

Fifty-sixth  
Legislative Assembly  
of North Dakota

**ENGROSSED HOUSE BILL NO. 1045**

Introduced by

Legislative Council

(Judiciary Committee)

1 A BILL for an Act to create and enact a new subsection to section 57-15-10 of the North Dakota  
2 Century Code, relating to correct placement of a reference to a city band levy; to amend and  
3 reenact sections 1-04-09, 4-24-10, 9-10-06, subsection 10 of section 10-04-06, sections  
4 10-06.1-12, 10-06.1-13, 10-19.1-05, subsections 3, 4, and 5 of section 10-19.1-10, sections  
5 10-19.1-11, 10-19.1-23, subsection 4 of section 10-19.1-61, subsections 2 and 3 of section  
6 10-19.1-75.2, subsection 2 of section 10-19.1-99, subsection 4 of section 10-19.1-100,  
7 subsection 2 of section 10-19.1-101, subsection 4 of section 10-19.1-103, subsection 2 of  
8 section 10-19.1-106, subsection 1 of section 10-19.1-108, sections 10-19.1-110.1, 10-19.1-112,  
9 10-19.1-113.1, 10-19.1-129, 10-30-05, subsection 1 of section 10-30.1-04, section 10-30.5-04,  
10 subsections 2, 3, and 4 of section 10-32-07, subdivision b of subsection 5 of section 10-32-56,  
11 subsection 4 of section 10-32-107, subdivision j of subsection 5 of section 10-33-06,  
12 subsection 24 of section 10-33-21, subsection 3 of section 11-10.2-01, subdivision b of  
13 subsection 3 of section 12.1-32-15, section 16.1-01-07, subsection 3 of section 16.1-08.1-01,  
14 sections 18-08-12, 20.1-08-04.6, 21-10-06, subsection 2 of section 23-06.4-03, subsection 2 of  
15 section 23-06.5-10, subsection 12 of section 25-03.1-02, sections 26.1-17-02, 26.1-17-33,  
16 subsection 1 of section 26.1-18.1-02, subsection 1 of section 26.1-19-04, sections 26.1-49-03,  
17 28-04-05.1, 29-12-05, 30.1-15-02, 30.1-29-26, 32-03-36, 36-01-08.1, 37-15-16, 37-15-17,  
18 37-15-21, 38-08.1-03, subsection 3 of section 38-08.1-03.1, sections 40-51.2-05, 40-57.1-05,  
19 subsection 4 of section 41-09-16, section 43-07-19, subsection 10 of section 43-17-02,  
20 subsection 1 of section 43-17.1-06, subdivision h of subsection 1 of section 45-10.1-02,  
21 subsection 1 of section 47-15.1-03, subsection 3 of section 50-06-01.8, section 51-14-03.2,  
22 subsection 5 of section 53-06.2-11, subsection 1 of section 54-40-01, section 57-15-08,  
23 subdivision b of subsection 2 of section 57-35.3-05, sections 61-04.1-13, 61-04.1-14, 61-21-47,  
24 and 61-35-25 of the North Dakota Century Code, relating to technical corrections and improper,  
25 inaccurate, redundant, missing, or obsolete references; and to repeal sections 10-19.1-131,

1 14-02.1-06, 28-32-22, and chapter 61-24.4 of the North Dakota Century Code, relating to  
2 obsolete provisions.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 1-04-09 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **1-04-09. Curing defects in title to real property.** Any corporation organized  
7 otherwise than under the laws of this state, having acquired, or attempted to acquire, or to  
8 convey legal title by deed or lease to any real property in this state, before complying with the  
9 provisions of ~~chapter 10-22 of title 10~~ North Dakota law governing foreign corporations, which  
10 prior to July 1, 1959, has complied with ~~said chapter, shall be and hereby~~ those laws is relieved  
11 from any disability ~~provided in said chapter or prohibition therein contained, so far as said~~  
12 ~~statute relates~~ relating to the acquisition and holding of the property so acquired, or attempted  
13 to be acquired, and the title so acquired, or attempted to be acquired, hereby is confirmed.

14 **SECTION 2. AMENDMENT.** Section 4-24-10 of the 1997 Supplement to the North  
15 Dakota Century Code is amended and reenacted as follows:

16 **4-24-10. Agricultural commodity promotion groups to report to legislative**  
17 **assembly - Report contents.** Between the first and tenth legislative day of each regular  
18 legislative session, the North Dakota potato council, the North Dakota oilseed council, the North  
19 Dakota dry bean council, the North Dakota barley council, the North Dakota soybean council,  
20 the North Dakota corn utilization council, the North Dakota beekeepers association, the North  
21 Dakota turkey federation, the North Dakota milk ~~stabilization~~ marketing board, the North  
22 Dakota dairy promotion commission, the North Dakota state wheat commission, and the North  
23 Dakota beef commission must file a uniform report at a public hearing before the standing  
24 agriculture committee of each house of the legislative assembly. The presiding officer of each  
25 house of the legislative assembly may direct that the reports be filed with some other standing  
26 committee of that house. Each report must contain a summary of the activities of the  
27 commodity group during the current biennium, a single-page uniform statement of revenues  
28 and expenditures for the next biennium. Each report, except the reports of the North Dakota  
29 beekeepers association and the North Dakota turkey federation, must also include a state

1 auditor's report on the commodity group's single-page uniform statement of revenues and  
2 expenditures for the previous two fiscal years.

