parole board in accordance with chapter 12-59, regarding parole-violations; job discipline and dismissal appeals to the board of higher education; Individuals With Disabilities Education Act and section 504 due process hearings of the superintendent of public instruction; and chapter 37-19.1 veterans' preferences hearings for any agency must be conducted by the office of administrative hearings in accordance with applicable laws.

SECTION 2. AMENDMENT. Section 61-02-01.4 of the North Dakota Century Code is amended and reenacted as follows:

- 61-02-01.4. State water commission cost-share policy.
- The state water commission shall review, gather stakeholder input on, and rewrite as necessary the commission's "Cost-share Policy, Procedure and General Requirements" and "Project Prioritization Guidance" documents. The commission's cost-share policy:
 - 1. Must provide a water supply project is eligible for a cost-share up to seventy-five percent of the total eligible project costs.
- 2. May not determine program eligibility of water supply projects based on a population growth factor. However, a population growth factor may be used in prioritizing projects for that purpose.
- 3. Must consider all project costs potentially eligible for reimbursement, except the commission shall exclude operations expense, regular maintenance, and removal of vegetative materials and sediment, for assessment drains, and may exclude operations expense and regular maintenance for other projects. Snagging and clearing of watercourses are Changing the flow capacity of drains by widening or deepening channels is not regular maintenance. The commission shall require a water project sponsor to maintain a capital improvement fund from the rates charged customers for future extraordinary maintenance projects as a condition of funding an extraordinary maintenance project.

appurtenant works, which area drain financed in whole or in part by special-

resource board for the assessment drain and the survey and examination required under section 61-16.1-17.

- 12. "Project" means any undertaking for water conservation,; flood control,; water supply,; water delivery,; erosion control and watershed improvement,; drainage of surface waters,; collection, processing, and treatment of sewage, or; discharge of sewage effluent,; or any combination thereof, including of purposes in this subsection, and includes incidental features of any such the undertaking.
- -9.13. "Water resource board" means the water resource district's board of managers.
- SECTION 6. AMENDMENT. Subsection 16 of section 61-16.1-09 of the North Dakota Century Code is amended and reenacted as follows:
 - 16. Order or initiate appropriate legal action to compelNotify the entity responsible for the maintenance and repair of any bridge or culvert when action is needed to remove from under, within, and around suchthe bridge or culvert all dirt, rocks, weeds, brush, shrubbery, other debris, and any artificial block whichthat hinders or decreases the flow of water through suchthe bridge or culvert.
- SECTION 7. AMENDMENT. Section 61-16.1-09.1 of the North Dakota Century Code is amended and reenacted as follows:
- 61-16.1-09.1. Watercourses, bridges, and low-water crossings.
- 1. A water resource board may undertake the snagging, clearing, and maintaining of natural watercourses and the debrisment of bridges and low-water crossings. To the extent practicable, water resource boards in a common basin shall prepare and execute a basinwide plan for snagging, clearing, and maintaining natural watercourses; and removing debris from bridges and low-water crossings. The board may finance the project in whole or in part with funds raised through the collection of a special assessment levied against the land and premises benefited by the project. The benefits of a project must be determined in the manner provided in section 61-16.1-1761-16.1-21. Revenue from an assessment under this section may not be used for construction of a drain or reconstruction or maintenance of an existing assessment drain. Any question as to whether the board is maintaining a natural watercourse or is, constructing a drain, or reconstructing or maintaining an existing assessment drain must be determined by the state engineer. All provisions of this chapter apply to assessments levied under this section except:

1	to date, time, location, and subject matter published in the official newspaper in the			
2	county or counties in which the proposed assessment is to be levied. The notice must			
3	be published at least ten days but not more than thirty days before the public			
4	hearingAssessments under this section must comply with the requirements of this			
5	<u>chapter.</u>			
6	SECTION 8. AMENDMENT. Section 61-16.1-09.2 of the North Dakota Century Code is			
7	amended and reenacted as follows:			
8	— 61-16.1-09.2. Release of easements - Procedureproperty interests no longer needed.			
9	When it deems such action to be in the best interests of the district or other political			
10	subdivision, a water resource board or			
11	1. The governing body of anothera political subdivision, including a water resource			
12	district, may release easements assigned to itthe political subdivision from the state for-			
13	the construction, operation, and maintenance of dams, along with access to the dams,			
14	if the dams are no longer useful and the governing body deems the release to be in			
15	the best interest of the political subdivision.			
16	2. A board of county commissioners may reconvey land previously acquired for drainage			
17	but no longer required for drainage to the present owner of the adjacent property if the			
18	owner surrenders all warrants issued in payment of the land or repays the amount of			
19	cash paid for the land.			
20	SECTION 9. AMENDMENT. Section 61-16.1-15 of the North Dakota Century Code is			
21	amended and reenacted as follows:			
22	61-16.1-15. Financing project through revenue bonds, general taxes, or special			
23	assessments - Apportionment of benefits.			
24	1. A water resource board shall have the authority, either upon request or by its own			
25	motion, tomay acquire needed interest in property and provide for the cost of			
26	construction, alteration, repair, operation, and maintenance of a project through			
27	issuance of improvement warrants or with funds raised by special assessments,			
28	general tax levy, issuance of revenue bonds, or by a combination of general ad			
29	valorem tax, special assessments, and revenue bonds. Whenever			
30	2. A request to the board for an assessment drain must be in the form of a written petition			
31	identifying the starting point, terminus, and general course of the drain. An assessment			

drain may include more than one watercourse or artificial channel constructed for drainage when the watercourses or channels drain land within a practical drainage area. The petition must be signed by no less than six landowners that own land to be drained by the proposed drain, or a majority of landowners that own land to be drained by the proposed drain if the majority is fewer than six. If among the leading purposes of the proposed drain are benefits to the health, convenience, or welfare of the residents of any city, the petition must be signed by a sufficient number of the property owners of the city to satisfy the board there is a public demand for the drain. The board also shall notify all owners of land that may be assessed for the project if the project is approved. The board shall take reasonable steps to identify which land may be assessed.

3. If a water resource board decides to acquire property or interests in property to construct, operate, alter, repair, or maintain a project with funds raised in whole or in part through special assessments, suchthe assessments shallmust be apportioned to and spread upon lands or premises benefited by the project in proportion to and in accordance withthe benefits accruing theretote the lands or premises. The board shall assess the proportion of the cost of the project, or the part of the cost to be financed with funds raised through levy and collection of special assessments which any lot, piece, or parcel of land shall bear, in proportion to the benefits accruing thereto and any county, city, or township which isto any political subdivision and any lot, piece, or parcel of land benefited therebyby the project. In determining assessments, the water resource board shall carry outensure, to the maximum extent possible the water management policy of this chapter that, upstream landowners mustwill share with downstream landowners the responsibility to provide for the proper management of surface waters.

SECTION 10. A new section to chapter 61-16.1 of the North Dakota Century Code is created and enacted as follows:

Bond required from requesters - Costs incurred by board.

1. A water resource board may require the persons that requested an assessment project under section 61-16.1-15 to file a bond with the request in a sum sufficient to pay all expenses, including the cost of surveys, incurred by the board if the board

denies the request. However, the requesters may not be required to pay the expenses if the request is approved by the board, regardless of whether the project is constructed.

- 2. If the board denies a request for an assessment project, the board may bring an action against the requesters or the requesters' bond for all expenses incurred in the board's proceedings, and the requesters are jointly and severally liable for the expenses unless the board pays the expenses out of funds available to the board.
- SECTION 11. AMENDMENT. Section 61-16.1-17 of the North Dakota Century Code is amended and reenacted as follows:
- 61-16.1-17. Financing of special improvements with special assessments Procedure.
- When it is proposed to finance
 - 1. If a water resource board or other person proposes a project to be financed in whole or in part the construction of a project with funds raised through the collection of special assessments levied against lands and premises benefited by construction and maintenance of such project, the water resource board shall examine the proposed project, and if in its opinion further proceedings are warranted, it and decide whether the request was submitted properly and whether construction and maintenance of the proposed project is necessary. If the board decides the request was submitted properly and construction and maintenance of the proposed project is necessary, the board shall adopt a resolution and declare that stating it is necessary to construct and maintain the project. The resolution shall briefly must state the nature and purpose of the proposed project and shall designate a registered engineer to assist the board.
 - 2. For the purpose of making examinations or surveys for the proposed project, the board or its employees, after written notice to each landowner, may enter upon any land on which the proposed project is located or any other lands necessary to gain access. The engineer shall prepare a report consisting of profiles, plans, and specifications of the proposed project and estimates of the total cost thereof. The estimate of costs prepared by the engineer shallmust include acquisition of rightthe cost of acquiring rights of way and shall be in sufficient detail to allowfor the board to determine the probable share of the total costs that willto be assessed against each of the affected landowners in the proposed project assessment district.

3. For a proposed assessment drain, the engineer's report must include a map of the lands to be drained showing the regular subdivisions of the land, and the map must be filed for public inspection in the office of the county auditor for each county in which lands are to be drained. The board may set the location of the proposed assessment drain on lines differing from the lines in the request. If the length of the drain in the request does not provide sufficient fall to drain the land to be drained, the board may extend the drain below the outlet identified in the request.

SECTION 12. AMENDMENT. Section 61-16.1-18 of the North Dakota Century Code is amended and reenacted as follows:

61-16.1-18. HearingSpecial assessments hearing - Notice - Contents.

- 1. Upon the filing of the engineer's report provided for in<u>under</u> section 61-16.1-17, and after satisfying the requirements of section 61-16.1-21, the water resource board shall fix a date and place for public hearing on the proposed project. The date set for the hearing must be not less than twenty days after the mailing of the notice required under this section. The place of hearing must be in the vicinity of the proposed project and must be convenient and accessible for the majority of the affected landowners subject to assessment for the project or whose property is subject to condemnation for the proposed project.
 - 2. The board shall cause a complete list of the benefits and assessments to be made, setting forth each county, township, or city assessed in its corporate capacity as well as each political subdivision and each lot, piece, or parcel of land to be assessed; the amount each is to be benefited by the improvement project; and the amount to be assessed against each. At least ten days before the hearing, the board shall file with the county auditor of each county or counties in which the project is or will be located the list showing the percentage assessment to be assessed against each parcel of land benefited by the proposed project and the approximate assessment in terms of money to be apportioned thereto the parcel. Notice of the filing must be included in the notice of hearing.
- 3. Notices of the hearing must contain a copy of the resolution of the board as well as and the time and place where the board will conduct the hearing. The notice of hearing must specify the general nature of the project as finally determined by the engineer

and the board. The notice of hearing <u>also</u> must also specify when and where votes concerning the proposed project may be filed. <u>The board shall cause the notice of hearing to be published once a week for two consecutive weeks in the newspaper or newspapers of general circulation in the area in which the affected landowners reside and in the official county newspaper of each county in which the benefited lands are located.</u>

- 4. The assessment list showing the percentage assessment against each parcel of landbenefited by the proposed project and, the approximate assessment in terms ofmoney to be apportioned thereto the parcel, along with a copy of the notice of the
 hearing, and a ballot form must be mailed to each affected landowner at the
 landowner's address as shown by the tax rolls of the county or counties in which the
 affected property is located. The board may send the assessment list and notice by
 regular mail attested by an affidavit of mailing signed by the attorney or secretary of
 the board. The board shall cause the notice of hearing to be published once a week
 for two consecutive weeks in the newspaper or newspapers of general circulation in
 the area in which the affected landowners reside and in the official county newspaper
 of each county in which the benefited lands are located. The date set for the hearing
 must not be less than twenty days after the mailing of the notice.
- 5. A record of the hearing must be made by the board, includinginclude a list of affected landowners present in person or by agent, and the record must be preserved in the minutes of the meeting. Affected landowners, and the governing body of any county, township, or citypolitical subdivision to be assessed, may express opinions and offer evidence regarding the proposed project and must be informed at the hearing of the probable total cost of the project and their individual, the person's share of the cost, and the portion of theirthe person's property, if any, to be condemned for the project.
- SECTION 13. AMENDMENT. Section 61-16.1-19 of the North Dakota Century Code is amended and reenacted as follows:
 - 61-16.1-19. Voting on proposed assessment projects.
- At the hearing, the affected landowners, and any county, township, or citypolitical subdivision to be assessed, must also be informed when and where votes concerning the proposed project may be filed. Affected landowners, and the governing body of any county,