3 **SECTION 3. AMENDMENT.** Section 9-10-06 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5 **9-10-06. Willful acts and negligence - Liability.** ~~Everyone~~ A person is responsible  
6 not only for the result of ~~his~~ the person's willful acts but also for an injury occasioned to another  
7 by ~~his~~ the person's want of ordinary care or skill in the management of ~~his~~ the person's  
8 property or ~~person~~ self. The extent of the liability in such cases is defined by sections 32-03-01  
9 ~~to 32-03-19, inclusive~~ through 32-03-18.

10 **SECTION 4. AMENDMENT.** Subsection 10 of section 10-04-06 of the 1997  
11 Supplement to the North Dakota Century Code is amended and reenacted as follows:

12 10. The sale of capital stock of a corporation or membership interests of a limited  
13 liability company may be exempted by the securities commissioner if the  
14 corporation or limited liability company is organized under chapter 10-30 or  
15 approved by the small business administration as qualifying for loans under  
16 section 502 of the Small Business Investment Act of 1958, as amended; or the  
17 sale of memberships, including dues, in a nonprofit corporation incorporated ~~under~~  
18 ~~chapter 10-24~~ in North Dakota may be exempted by the securities commissioner if  
19 the corporation is organized and operated for the primary purpose of promoting  
20 community development.

21 **SECTION 5. AMENDMENT.** Section 10-06.1-12 of the North Dakota Century Code is  
22 amended and reenacted as follows:

23 **10-06.1-12. Corporation or limited liability company allowed to engage in the**  
24 **business of farming or ranching - Requirements.** This chapter does not prohibit a domestic  
25 corporation or a domestic limited liability company from owning real estate and engaging in the  
26 business of farming or ranching, if the corporation ~~or limited liability company~~ meets all the  
27 requirements of chapter 10-19.1, ~~10-23~~, or the limited liability company meets all the  
28 requirements of chapter 10-32 which are not inconsistent with this chapter. The following  
29 requirements also apply:

- 1           1. If a corporation, the corporation must not have more than fifteen shareholders. If a  
2           limited liability company, the limited liability company must not have more than  
3           fifteen members.
- 4           2. Each shareholder or member must be related to each of the other shareholders or  
5           members within one of the following degrees of kinship or affinity: parent, son,  
6           daughter, stepson, stepdaughter, grandparent, grandson, granddaughter, brother,  
7           sister, uncle, aunt, nephew, niece, great-grandparent, great-grandchild, first  
8           cousin, or the spouse of a person so related.
- 9           3. Each shareholder or member must be an individual or one of the following:  
10          a. A trust for the benefit of an individual or a class of individuals who are related  
11          to every shareholder of the corporation or member of the limited liability  
12          company within the degrees of kinship or affinity specified in this section.  
13          b. An estate of a decedent who was related to every shareholder of the  
14          corporation or member of the limited liability company within the degrees of  
15          kinship or affinity specified in this section.
- 16          4. A trust or an estate may not be a shareholder or member if the beneficiaries of the  
17          trust or the estate together with the other shareholders or members are more than  
18          fifteen in number.
- 19          5. Each individual who is a shareholder or member must be a citizen of the United  
20          States or a permanent resident alien of the United States.
- 21          6. If a corporation, the officers and directors of the corporation must be shareholders  
22          who are actively engaged in operating the farm or ranch and at least one of its  
23          shareholders must be an individual residing on or operating the farm or ranch. If a  
24          limited liability company, the governors and managers of the limited liability  
25          company must be members who are actively engaged in operating the farm or  
26          ranch and at least one of its members must be an individual residing on or  
27          operating the farm or ranch.
- 28          7. An annual average of at least sixty-five percent of the gross income of the  
29          corporation or limited liability company over the previous five years, or for each  
30          year of its existence, if less than five years, must have been derived from farming  
31          or ranching operations.

1           8.    The income of the corporation or limited liability company from nonfarm rent,  
2                    nonfarm royalties, dividends, interest, and annuities cannot exceed twenty percent  
3                    of the gross income of the corporation or limited liability company.

4           **SECTION 6. AMENDMENT.** Section 10-06.1-13 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6           **10-06.1-13. Applicability of North Dakota Business Corporation Act.** ~~Chapters~~  
7 ~~Chapter~~ 10-19.1 ~~and 10-23~~ are applicable to farming or ranching corporations, which have  
8 the powers and privileges and are subject to the duties, restrictions, and liabilities of other  
9 business corporations except when inconsistent with the intent of this chapter. This chapter  
10 takes precedence in the event of any conflict with the provisions of ~~chapters~~ chapter 10-19.1  
11 ~~and 10-23~~.

12           **SECTION 7. AMENDMENT.** Section 10-19.1-05 of the North Dakota Century Code is  
13 amended and reenacted as follows:

14           **10-19.1-05. Retention of two-thirds majority.**

- 15           1.    If the articles of a corporation described in section 10-19.1-02 or 10-19.1-03 do not  
16                    contain a provision specifying the proportion of the voting power of the shares  
17                    required for approval of amendments to the articles, plans of merger or exchange,  
18                    or sales of assets, a shareholder or shareholders holding more than one-third of  
19                    the voting power of all the shares entitled to vote for any or all of the  
20                    above-mentioned actions ~~may~~, by signed written demand filed in duplicate original  
21                    with the secretary of state, along with the fees provided in ~~chapter 10-23~~ section  
22                    10-19.1-147, may amend the articles of the corporation to include a provision  
23                    requiring the approval of the holders of two-thirds of the voting power of the shares  
24                    entitled to vote for any or all of the above-mentioned actions for which no required  
25                    majority was specified, notwithstanding any provisions of section 10-19.1-19,  
26                    10-19.1-98, or 10-19.1-104 to the contrary. Notice that the demand has been filed  
27                    must be given by the shareholder to an officer of the corporation, but failure to give  
28                    the notice does not invalidate the demand.
- 29           2.    A shareholder or shareholders holding more than one-third of the voting power of  
30                    the shares entitled to vote for dissolution of a corporation described in section  
31                    10-19.1-02 or 10-19.1-03 ~~may~~, by signed written demand filed in duplicate original

1 with the secretary of state, along with the fees provided in ~~chapter 10-23~~ section  
2 10-19.1-147, may amend the articles of the corporation to include a provision  
3 requiring the approval of the holders of two-thirds of the voting power of all the  
4 shares for the authorization of the dissolution of the corporation, notwithstanding  
5 the provisions of section 10-19.1-107. Notice that the demand has been filed must  
6 be given by the shareholder to an officer of the corporation, but failure to give the  
7 notice does not invalidate the demand.

8 3. A signed written demand by the shareholders of a corporation pursuant to  
9 subsection 1 or 2 is valid only if filed with the secretary of state before July 1, 1986.

10 **SECTION 8. AMENDMENT.** Subsections 3, 4, and 5 of section 10-19.1-10 of the 1997  
11 Supplement to the North Dakota Century Code are amended and reenacted as follows:

12 3. The following provisions govern a corporation unless modified in the articles:

13 a. A corporation has general business purposes as provided in section  
14 10-19.1-08.

15 b. A corporation has perpetual existence and certain powers as provided in  
16 section 10-19.1-26.

17 c. The power to adopt, amend, or repeal the bylaws is vested in the board as  
18 provided in section 10-19.1-31.

19 d. The affirmative vote of a majority of directors present is required for an action  
20 of the board as provided in section 10-19.1-46.

21 e. A written action by the board taken without a meeting must be signed by all  
22 directors as provided in section 10-19.1-47.

23 f. The board may authorize the issuance of securities and rights to purchase  
24 securities as provided in subsection 1 of section 10-19.1-61.

25 g. All shares are common shares entitled to vote and are of one class and one  
26 series as provided in subdivisions a and b of subsection 2 of section  
27 10-19.1-61.

28 h. All shares have equal rights and preferences in all matters not otherwise  
29 provided for by the board as provided in subdivisions a and b of subsection 2  
30 of section 10-19.1-61.

- 1           i.    The par value of shares is fixed at one cent per share for certain purposes  
2                    and may be fixed by the board for certain other purposes as provided in  
3                    subdivisions a and b of subsection 2 of section 10-19.1-61.
- 4           j.    The board or the shareholders may issue shares for any consideration or for  
5                    no consideration to effectuate share dividends or splits and determine the  
6                    value of nonmonetary consideration as provided in subsection 1 of section  
7                    10-19.1-63.
- 8           k.    Shares of a class or series may not be issued to holders of shares of another  
9                    class or series to effectuate share dividends or splits, unless authorized by a  
10                   majority of the voting power of the shares of the same class or series as the  
11                   shares to be issued as provided in subsection 1 of section 10-19.1-63.
- 12          l.    A corporation may issue rights to purchase securities whose terms,  
13                   provisions, and conditions are fixed by the board as provided in section  
14                   10-19.1-64.
- 15          m.    The affirmative vote of the holders of a majority of the voting power of the  
16                   shares present and entitled to vote at a duly held meeting is required for an  
17                   action of the shareholders, except where this chapter requires the affirmative  
18                   vote of a majority of the voting power of all shares entitled to vote as provided  
19                   in subsection 1 of section 10-19.1-74.
- 20          n.    Shares of a corporation acquired by the corporation may be reissued as  
21                   provided in subsection 1 of section 10-19.1-93.
- 22          o.    An exchange need not be approved by shareholders of the acquiring  
23                   corporation unless the outstanding shares entitled to vote of that corporation  
24                   will be increased by more than twenty percent immediately after the exchange  
25                   as provided in subdivision c of subsection 3 of section 10-19.1-98.
- 26          p.    An exchange need not be approved by shareholders of the acquiring  
27                   corporation unless the outstanding participating shares of that corporation will  
28                   be increased by more than twenty percent immediately after the exchange as  
29                   provided in subdivision d of subsection 3 of section 10-19.1-98.
- 30          q.    Each share has one vote unless otherwise provided in the terms of the share  
31                   as provided in subsection ~~3~~ 5 of section ~~10-19.1-77~~ 10-19.1-73.2.