township, or citypolitical subdivision to be assessed, have thirty days after the date of the
hearing to file their votes with the secretary of the water resource board concerning the project.
Once the deadline for filing votes has been reached, no more votes may be filed and no person-
may withdraw a voteor withdrawn. A vote that is not filed by the deadline may not be counted as
being in favor of or opposed to the project or included in the number of votes filed. Any
withdrawal of a vote concerning the proposed project before that timethe deadline must be in-
writing. When the votes have been filed and the deadline for filing votes has passed, the board
immediately shall immediately determine whether the project is approved. If the board finds that
fifty percent or more of the total votes filed are against the proposed project, then the vote-
constitutes a bar against proceeding further with the project. If the board finds that the number
of votes filed against the proposed project is less than fifty percent of the votes filed, the board-
shall issue an order establishing the proposed project and may proceed, after complying with-
the requirements of sections 61-16.1-21 and 61-16.1-22, to contract or provide for the
construction or maintenance of the project in substantially the manner and according to the
forms and procedure provided in title 40 for the construction of sewers within municipalities. The
board may enter into an agreement with any federal or state agency under the terms of which
the contract for the project is to be let by the federal agency, the state agency, or a combination-
thereofof federal and state agencies. In projects in which there is an agreement that a party-
other than the board will let the contract, the board may dispense with all of the requirements of
title 40. Upon making an order establishing or denying establishment of a project, the board
shall publish notice of the order in a newspaper of general circulation in the area in which the
affected landowners reside and in the official county newspaper of each county in which the
benefited lands are located. The notice also must advise affected landowners of the right to
appeal the order. Any right of appeal begins to run on the date of publication of the notice. As
used in this section, "board" means water resource board.
SECTION 14. AMENDMENT. Section 61-16.1-20 of the North Dakota Century Code is
amended and reenacted as follows:
— 61-16.1-20. <u>Assessments -</u> Voting right or powers of landowners.
In order that there may be To provide a fair relation between the amount of liability for
assessments and the power of objecting to the establishment of a proposed project, the voting
rights of affected landowners on the question of establishing the project are as provided in this

1	section. The landowner or landowners of tracts of land affected by the projectAffected			
2	landowners have one vote for each dollar of assessment thatto which the land is subject to or			
3	one vote for each dollar of the assessed valuation of land condemned for the project, as			
4	determined in accordance with <u>under</u> title 57. The governing body of any county, township, or-			
5	citypolitical subdivision to be assessed also has one vote for each dollar of assessment against			
6	such county, township, or citythe political subdivision. There may be only one vote for each			
7	dollar of assessment, regardless of the number of owners of sucha tract of land. Where If there			
8	is more than one owner of sucha tract of land exists, the votes must be prorated among them in			
9	accordance with each owner's property interest. A written power of attorney authorizes an agent			
10	to protest a project on behalf of any affected landowner or landowners.			
11	SECTION 15. AMENDMENT. Section 61-16.1-21 of the North Dakota Century Code is			
12	amended and reenacted as follows:			
13	61-16.1-21. Assessment of cost of project.			
14	— Whenever the			
15	1. If a water resource board proposes to make any special assessment under the			
16	provisions of this chapter, the board, prior tobefore the hearing required under section			
17	61-16.1-18, shall inspect any and all lots and parcels of land, which may be subject to-			
18	assessment and shall determine from the inspection the particular lots and parcels of			
19	lands which, in the opinion of the board, will be especially benefited especially by the			
20	construction of the work for which the assessment is made and. The board shall-			
21	assess the proportion of the total cost of acquiring rightrights of way and constructing			
22	and maintaining such improvement in accordance withthe project in proportion to, but			
23	not exceeding, the benefits received but not exceeding such benefitsfrom the			
24	construction for which the assessment will be made, against:			
25	1. <u>a.</u> Any county, township, or citypolitical subdivision, in its corporate capacity, which			
26	may be benefited directly or indirectly thereby.			
27	2. <u>b.</u> Any lot, piece, or parcel of land which is benefited directly benefited by such			
28	improvement.			
29	2. In determining benefits the board shall consider, among other factors, property values,			
30	degree of improvement of properties, productivity, and the water management policy			

as expressed in section 61-16.1-15of this state. Property belonging to the United-

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States shall beis exempt from such assessment, unless the United States has provided for the payment of any assessment whichthat may be levied against itsfederal property for benefits received. Benefited property belonging to counties, cities, school districts, park districts, and townships shall not bepolitical subdivisions is not exempt from such assessment and political. Political subdivisions whosethat have property is so assessed shall provide for the payment of suchthe assessments, installments thereofof the assessments, and interest thereonon the assessments, bythe levy of taxes according to law. Any county, township, or city assessed in itscorporate capacity for benefits received shall provide for the payment of suchassessments, installments thereof, and interest thereon from itsfrom a general fund or by levy of a general property tax against all the taxable property thereinin the political subdivision in accordance with law. No tax limitation provided by any Tax limitations under a statute of this state shalldo not apply to tax levies made by any such political subdivision for the purpose of paying any special assessments made in accordance with the provisions ofunder this chapter. There shall be attached water resource board shall attach to the list of assessments a certificate signed by a majority of the members of the board certifying that the samethe list of assessments is a true and correct assessment of the benefit therein described to the best of theirthe board members' judgment and stating the severalidentifying the items of expense included inthe assessment.

3. Land that has been assessed or is being assessed for an assessment drain may not be assessed for a new drain unless the water resource board demonstrates the land will benefit from the construction of the new drain.

SECTION 16. AMENDMENT. Section 61-16.1-22 of the North Dakota Century Code is amended and reenacted as follows:

61-16.1-22. Assessment list to be published - Notice of hearing - Alteration of assessments - Confirmation of assessment list - Filing.

After entering an order establishing the projectan assessment project or assessment drain, the water resource board shall cause the assessment list to be published once each week for three successive weeks in the newspaper or newspapers of general circulation in the district and in the official county newspaper of each county in which the benefited lands are located

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1 together with a notice of the time when, and place where, the board will meet to hear objections-2 to any assessment by any interested party, or an agent or attorney for that an interested party. 3 The board also shall mail a copy of the notice of the hearing in an envelope clearly marked 4 "ASSESSMENT NOTICE" to each affected landowner at the landowner's address as shown by-5 the tax rolls of the county or counties in which the affected property is located. The date set for 6 the hearing may not be less than thirty days after the mailing of the notice. At the hearing, the 7 board may make such alterations inalter the assessments as in its opinion may be the board-8 deems just and necessary to correct any error in the assessment but must. The board shall 9 make the aggregate of all assessments equal to the total amount required to pay the entire cost-10 of the work for which the assessments are made, or the part of the cost to be paid by special-11 assessment. An assessment may not exceed the benefit as determined by the board to the 12 parcel of land or political subdivision assessed. The board shall then confirm the assessment 13 list and theafter the hearing. The secretary shall attach to the list a certificate that stating the 14 sameassessment list is correct as confirmed by the board and shall file the list in the office of 15 the secretary. If the assessments are for an assessment drain, the list must be filed with the 16 board's permanent records of the drain and recorded by the county auditor in a book of 17 drainage assessments. 18 SECTION 17. AMENDMENT. Section 61-16.1-23 of the North Dakota Century Code is-19 amended and reenacted as follows: 20

61-16.1-23. Assessments - Appeal to state engineer.

AfterWithin thirty days after the hearing provided for inunder section 61-16.1-22, affected landowners andor any political subdivision subject to assessment, having not less than twentypercent of the possible votes, as determined by section 61-16.1-20, who believe that which believes the assessment had not been was not fairly or equitably made, or that the project is not properly located or designed, may appeal to the state engineer by petition, within ten days afterthe hearing on assessments, to make a review of the assessments and to examine the locationand design of the proposed project. Upon receipt of suchthe petition, the state engineer shallexamine the lands assessed and the location and design of the proposed project, and if it appears that. If the state engineer believes the assessments have not beenwere not madeequitably, the state engineer may proceed to correct and adjust the same assessments, and the state engineer's correction and adjustment of said assessment is final. Should it appear that, in-

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1 the judgment of If the state engineer, believes the project has been improperly was located or-2 designed improperly, the state engineer may order a relocation and redesign. Such relocation 3 and redesign that must be followed in the construction of the proposed project. Upon filing a 4 bond for two hundred fifty dollars with the board for the payment ofto pay the costs of the state-5 engineer in the matter, any landowner or political subdivision who or whichthat claims that the 6 landowner or political subdivision will receive no benefit at all from the construction of a new-7 project may appeal to the state engineer, within tenthirty days after the hearing on-8 assessments, the question of whether there is any benefit. The state engineer may not 9 determine the specific amount of benefit upon an appeal by an individual landowner or political-10 subdivision, but shall only determine if whether there is any benefit to the landowner or political-11 subdivision, and the determination of the state engineer upon such question is final. 12 SECTION 18. AMENDMENT. Section 61-16.1-24 of the North Dakota Century Code is 13 amended and reenacted as follows:

61-16.1-24. When assessments may be made.

After the requirements of this chapter have been satisfied and a contract and bond for any-work for which a special assessment is to be levied have been approved by the water resource board, the board may direct special assessments to be levied for the payment of appropriate costs, and the secretary shall certify to the board the items of total cost to be paid by special assessments so far as they<u>the costs</u> have been ascertained. The certificate shall<u>must</u> include the estimated construction cost under the terms of any contract,; a reasonable allowance for the cost of extra work which<u>that</u> may be authorized under the plans and specifications, acquisition of right; the cost of acquiring rights of way,; engineering, fiscal agents; and attorney's fees for any services in connection with the authorization authorizing and financing of the improvement, project; the cost of publication of publishing required notices, and printing of improvement warrants, cost necessarily paid; necessary payments for damages caused by such improvement, the project; interest during the construction period,; and all other expenses incurred in making the improvement project and levy of assessments.

In no event shall any contract or contracts be awarded which <u>Contracts that</u> exceed, by twenty percent or more, the estimated cost of the project as presented to and approved by the affected landowners <u>may not be awarded</u>.

1 SECTION 19. AMENDMENT. Section 61-16.1-26 of the North Dakota Century Code is 2 amended and reenacted as follows: 3 61-16.1-26. Reassessment of benefits. 4 The water resource board may hold at any time or, upon petition of any affected landowner-5 or political subdivision which has been assessed after a project has been in existence for at-6 least one year, shall hold a hearing for the purpose of determining the benefits of suchthe 7 project to each tract of land affected. Notice of the hearing must be given by publication once-8 each week for three consecutive weeks, beginning at least thirty days before the hearing, in the 9 newspaper or newspapers having general circulation in the district and in the official county-10 newspaper of each county in which the benefited lands are located and by mailing notice of the 11 hearing in an envelope clearly marked "ASSESSMENT NOTICE" to each owner of land in the 12 assessed district at the landowner's address as shown by the tax rolls of the counties in which-13 the affected property is located. The provisions of this chapter governing the original 14 determination of benefits and assessment of costs apply to any reassessment of benefits 15 carried out under this section. The board may not be forced to make sucha reassessment more-16 than once every ten years, nor may any. An assessment or balance thereofof an assessment 17 supporting a project fund may not be reduced or impaired by reassessment or otherwise so-18 long asif bonds payable out of suchthe fund remain unpaid and moneys are not available in-19 such the fund to pay all such the bonds in full, with interest. Costs of maintenance must be 20 prorated in accordance with any plan for reassessment of benefits that has been adopted. 21 SECTION 20. AMENDMENT. Section 61-16.1-27 of the North Dakota Century Code is 22 amended and reenacted as follows: 23 61-16.1-27. Correction of errors and mistakes in special assessments - Requirements 24 governing. 25 If mathematical errors or other such mistakes occur in making any assessment resulting in-26 a deficiency in that assessment, the water resource board shall cause additional assessments 27 to be made in a manner substantially complying with chapter 40-26 as it relates to special 28 assessments. 29 SECTION 21. AMENDMENT. Section 61-16.1-28 of the North Dakota Century Code is 30 amended and reenacted as follows:

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61-16.1-28. Certification of assessments to county auditor.

When a water resource board, by resolution, has caused special assessments to be leviedto cover the cost of constructing a project, the board shall determine the rate of interest unpaidspecial assessments shallwill bear, which and the rate shall may not exceed one and one-half percent above the warrant rate. Interest on unpaid special assessments shallmust commenceon the date the assessments are finally confirmed by the board. Special assessments may be certified and made payable in equal annual installments, the last of which shallmust be due and payable not more than thirty years after the date of the warrants to be paid. The secretary of the district shall certify to the county auditor of the county in which the district is situated, or if the district embraces more than one county, to the county auditor of each county in which district lands subject to suchthe special assessments are situated, the total amount assessed against such lands in that county and the proportion or percentage of suchthe amount assessed against each piece, parcel, lot, or tract of land. The secretary of the district shall also file with the countyauditor of each county in which district lands lie a statement showing the cost of the project, the part thereofof the project, if any, which willto be paid out of the general taxes, and the part to befinanced by special assessments. Funds needed to pay the cost of maintaining a project may be raised in the same manner as funds were raised to meet construction costs. If the projectwas financed in whole or in part through the use of special assessments, the water resourceboard shall prorate the costs of maintaining projectsthe project in the same proportion as werethe original costs of construction, or, in the eventif a reassessment of benefits has been adopted, the costs shallmust be prorated in accordance with the reassessment of benefits asauthorized by section 61-16.1-54. SECTION 22. AMENDMENT. Section 61-16.1-29 of the North Dakota Century Code is

SECTION 22. AMENDMENT. Section 61-16.1-29 of the North Dakota Century Code is amended and reenacted as follows:

— 61-16.1-29. Extension of special assessments on tax lists - Collection - Payment to district.

The county auditor of each county shall extend the special assessments certified to the county auditor on the tax list of the district for the current year and such the assessments, with interest and penalties, if any, shall to the collected by the county treasurer as general taxes are collected and shall be paid to the treasurer of the district.