- 1           r.    The board may effect share dividends, divisions, and combinations under  
2                    certain circumstances without shareholder approval as provided in section  
3                    10-19.1-61.1.
- 4           4.    The following provisions govern a corporation unless modified either in the articles  
5                    or in the bylaws:
- 6           a.    A director serves for an indefinite term that expires upon the election and  
7                    qualification of a successor as provided in section 10-19.1-35.
- 8           b.    The compensation of directors is fixed by the board as provided in section  
9                    10-19.1-37.
- 10          c.    The method provided in section 10-19.1-41 or 10-19.1-41.1 must be used for  
11                   removal of directors.
- 12          d.    The method provided in section 10-19.1-42 must be used for filling board  
13                   vacancies.
- 14          e.    If the board fails to select a place for a board meeting, it must be held at the  
15                   principal executive office as provided in subsection 1 of section 10-19.1-43.
- 16          f.    A director may call a board meeting, and the notice of the meeting need not  
17                   state the purpose of the meeting as provided in subsection 3 of section  
18                   10-19.1-43.
- 19          g.    A majority of the board is a quorum for a board meeting as provided in section  
20                   10-19.1-45.
- 21          h.    A committee must consist of one or more persons, who need not be directors,  
22                   appointed by affirmative vote of a majority of the directors present as provided  
23                   in subsection 2 of section 10-19.1-48.
- 24          i.    The board may establish a special litigation committee as provided in section  
25                   10-19.1-48.
- 26          j.    Officers may delegate some or all of their duties and powers, if not prohibited  
27                   by the board from doing so as provided in section 10-19.1-59.
- 28          k.    Regular meetings of shareholders need not be held, unless demanded by a  
29                   shareholder under certain conditions as provided in section 10-19.1-71.
- 30          l.    No fewer than ten nor more than fifty days' notice is required for a meeting of  
31                   shareholders as provided in subsection 3 of section 10-19.1-73.

- 1 m. The number of shares required for a quorum at a shareholders' meeting is a  
2 majority of the voting power of the shares entitled to vote at the meeting as  
3 provided in section 10-19.1-76.
- 4 n. The board may fix a date up to fifty days before the date of a shareholders'  
5 meeting as the date for the determination of the holders of shares entitled to  
6 notice of and entitled to vote at the meeting as provided in subsection 1 of  
7 section ~~10-19.1-77~~ 10-19.1-73.2.
- 8 o. Indemnification of certain persons is required as provided in section  
9 10-19.1-91.
- 10 p. The board may authorize, and the corporation may make, distributions not  
11 prohibited, limited, or restricted by an agreement as provided in subsection 1  
12 of section 10-19.1-92.
- 13 5. The following provisions relating to the management of the business or the  
14 regulation of the affairs of a corporation may be included either in the articles or,  
15 except for naming members of the first board fixing a greater than majority director  
16 or shareholder vote or giving or prescribing the manner of giving voting rights to  
17 persons other than shareholders otherwise than pursuant to the articles, or  
18 eliminating or limiting a director's personal liability, in the bylaws:
- 19 a. The members of the first board may be named in the articles as provided in  
20 subsection 1 of section 10-19.1-32.
- 21 b. A manner for increasing or decreasing the number of directors as provided in  
22 section 10-19.1-33.
- 23 c. Additional qualifications for directors may be imposed as provided in section  
24 10-19.1-34.
- 25 d. Directors may be classified as provided in section 10-19.1-38.
- 26 e. The day or date, time, and place of board meetings may be fixed as provided  
27 in subsection 1 of section 10-19.1-43.
- 28 f. Absent directors may be permitted to give written consent or opposition to a  
29 proposal as provided in section 10-19.1-44.
- 30 g. A larger than majority vote may be required for board action as provided in  
31 section 10-19.1-46.

- 1 h. Authority to sign and deliver certain documents may be delegated to an  
2 officer or agent of the corporation other than the president as provided in  
3 section 10-19.1-53.
- 4 i. Additional officers may be designated as provided in section 10-19.1-52.
- 5 j. Additional powers, rights, duties, and responsibilities may be given to officers  
6 as provided in section 10-19.1-53.
- 7 k. A method for filling vacant offices may be specified as provided in  
8 subsection 3 of section 10-19.1-58.
- 9 l. A certain officer or agent may be authorized to sign share certificates as  
10 provided in subsection 1 of section 10-19.1-66.
- 11 m. The transfer or registration of transfer of securities may be restricted as  
12 provided in section 10-19.1-70.
- 13 n. The day or date, time, and place of regular shareholder meetings may be  
14 fixed as provided in subsection 3 of section 10-19.1-71.
- 15 o. Certain persons may be authorized to call special meetings of shareholders  
16 as provided in subsection 1 of section 10-19.1-72.
- 17 p. Notices of shareholder meetings may be required to contain certain  
18 information as provided in subsection 3 of section 10-19.1-73.
- 19 q. A larger than majority vote may be required for shareholder action as  
20 provided in section 10-19.1-74.
- 21 r. Voting rights may be granted in or pursuant to the articles to persons who are  
22 not shareholders as provided in subsection ~~4 6~~ of section ~~10-19.1-77~~  
23 10-19.1-73.2.
- 24 s. Corporate actions giving rise to dissenter rights may be designated as  
25 provided in subdivision d of subsection 1 of section 10-19.1-87.
- 26 t. The rights and priorities of persons to receive distributions may be  
27 established as provided in section 10-19.1-92.
- 28 u. A director's personal liability to the corporation or its shareholders for  
29 monetary damages for breach of fiduciary duty as a director may be  
30 eliminated or limited in the articles as provided in section 10-19.1-50.