1	SECTION 23. AMENDMENT. Section 61-16.1-30 of the North Dakota Century Code is			
2	amended and reenacted as follows:			
3	61-16.1-30. Lien of special assessment.			
4	— A special assessment imposed by a district, together with interest and penalties whichthat			
5	accrue thereonon the assessment, shall become are a lien upon the property on which the			
6	assessment is levied from the time the assessment list is approved by the water resource board			
7	until the assessment is fully paid. Such The liens shall have precedence over all other liens			
8	except general tax liens and shallmay not be divested by any judicial sale. NoA mistake in the			
9	description of the property covered by the special assessment lien or in the name of the owner-			
10	of suchthe property shalldoes not defeat the lien if the assessed property can be identified by			
11	the description in the assessment list. This chapter shall be considered is deemed notice to all			
12	subsequent encumbrancers of the priority of special assessments imposed under this chapter.			
13	SECTION 24. AMENDMENT. Section 61-16.1-31 of the North Dakota Century Code is			
14	amended and reenacted as follows:			
15	61-16.1-31. Foreclosure of tax lien on property when general and special assessment			
16	taxes are delinquent.			
17	Special assessments imposed under this chapter shall become due and, delinquent, and			
18	shall be subject to penalties and nonpayment at the same date and rates as first installments of			
19	real estate taxes at the same time and in the same manner as provided in title 57.			
20	— If there is no delinquent general property tax against a tract or parcel of land and itthe tract			
21	or parcel is foreclosed for special assessments alone, the notice of foreclosure of tax lien-			
22	shallmust state that the foreclosure is for special assessments, and a tax deed in such case			
23	shallmust be issued in the usual course of procedure.			
24	SECTION 25. AMENDMENT. Section 61-16.1-32 of the North Dakota Century Code is			
25	amended and reenacted as follows:			
26	61-16.1-32. Collection of tax or assessment levied not to be enjoined or declared void			
27	- Exceptions.			
28	<u>1.</u> The collection of any tax or assessment levied or ordered to be levied to pay for the			
29	location and construction of any project under the provisions of this chapter shallmay			
30	not be enjoined perpetually or absolutely declared void by reason of any of the			
31	following:			

ı	1. <u>a.</u> Any error of any officer or board in the location and establishment thereofor the
2	project .
3	2. <u>b.</u> Any error or informality appearing in the record of the proceedings by which any
4	project was established.
5	3. c. A lack of any proper conveyance or condemnation of the right of way.
6	
7	proceedings by which any project has been established, or to enjoin the tax levied to-
8	pay thereforfor the project, on application of either party, shall order an examination or
9	survey of the premises, or survey of the same, or both, as may be deemed necessary.
10	The court, on a final hearing, shall enter ana just and equitable order which is just and
11	equitable, and may order the tax or any part thereofof the tax to remain on the tax lists
12	for collection, or, if the tax were paid under protest, may order, if justice requires, the
13	whole or any part thereofof the tax to be refunded. The costs of such the proceedings
14	shallmust be apportioned among the parties as justice may requirethe court deems
15	appropriate .
16	SECTION 26. A new section to chapter 61-16.1 of the North Dakota Century Code is
17	created and enacted as follows:
18	County may pay share of drainage taxes on tax deed lands.
19	If lands acquired by the county by tax deed are assessed drainage taxes, the county
20	commissioners shall pay the taxes from general funds if, based on a due appraisal, the value of
21	the land exceeds the total of the delinquent taxes for which foreclosure proceedings were
22	instituted plus the total drainage tax assessment. If the total taxes assessed at foreclosure plus
23	drainage taxes exceed the value of the land, the county may not pay the drainage
24	assessments. However, upon the sale of the land, any excess of the sales price over the
25	amount of taxes for which the foreclosure proceedings were instituted must be paid to the
26	drainage district to the extent of the drainage taxes due. Any income from the property must be
27	first credited to the general taxes, and any surplus income must be paid to the drainage district
28	to the extent of the drainage taxes due.
29	SECTION 27. AMENDMENT. Section 61-16.1-33 of the North Dakota Century Code is
30	amended and reenacted as follows:

61-16.1-33. Water resource board may apportion assessments for benefits of a projectApportioning assessments against a county or city or any tract of land benefited.

Whenever

- 1. If a water resource board discovers or ascertains that the county, a township, or city therein, or that political subdivision; or any tract, parcel, or piece of land is being benefited by a project and that the county or such township, municipality the political subdivision, tract, piece, or parcel of land was not included in the project area assessed for the cost of construction and maintenance of the project when established, the board shall commence proceedings for reassessment of lands originally assessed for the cost of establishing and constructing such project and shall apportion and assess the part of the balance remaining unpaid, if any, of the cost of such the project, and the expense of maintenance, which such county, township, or city the political subdivision and each tract of land found to be benefited thereby by the project should bear.
 - Before making such reassessment or reapportionment of reassessing and reapportioning benefits under this section, the board shall hold a hearing for the purpose of determining to determine the benefits of the project to the county, such township, or citypolitical subdivision and to each tract, piece, or parcel of land being benefited. At least ten days' notice of the hearing shall be given by publication in the newspaper or newspapers having general circulation in the county, and by mailing notice thereof of the hearing to each owner of land assessed for the cost of construction and maintenance when the project was established, and by mailing such notice; to the governing body of the county, township, municipality, political subdivision found to be benefited since the establishment of the project; and to the owner, as determined by the records in the office of the recorder or county treasurer of each tract, piece, or parcel of land found to be benefited since the establishment of the project. The provisions of this chapter governing the original determination of benefits and assessment of costs shall apply to the reassessment and assessment of benefits carried out under the provisions of under this section.

SECTION 28. AMENDMENT. Section 61-16.1-34 of the North Dakota Century Code is amended and reenacted as follows:

1 61-16.1-34. Warrants - When payable - Amounts - Interest - Interest coupons. 2 A district may, at any Any time after entering into a contract for a project to be financed in-3 whole or in part by special assessments, a water resource district may issue temporary and 4 definitive warrants on the project fund, created for that purpose, in the manner and subject to-5 the limitations prescribed in accordance with section 40-24-19. If the warrants are issued to 6 finance a sewer or water project, the net revenues derived from the imposition of service-7 charges to be imposed and collected with respect thereto as provided inin accordance with 8 section 40-22-16 may be pledged to payment of thosethe warrants, except that the first maturity-9 date of any such warrant shallof the warrants may not be less than two years from the date of 10 issuance. Warrants issued under this section shallmust be in such amounts as in the judgment-11 of the water resource board will be<u>determines</u> necessary for the project. The warrants shall<u>must</u> 12 bear interest at a rate or rates, and be sold at a price, resulting in an average net interest cost 13 not exceeding twelve percent per annum if sold at private sale. There is no interest rate ceiling 14 on warrant issues sold at public sale or to the state of North Dakota or any of itsthe state's 15 agencies or instrumentalities. Coupons evidencing the interest for each year or half year, as the 16 case may be, may be attached to the warrants. The warrants shallmust state upon theirthe 17 warrants' face the purpose for which theythe warrants are issued and the project fund from 18 which theythe warrants are payable and shall. The warrants also must be signed by the 19 chairman of the water resource board and countersigned by the secretary of the water resource 20 district. The warrants shallmust be payable serially in such amounts as the board determines, 21 extending over a period of not more than thirty years. 22 SECTION 29. AMENDMENT. Section 61-16.1-39.2 of the North Dakota Century Code is 23 amended and reenacted as follows: 24 61-16.1-39.2. Maintenance of project - Exception. 25 If, upon receipt of a petition meeting the requirements of section 61-16.1-39.1, or upon thea. 26 water resource board's own motion, the board determines a project established under the 27 provisions of this chapter requires maintenance, the board may provide the required-28 maintenance by using the same method used initially to finance the project. Unless otherwise-29 provided by law or agreement, the participation of the state in financing the initial project does 30 not bind the state to finance any maintenance. Any maintenance financed through special-

1	assessments may not exceed the maximum levy established by section 61-16.1-45. This			
2	section does not apply to maintenance of assessment drains.			
3	SECTION 30. AMENDMENT. Section 61-16.1-42 of the North Dakota Century Code is			
4	amended and reenacted as follows:			
5	61-16.1-42. Drains along and across public roads and railroads.			
6	— Drains may be laid along, within the limits of, or across any public road or highway, but not			
7	to the injury of suchthe road. In instances where it is necessary to run a drain across a			
8	highway, If a water resource board notifies the department of transportation, the board of county			
9	commissioners, or the board of township supervisors, as the case may be, when notified by the			
10	water resource board to do so, it is necessary to run a drain across a highway, the department			
11	or board shall make and pay for necessary openings through the road or highway at its own			
12	expense, and shall build and keep in repairmaintain all required culverts or bridges as provided			
13	under section 61-16.1-43. In instances where If drains are laid along or within the rights of way			
14	of roads or highways, the drains shallmust be maintained and kept open by and at the expense			
15	of the water resource district concerned. A drain may be laid along any railroad when necessary,			
16	but not to the injury of the railroad, and when it is necessary to run a drain across the. When			
17	notified by a water resource board that a drain must cross a railroad, the railroad company,			
18	when notified by the water resource board to do so, shall make the necessary opening through-			
19	suchthe railroad, shall build the required bridges and culverts, and shall keep themthe			
20	openings, bridges, and culverts in repair.			
21	SECTION 31. AMENDMENT. Section 61-16.1-43 of the North Dakota Century Code is			
22	amended and reenacted as follows:			
23	61-16.1-43. Construction of bridges and culverts in connection with a drain - Costs.			
24	—— The			
25	1. A water resource board shall construct such bridges or culverts over or in connection			
26	with a drain as in its judgment may bethe board deems necessary to furnish passage			
27	from one part to another of any private farm or tract of land intersected by suchthe			
28	drain. The cost of such construction shallconstructing the bridge or culvert must be			
29	charged as part of the cost of constructing the drain, and any such. The bridge, or			
30	culvert, or passageway shall must be maintained under the authority of the water			

1	61-16.1-22 to locate, establish, and construct a new drain at substantially the same location as
2	the abandoned or invalid drain. For the purposes of this chapter, a drain that is not properly-
3	maintained shall beproperly is considered abandoned. When a new drain is established at-
4	substantially the same location, the board shall ascertain the real value of services rendered,
5	moneys expended, and work done under the invalid or abandoned proceedings, and the extent-
6	to which the same <u>services, moneys, and work</u> contributes to the construction and completion of
7	the new drain. The board then shall then issue warrants in an amount not exceeding the value
8	to the new drain of the work completed on the invalid or abandoned drain and shall deliver-
9	suchthe new warrants, pro rata, to the owners or holders of old warrants or bonds issued under-
0	the invalid or abandoned drainage proceedings, upon the surrender of suchthe old warrants or
11	bonds by the holder orwarrant or bond holders thereof.
2	SECTION 34. AMENDMENT. Section 61-16.1-47 of the North Dakota Century Code is
3	amended and reenacted as follows:
4	61-16.1-47. Drain kept open and in repair by water resource board.
5	All assessment drains that have been constructed in any district water resource district
6	has authority over all assessment drains, except township drains, shall be under the charge of
7	the water resource board and it shall be the duty of constructed in the district, and the water
8	resource board to shall keep those the drains open and in good repair. It shall be the mandatory
9	duty of the board, within Within the limits of available funds, to the board shall clean out and
20	repair any assessment drain when requested to do so by petition of the affected landowners
21	having fifty percent or more of the possible votes, as determined according tounder section-
22	61-16.1-20.
23	SECTION 35. AMENDMENT. Section 61-16.1-48 of the North Dakota Century Code is
24	amended and reenacted as follows:
25	— 61-16.1-48. Assessment of costs of cleaning and repairing drains.
26	The cost of cleaning out and repairing an assessment drain or a drainage structure
27	constructed by any governmental entity for which no continuing funds for maintenance are
28	available or which does not meet the definition of maintenance must be assessed pro rata-
29	against the lands benefited in the same proportion as the original assessment of the costs in
30	establishing suchthe drain, or in accordance with any reassessment of benefits if there has

been a reassessment of benefits under the provisions of section 61-16.1-26made. If no-