1           **SECTION 9. AMENDMENT.** Section 10-19.1-11 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3           **10-19.1-11. Filing of articles of incorporation.** An original of the articles of  
4 incorporation must be filed with the secretary of state. If the secretary of state finds that the  
5 articles of incorporation conform to law and that all fees have been paid under ~~chapter 10-23~~  
6 section 10-19.1-147, the secretary of state shall issue a certificate of incorporation to the  
7 incorporators or their representative.

8           **SECTION 10. AMENDMENT.** Section 10-19.1-23 of the North Dakota Century Code is  
9 amended and reenacted as follows:

10          **10-19.1-23. Filing articles of amendment.** An original of the articles of amendment  
11 must be filed with the secretary of state. If the secretary of state finds that the articles of  
12 amendment conform to law and that all fees have been paid as provided in ~~chapter 10-23~~  
13 section 10-19.1-147, then the articles of amendment must be recorded in the office of the  
14 secretary of state.

15          A corporation that amends its name and is the owner of a trademark or trade name, is a  
16 general partner named in a fictitious name certificate, or is a general partner in a limited  
17 partnership which is on file with the secretary of state, must change or amend its name in each  
18 registration when it files an amendment.

19          **SECTION 11. AMENDMENT.** Subsection 4 of section 10-19.1-61 of the North Dakota  
20 Century Code is amended and reenacted as follows:

21          4. A statement executed by an officer setting forth the name of the corporation and  
22 the text of the resolution and certifying the adoption of the resolution and the date  
23 of adoption must be filed with the secretary of state, ~~together~~ with the fees  
24 provided in ~~chapter 10-23~~ section 10-19.1-147, before the issuance of any shares  
25 for which the resolution creates rights or preferences not set forth in the articles.

26          The resolution is effective when the statement has been filed with the secretary of  
27 state unless the statement specifies a later effective date within thirty days of filing  
28 the statement with the secretary of state.

29          **SECTION 12. AMENDMENT.** Subsections 2 and 3 of section 10-19.1-75.2 of the 1997  
30 Supplement to the North Dakota Century Code are amended and reenacted as follows:

- 1           2. Participation in a conference meeting the requirements of subsection 1 constitutes  
2           presence at the meeting in person or by proxy if all the other requirements of  
3           section ~~40-19.1-80~~ 10-19.1-76.2 are met.
- 4           3. A shareholder may participate in a regular or special meeting of shareholders not  
5           described in subsection 1 by any means of communication through which the  
6           shareholder, other participants, and all persons physically present at the meeting  
7           may simultaneously hear each other during the meeting. Participation in a meeting  
8           by that means constitutes presence at the meeting in person or by proxy if all the  
9           other requirements of section ~~40-19.1-80~~ 10-19.1-76.2 are met.

10           **SECTION 13. AMENDMENT.** Subsection 2 of section 10-19.1-99 of the North Dakota  
11 Century Code is amended and reenacted as follows:

- 12           2. The articles of merger must be signed on behalf of each constituent corporation  
13           and filed with the secretary of state, ~~together~~ with the fees provided in ~~chapter~~  
14           ~~40-23~~ section 10-19.1-147.

15           **SECTION 14. AMENDMENT.** Subsection 4 of section 10-19.1-100 of the North  
16 Dakota Century Code is amended and reenacted as follows:

- 17           4. Within thirty days after a copy of the plan of merger is mailed to shareholders of  
18           each subsidiary that is a constituent corporation to the merger, or upon waiver of  
19           the mailing by the holders of all outstanding shares of each subsidiary that is a  
20           constituent corporation to the merger, the articles of merger must be signed on  
21           behalf of the parent and filed with the secretary of state, ~~along~~ with the fees  
22           provided in ~~chapter 40-23~~ section 10-19.1-147.

23           **SECTION 15. AMENDMENT.** Subsection 2 of section 10-19.1-101 of the North  
24 Dakota Century Code is amended and reenacted as follows:

- 25           2. If articles of merger have not been filed with the secretary of state and the plan is  
26           to be abandoned, or if a plan of exchange is to be abandoned, a resolution  
27           abandoning the plan of merger or exchange may be approved by the affirmative  
28           vote of a majority of the directors present, subject to the contract rights of any  
29           other person under the plan. If articles of merger have been filed with the  
30           secretary of state, the board shall file with the secretary of state, ~~together~~ with the

1 fees provided in ~~chapter 10-23~~ section 10-19.1-147, articles of abandonment that  
2 contain:

- 3 a. The name of the constituent corporations;  
4 b. The provision of this section under which the plan is abandoned; and  
5 c. The text of the resolution approved by the affirmative vote of a majority of the  
6 directors present abandoning the plan.

7 If the certificate of merger has been issued, the board shall surrender the  
8 certificate to the secretary of state upon filing the articles of abandonment.

9 **SECTION 16. AMENDMENT.** Subsection 4 of section 10-19.1-103 of the North  
10 Dakota Century Code is amended and reenacted as follows:

11 4. If the surviving corporation in a merger will be a foreign corporation and will  
12 transact business in this state, it shall comply with the provisions of chapter ~~10-22~~  
13 10-19.1 with respect to foreign corporations. In every case the surviving  
14 corporation shall file with the secretary of state:

- 15 a. An agreement that it may be served with process in this state in a proceeding  
16 for the enforcement of an obligation of a constituent corporation and in a  
17 proceeding for the enforcement of the rights of a dissenting shareholder of a  
18 constituent corporation against the surviving corporation;  
19 b. An irrevocable appointment of the secretary of state as its agent to accept  
20 service of process in any proceeding, and an address to which process may  
21 be forwarded; and  
22 c. An agreement that it will promptly pay to the dissenting shareholders of each  
23 domestic constituent corporation the amount, if any, to which they are entitled  
24 under section 10-19.1-87.