1	assessment for construction costs or reassessment of benefits has been made, the water			
2	resource board shall make assessments for the cost of the cleaning and repairing such drain or			
3	drainage structure constructed by any governmental entity for which no continuing funds for			
4	maintenance are available in accordance with the provisions of this chapter for the			
5	establishment of a new project. The governing body of any incorporated city, by agreement with			
6	the board, is authorized tomay contribute to the cost of cleaning out, repairing, and maintaining			
7	a drain in excess of the amount assessed under this section, and such the excess contribution			
8	may be expended for such purposes by the board for cleaning out, repairing, and maintaining			
9	the drain.			
10	SECTION 36. A new section to chapter 61-16.1 of the North Dakota Century Code is			
11	created and enacted as follows:			
12	Dissolution of drainage district - Abandonment of drain - Return of unexpended			
13	assessments.			
14	The owners of property subject to at least fifty-one percent of the cost of maintaining the			
15	drain, as determined under section 61-16.1-20, may petition the board for the abandonment and			
16	dissolution of the drain. Upon receipt of the petition, the board shall call a public hearing on the			
17	petition. If the board finds the number of valid signatures on the petition is sufficient, and the			
18	drainage district has no outstanding indebtedness, the board shall declare the drain to be			
19	abandoned and the drainage district to be dissolved. The board also shall record the declaration			
20	in the board's minutes, publish the declaration in a newspaper having wide circulation in the			
21	county in which the drain is located, and return all unexpended assessments collected for the			
22	maintenance of the drain to the owner of the assessed property on a pro rata basis in proportion			
23	with the amount originally assessed. If the drainage district extends into two or more water			
24	resource districts, the water resource boards shall convene in joint session to satisfy the			
25	requirements of this section. An abandoned drain may be re-established in whole or in part in			
26	the same manner as a new drain may be established.			
27	SECTION 37. A new section to chapter 61-16.1 of the North Dakota Century Code is			
28	created and enacted as follows:			
29	Consolidation of drainage district into water resource district.			
30	1. Upon resolution of a board of county commissioners or water resource board, or upon			
31	the filing with a board of county commissioners of a petition containing the signatures			

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of landowners possessing at least fifteen percent of the voting rights in one or more drainage districts as determined under section 61-16.1-20, the board of county commissioners shall set a date for a hearing on the establishment or expansion of a water resource district to include the property contained within the drainage districts. The board shall publish notice of the time, place, and purpose of the hearing once each week for two consecutive weeks in a newspaper of general circulation in the county. The second publication must be not less than ten days and not more than twenty days before the date set for the hearing. If special assessments remainoutstanding on any property within a drainage district to be affected by the hearing, the board shall notify all landowners of record subject to the special assessments by ordinary mail at least ten days before the date set for the hearing. If a majority of affected landowners, as determined under section 61-16.1-20, file written objections to the establishment or expansion of the water resource district at the hearing, the proceedings must be discontinued. Otherwise, the board shall file with the state watercommission a petition signed by a majority of the board for the establishment or expansion of the water resource district, and the subsequent proceedings must comply with this chapter and chapter 61-16.

- 2. If the requested water resource district is established or expanded, the board shall dissolve the drainage districts by resolution and transfer all property, including funds, of the dissolved districts to the water resource district. The funds may be expended separately or jointly with other funds on projects or activities of the water resource district which are of specific benefit to property within the dissolved drainage districts, or the funds may be prorated among the properties within the dissolved drainage districts and credited to the properties in proportion with the amount originally assessed as a credit against subsequent assessments by the water resource district.
- 3. Notwithstanding subsection 2, a drainage district may not be dissolved if it has any outstanding warrants, bonds, or other obligations unless the order of the board dissolving the district provides for a continuance of assessments on properties within the dissolved district to pay outstanding obligations or an assumption of the obligations by the established or expanded water resource district. If the water resource district assumes the obligations, the obligations must be spread over properties within the

water resource district. Sinking funds created to pay the obligations must be continued in force by the water resource district until the obligations are liquidated.

SECTION 38. A new section to chapter 61-16.1 of the North Dakota Century Code is created and enacted as follows:

Permit to drain surface waters required - Penalty.

- 1. Before draining a pond; slough; lake; or sheetwater; or any series of ponds, sloughs, lakes, or sheetwater; with a watershed area comprising eighty acres [32.37 hectares] or more, a person shall secure a permit to do so. As used in this section, "sheetwater" means shallow water that floods land not normally subject to standing water. The permit application must be submitted to the state engineer. The state engineer shall refer the application to the water resource district, or multiple water resource districts, within which is found a majority of the watershed or drainage area of the pond, slough, lake, or sheetwater for consideration and approval. The state engineer may require applications approved by the district and proposing drainage of statewide or interdistrict significance to be subject to final approval by the state engineer.
- 2. A permit required under this section may not be granted until an investigation, conducted and paid for by the permit applicant, discloses the quantity of water to be drained will not flood or adversely affect downstream lands. If the investigation shows the proposed drain will flood or adversely affect lands of downstream landowners, the water resource board may not issue a permit until flowage easements are obtained. The flowage easements must be filed for record in the office of the recorder of the county in which the lands are situated.
- 3. This section does not apply to the construction or maintenance of an existing or prospective drain constructed under the supervision of a state or federal agency, as determined by the state engineer.
- 4. Any person draining, or causing to be drained, a pond; slough; lake; or sheetwater; or any series of ponds, sloughs, lakes, or sheetwater; with a watershed area comprising eighty acres [32.37 hectares] or more, without first securing a permit to do so is liable for all damage sustained by any person caused by the drain, and is guilty of an infraction.
- <u>5.</u> The state engineer may adopt rules for temporary permits for emergency drainage.

1	SECTION 39. A new section to chapter 61-16.1 of the North Dakota Century Code is			
2	created and enacted as follows:			
3	Per	mit to	o drain subsurface waters required - Penalty.	
4	<u> 1.</u>	Inst	allation of a subsurface water management system requires a permit. A subsurface	
5		<u>wat</u>	er management system that uses surface intakes must be permitted exclusively	
6		und	er this section if the system will have a drainage coefficient of three eighths of an	
7		inch	n [0.95 centimeters] or less. Subsurface water management systems that use	
8		surface intakes must be permitted exclusively under section 38 of this Act if the system		
9		<u>will</u>	have a drainage coefficient exceeding three-eighths of an inch [0.95 centimeters].	
10	<u> 2.</u>	<u>a.</u>	The state engineer shall develop an application form for a permit required under	
11			this section. A person seeking to construct a subsurface water management	
12			system that requires a permit under this section must submit a completed	
13			application to the water resource district, or multiple water resource districts,	
14			within which is found a majority of the land area for consideration and approval.	
15			The water resource board may charge permit applicants a fee up to one hundred	
16			fifty dollars. Water resource boards shall forward copies of all approved permits	
17			to the state engineer.	
18		<u>b.</u>	Upon submission of a completed application for a permit, the water resource	
19			board immediately shall give notice and a copy of the submission via certified	
20			mail to each owner of land within one mile [1.61 kilometers] downstream of the	
21			proposed subsurface water management system outlet unless the distance to the	
22			nearest waterway depicted as a perennial or intermittent stream or river on a	
23			United States geological survey topography map, assessment drain, natural	
24			watercourse, slough, or lake is less than one mile [1.61 kilometers], in which case	
25			notice and a copy of the submission must be given immediately to each owner of	
26			land between the outlet and the nearest assessment drain, natural watercourse,	
27			slough, or lake. The notice requirement in this section must be waived if the	
28			applicant presents signed, notarized letters of approval from all downstream	
29			landowners entitled to notice in this subsection.	
30	<u> 3.</u>	<u>a.</u>	If the water resource board receives notarized letters of approval from all	
31			downstream landowners entitled to notice, the board shall approve the completed	