25 **SECTION 17. AMENDMENT.** Subsection 2 of section 10-19.1-106 of the North  
26 Dakota Century Code is amended and reenacted as follows:

27 2. The articles of dissolution must be filed with the secretary of state, ~~together~~ with  
28 the fees provided in ~~chapter 10-23~~ section 10-19.1-147.

29 **SECTION 18. AMENDMENT.** Subsection 1 of section 10-19.1-108 of the North  
30 Dakota Century Code is amended and reenacted as follows:

- 1           1. If dissolution of the corporation is approved pursuant to subsections 1 and 2 of  
2           section 10-19.1-107, the corporation shall file with the secretary of state, ~~together~~  
3           with the fees provided in ~~chapter 10-23~~ section 10-19.1-147, a notice of intent to  
4           dissolve. The notice must contain:
- 5           a. The name of the corporation;
- 6           b. The date and place of the meeting at which the resolution was approved  
7           pursuant to subsections 1 and 2 of section 10-19.1-107; and
- 8           c. A statement that the requisite vote of the shareholders was received or that  
9           all shareholders entitled to vote signed a written action.

10           **SECTION 19. AMENDMENT.** Section 10-19.1-110.1 of the 1997 Supplement to the  
11           North Dakota Century Code is amended and reenacted as follows:

12           **10-19.1-110.1. Dissolution procedure for corporations that do not give notice to**  
13           **creditors and claimants.** When a notice of intent to dissolve has been filed with the secretary  
14           of state and the corporation has elected not to give notice to creditors and claimants in the  
15           manner provided in section ~~10-19.1-100~~ 10-19.1-110:

- 16           1. Articles of dissolution for a corporation that has not given notice to creditors and  
17           claimants in the manner provided in section 10-19.1-110:
- 18           a. Must be filed with the secretary of state after:
- 19               (1) The payment of claims of all known creditors and claimants has been  
20               made or provided for; or
- 21               (2) At least two years have elapsed from the date of filing the notice of  
22               intent to dissolve; and
- 23           b. Must state:
- 24               (1) If the articles of dissolution are being filed pursuant to paragraph 1 of  
25               subdivision a of subsection 1, that all known debts, obligations, and  
26               liabilities of the corporation have been paid and discharged or that  
27               adequate provision has been made for payment or discharge;
- 28               (2) That the remaining property, assets, and claims of the corporation have  
29               been distributed among its shareholders in accordance with  
30               subsection 5 of section 10-19.1-92, or that adequate provision has  
31               been made for that distribution; and

- 1                   (3) That there are no pending legal, administrative, or arbitration  
2                   proceedings by or against the corporation, or that adequate provision  
3                   has been made for the satisfaction of any judgment, order, or decree  
4                   that may be entered against it in a pending proceeding.
- 5           2. With respect to claims against a corporation that does not give notice:
- 6           a. If a corporation has paid or provided for all known creditors or claimants at the  
7           time articles of dissolution are filed, a creditor or claimant who does not file a  
8           claim or pursue a remedy, in a legal, administrative, or arbitration proceeding  
9           within two years after the date of filing the notice of intent to dissolve is barred  
10           from suing on that claim or otherwise realizing upon or enforcing it.
- 11           b. If the corporation has not paid or provided for all known creditors and  
12           claimants at the time articles of dissolution are filed, a person who does not  
13           file a claim or pursue a remedy in a legal, administrative, or arbitration  
14           proceeding within two years after the date of filing the notice of intent to  
15           dissolve is barred from suing on that claim or otherwise realizing upon or  
16           enforcing it, except as provided in section 10-19.1-124.

17           **SECTION 20. AMENDMENT.** Section 10-19.1-112 of the North Dakota Century Code  
18 is amended and reenacted as follows:

19           **10-19.1-112. Revocation of dissolution proceedings.**

- 20           1. Dissolution proceedings commenced pursuant to section 10-19.1-107 may be  
21           revoked prior to filing of articles of dissolution.
- 22           2. Written notice must be given to every shareholder entitled to vote at a  
23           shareholders' meeting within the time and in the manner provided in section  
24           10-19.1-73 for notice of meetings of shareholders and must state that a purpose of  
25           the meeting is to consider the advisability of revoking the dissolution proceedings.  
26           The proposed revocation must be submitted to the shareholders at the meeting. If  
27           the proposed revocation is approved at a meeting by the affirmative vote of the  
28           holders of a majority of the voting power of all shares entitled to vote, the  
29           dissolution proceedings are revoked.

1           3.    Revocation of dissolution proceedings is effective when a notice of revocation is  
2                    filed with the secretary of state, ~~together~~ with the fees provided in ~~chapter 10-23~~  
3                    section 10-19.1-147. The corporation may thereafter resume business.