permit application as soon as practicable but no later than thirty days after receipt of the last letter. Otherwise, the water resource board shall review the completed application at its next meeting that is at least thirty days after receipt of the application. The board shall consider any written, technical evidence provided by the applicant or a landowner notified under subsection 2 addressing whether the land of a notified landowner will be flooded or unreasonably harmed by the proposed subsurface water management system. For purposes of this section-"technical evidence" means written information regarding the proposedsubsurface water management system, prepared after consideration of the design and physical aspects of the proposed system, and any adverse hydraulic effects, including erosion, flood duration, crop loss, and downstream water control device operation impacts, which may occur to land owned by a landowner provided under subsection 2. Technical evidence must be submitted to the permit applicant, notified landowners, and the board within forty-five days of the receipt of the completed permit application by the board. A notified landowner may not object to the proposed system unless the landowner presents technical evidence under this subsection.

- b. If the board finds, based on technical evidence, the proposed subsurface water management system will flood or unreasonably harm lands of a landowner notified under subsection 2, the board may require the applicant to obtain a notarized letter of approval before issuing a permit for the system. The board may not require a letter of approval for any land downstream of a system that outlets into an assessment drain, natural watercourse, or pond, slough, or lake if notified landowners did not provide technical evidence to the district.
- c. A water resource district may attach reasonable conditions to an approved permit for a subsurface water management system that outlets directly into an assessment drain or public highway right of way. For purposes of this subsection, "reasonable conditions" means conditions that address the outlet location, proper erosion control, reseeding of disturbed areas, installation of riprap or other ditch stabilization, and conditions that require all work to be done in a neat and professional manner. Any condition to locate the project a minimum distance from

1		rural water supply lines may not extend beyond an existing easement for lines, or
2		no greater than twenty feet [6.1 meters] from either side of the water line if the
3		rural water line was installed under a blanket easement.
4	<u>d.</u>	A water resource district may require a subsurface water management system
5		granted a permit under this section to incorporate a control structure at the outlet
6		into the design of the system and may require the control structure be closed
7		during critical flood periods.
8	<u>е.</u>	A water resource district board may not deny a completed permit application
9		under this section unless the board determines, based on technical evidence
10		submitted by a landowner notified under subsection 2, the proposed water
11		management system will flood or unreasonably harm land of a notified
12		landowner, and a notarized letter of approval required by the board has not been
13		obtained by the applicant. For purposes of this section, "unreasonable harm" is
14		limited to hydraulic impacts, including erosion or other adverse impacts that
15		degrade the physical integrity of a roadway or real property within one mile [1.61]
16		kilometers] downstream of the system's outlet. The board shall include a written
17		explanation of the reasons for a denial of a completed application and notify, by
18		certified mail, the applicant and all landowners notified under subsection 2 of the
19		approval or denial.
20	<u>f.</u>	The board may not deny a permit more than sixty days after receipt of the
21		completed application for the permit. If the board fails to deny the permit
22		application within sixty days of receipt, the permit application is deemed
23		approved.
24	<u>4. Ad</u>	enial of a completed permit application by a water resource district board may be
25	<u>apr</u>	bealed, under section 28-34-01, to the district court of the county in which the permit
26	<u>apr</u>	plication was filed. The court may approve a completed permit application denied by
27	a w	rater resource district board or the state engineer if the application meets the
28	<u>req</u>	uirements of this section.
29	<u> 5. Aw</u>	vater resource district board may not be held liable to any person for issuing a
30	per	mit under this section.

61-16.1-63. Penalty for violation of chapter.

Any person violating any of the provisions of this chapter shall, if no other criminal penalty is specifically provided, beis guilty of a class B misdemeanor unless another criminal penalty is provided specifically for the violation. The board may bring a civil action to recover damages resulting from a violation and the costs incurred by the board for the civil action.

SECTION 43. REPEAL. Sections 61-16.1-01 and 61-16.1-61 and chapters 61-21 and 61-32 of the North Dakota Century Code are repealed.

SECTION 1. LEGISLATIVE MANAGEMENT STUDY - WATER REGULATION.

- 1. During the 2021-22 interim, the legislative management shall consider studying the regulation of water in the state, including eliminating redundancy and conflicts in chapters 61-16.1, 61-21, and 61-32; making assessment procedures uniform across all types of water projects, including drain projects; revising procedures for appeals from water resource board decisions, including the possible creation of an appeals board or appealing the decisions to an existing entity such as the North Dakota mediation service within the department of agriculture; managing water on the basis of watersheds or water basins throughout the state; reviewing responsibility for culvert sizing decisions; applying cost-benefit analyses to additional projects before the state water commission considers whether to approve the projects; reviewing the cost-share for and regulation of snagging and clearing; reviewing the structural relationship between the state water commission and water resource districts; and related issues. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly.
- 2. The study committee must include the following nine voting members and eight nonvoting members:
 - a. Two voting members representing agriculture producers, appointed by the agriculture commissioner;
 - Two voting members who are members of water resource boards, appointed by the North Dakota water resource districts association;
 - c. Five voting members including:
 - (1) One member of the majority party in the house of representatives;

1 (2) One member of the minority party in the house of representatives; 2 One member of the majority party in the senate; (3) 3 (4) One member of the minority party in the senate; and 4 One member from either party in either chamber to serve as the committee (5) 5 chairman; 6 One nonvoting member appointed by North Dakota township officers association; d. 7 One nonvoting member appointed by the North Dakota association of counties; e. 8 One nonvoting member appointed by the North Dakota state's attorneys' f. 9 association; 10 The agriculture commissioner or the commissioner's designee who is a nonvoting g. 11 member; 12 h. The legal counsel to the state water commission who is a nonvoting member; 13 One nonvoting member appointed by the director of the department of 14 transportation; and 15 Two nonvoting citizen members appointed by the legislative management. 16 A member of the committee who is not a state employee is entitled to reimbursement 17 for mileage and expenses as provided by law for state officers and employees, to be 18 paid by the legislative council. A state employee who is a member of the committee is 19 entitled to receive that employee's regular salary and is entitled to reimbursement for 20 mileage and expenses to be paid by the employing agency. A member of the 21 committee who is a member of the legislative assembly is entitled to receive per diem 22 compensation at the rate provided under section 54-35-10 for each day performing 23 official duties of the committee. The legislative council shall pay the per diem 24 compensation and reimbursement for travel and expenses as provided by law for any 25 member of the committee who is a member of the legislative assembly.