4           **SECTION 21. AMENDMENT.** Section 10-19.1-113.1 is amended and reenacted as  
5 follows:

6           **10-19.1-113.1. Filing of articles of dissolution - Effective date of dissolution -**  
7 **Certificate.**

- 8           1.    An original of the articles of dissolution must be filed with the secretary of state. If  
9                    the secretary of state finds that the articles of dissolution conform to law and that  
10                   all fees have been paid under ~~chapter 10-23~~ section 10-19.1-147, the secretary of  
11                   state shall issue a certificate of dissolution.
- 12           2.    When the certificate of dissolution has been issued by the secretary of state, the  
13                   corporation is dissolved.
- 14           3.    The secretary of state shall issue to the dissolved corporation, or its legal  
15                   representative, a certificate of dissolution that contains:
- 16                   a.    The name of the corporation;
- 17                   b.    The date the articles of dissolution were filed with the secretary of state; and
- 18                   c.    A statement that the corporation was dissolved.

19           **SECTION 22. AMENDMENT.** Section 10-19.1-129 of the 1997 Supplement to the  
20 North Dakota Century Code is amended and reenacted as follows:

21           **10-19.1-129. Service of process on corporation and nonresident directors.**

- 22           1.    The registered agent must be an agent of the corporation and any nonresident  
23                   director upon whom any process, notice, or demand required or permitted by law  
24                   to be served on the corporation or director may be served. Acceptance of a  
25                   directorship includes the appointment of the secretary of state as an agent for  
26                   personal service of legal process, notice, or demand.
- 27           2.    A process, notice, or demand required or permitted by law to be served upon a  
28                   corporation may be served either upon the registered agent of the corporation, or  
29                   upon an officer of the corporation, or upon the secretary of state as provided in this  
30                   section.

- 1           3. If neither the corporation's registered agent nor an officer of the corporation can be  
2           found at the registered office, or if a corporation fails to maintain a registered agent  
3           in this state and an officer of the corporation cannot be found at the registered  
4           office, then the secretary of state is the agent of the corporation upon whom the  
5           process, notice, or demand may be served. The return of the sheriff, or the  
6           affidavit of a person who is not a party, that no registered agent or officer can be  
7           found at the registered office must be provided to the secretary of state. Service  
8           on the secretary of state of any process, notice, or demand is deemed personal  
9           service upon the corporation and must be made by filing with the secretary of state  
10          an original and two copies of the process, notice, or demand, ~~along~~ with the fees  
11          provided in ~~chapter 10-23~~ section 10-19.1-147. The secretary of state shall  
12          immediately forward, by registered mail, addressed to the corporation at its  
13          registered office, a copy of the process, notice, or demand. Service on the  
14          secretary of state is returnable in not less than thirty days notwithstanding a  
15          shorter period specified in the process, notice, or demand.
- 16          4. Process, notice, or demand may be served on a dissolved corporation as provided  
17          in this subsection. The court shall determine if service is proper. If a corporation  
18          has voluntarily dissolved or a court has entered a decree of dissolution, service  
19          may be made according to subsection 2 so long as claims are not finally barred  
20          under section 10-19.1-124. If a corporation has been involuntarily dissolved  
21          pursuant to ~~section 10-23-02.2~~, service may be made according to subsection 2.
- 22          5. A record of all processes, notices, and demands served upon the secretary of  
23          state under this section, including the date of service and the action taken with  
24          reference to it must be maintained in the office of the secretary of state.
- 25          6. Nothing in this section limits the right to serve any process, notice, or demand  
26          required or permitted by law to be served upon a corporation in any other manner  
27          permitted by law.

28           **SECTION 23. AMENDMENT.** Section 10-30-05 of the North Dakota Century Code is  
29   amended and reenacted as follows:

1           **10-30-05. Business Corporation Act to apply.** The provisions of ~~chapters~~ chapter  
2 10-19.1, ~~10-22, and 10-23~~ apply to state development corporations as they may be applicable  
3 and not inconsistent with this chapter.

4           **SECTION 24. AMENDMENT.** Subsection 1 of section 10-30.1-04 of the North Dakota  
5 Century Code is amended and reenacted as follows:

6           1. To carry out the purposes of this chapter, venture capital corporations may be  
7 formed under ~~chapters~~ chapter 10-19.1 ~~through 10-23~~ if a corporation; or under  
8 chapter 10-32 if a limited liability company. The articles of incorporation or articles  
9 of organization of a venture capital corporation must comply with subsections 2  
10 through 9.

11           **SECTION 25. AMENDMENT.** Section 10-30.5-04 of the North Dakota Century Code is  
12 amended and reenacted as follows:

13           **10-30.5-04. Powers.** The corporation must be organized as a nonprofit corporation  
14 ~~under chapter 10-24~~. In addition to the powers in chapter ~~10-24~~ 10-33, the corporation may:

15           1. Cooperate and contract with any private or public entity.  
16           2. Receive appropriations from the legislative assembly and other public moneys as  
17 well as contributions from other private or public contributors.

18           **SECTION 26. AMENDMENT.** Subsections 2, 3, and 4 of section 10-32-07 of the 1997  
19 Supplement to the North Dakota Century Code are amended and reenacted as follows:

20           2. The following provisions govern a limited liability company unless modified in the  
21 articles of organization or a member central agreement under section 10-32-50:  
22           a. A limited liability company has general business purposes as provided in  
23 section 10-32-04;  
24           b. A limited liability company has certain powers as provided in section  
25 10-32-23;  
26           c. The power to adopt, amend, or repeal the operating agreement is vested in  
27 the board of governors as provided in section 10-32-68;  
28           d. A limited liability company must allow cumulative voting for governors as  
29 provided in section 10-32-76;  
30           e. The affirmative vote of a majority of governors present is required for an  
31 action of the board of governors as provided in section 10-32-83;

- 1 f. A written action by the board of governors taken without a meeting must be  
2 signed by all governors as provided in section 10-32-84;
- 3 g. The board may accept contributions, make contribution agreements, and  
4 make contribution allowance agreements as provided in subsection 1 of  
5 section 10-32-56 and sections 10-32-58 and 10-32-59;
- 6 h. All membership interests are ordinary membership interests entitled to vote  
7 and are of one class with no series as provided in subdivisions a and b of  
8 subsection 5 of section 10-32-56;
- 9 i. All membership interests have equal rights and preferences in all matters not  
10 otherwise provided for by the board of governors as provided in subdivision b  
11 of subsection 5 of section 10-32-56;
- 12 j. The restatement of value of previous contributions is to be determined  
13 according to a specified process as provided in subsections 3 and 4 of  
14 section 10-32-57;
- 15 k. A member has certain preemptive rights, unless otherwise provided by the  
16 board of governors as provided in section 10-32-37;
- 17 l. The affirmative vote of the owners of a majority of the voting power of the  
18 membership interests present and entitled to vote at a duly held meeting is  
19 required for an action of the members, except where this chapter requires the  
20 affirmative vote of a majority of the voting power of all membership interests  
21 entitled to vote as provided in subsection 1 of section 10-32-43;
- 22 m. The voting power of each membership interest is in proportion to the value  
23 reflected in the required records of the contributions of the members as  
24 provided in section ~~40-32-45~~ 10-32-40.1;
- 25 n. Members share in distributions in proportion to the value reflected in the  
26 required records of the contributions of members as provided in section  
27 10-32-60;
- 28 o. Members share profits and losses in proportion to the value reflected in the  
29 required records of the contributions of members as provided in section  
30 10-32-36;

- 1 p. A written action by the members taken without a meeting must be signed by  
2 all members as provided in section 10-32-43;
- 3 q. Members have no right to receive distributions in kind and the limited liability  
4 company has only limited rights to make distributions in kind as provided in  
5 section 10-32-62;
- 6 r. A member is not subject to expulsion as provided in subsection 2 of section  
7 10-32-30;
- 8 s. Unanimous consent is required for the transfer of governance rights to a  
9 person not already a member as provided in subsection 2 of section  
10 10-32-32;
- 11 t. Unanimous consent is required to avoid dissolution as provided in  
12 subdivision e of subsection 1 of section 10-32-109; and
- 13 u. A limited liability company dissolves upon an occurrence of an event that  
14 terminates the continued membership of any member as provided in  
15 subsection 1 of section 10-32-109.
- 16 3. The following provisions govern a limited liability company unless modified either in  
17 the articles of organization, a member central agreement under section 10-32-50,  
18 or in the operating agreement:
- 19 a. Governors serve for an indefinite term that expires at the next regular meeting  
20 of members as provided in section 10-32-72;
- 21 b. The compensation of governors is fixed by the board of governors as  
22 provided in section 10-32-74;
- 23 c. A certain method must be used for removal of governors as provided in  
24 section 10-32-78;
- 25 d. A certain method must be used for filling board of governor vacancies as  
26 provided in section 10-32-79;
- 27 e. If the board of governors fails to select a place for a board meeting, it must be  
28 held at the principal executive office as provided in subsection 1 of section  
29 10-32-80;
- 30 f. The notice of a board of governors meeting need not state the purpose of the  
31 meeting as provided in subsection 3 of section 10-32-80;

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- 1 g. A majority of the board of governors is a quorum for a board meeting as  
2 provided in section 10-32-82;
- 3 h. A committee consists of one or more individuals, who need not be governors,  
4 appointed by affirmative vote of a majority of the governors present as  
5 provided in subsection 2 of section 10-32-85;
- 6 i. The board may establish a special litigation committee as provided in section  
7 10-32-85;
- 8 j. The president and treasurer have specified duties, until the board of  
9 governors determines otherwise as provided in section 10-32-89;
- 10 k. Managers may delegate some or all of their duties and powers, if not  
11 prohibited by the board of governors from doing so as provided in section  
12 10-32-95;
- 13 l. Regular meetings of members need not be held, unless demanded by a  
14 member under certain conditions as provided in section 10-32-38;
- 15 m. In all instances where a specific minimum notice period has not otherwise  
16 been fixed by law, not less than ten days' notice is required for a meeting of  
17 members as provided in subsection 2 of section 10-32-40;
- 18 n. For a quorum at a members' meeting there is required a majority of the voting  
19 power of the membership interests entitled to vote at the meeting as provided  
20 in section 10-32-44;
- 21 o. The board of governors may fix a date up to fifty days before the date of a  
22 members' meeting as the date for the determination of the members entitled  
23 to notice of and entitled to vote at the meeting as provided in ~~subsection 1 of~~  
24 ~~section 10-32-45~~ 10-32-40.1;
- 25 p. Indemnification of certain persons is required as provided in section 10-32-99;
- 26 q. The board of governors may authorize, and the limited liability company may  
27 make, distributions not prohibited, limited, or restricted by an agreement as  
28 provided in subsection 1 of section 10-32-64; and
- 29 r. Members have no right to interim distributions except as provided through the  
30 operating agreement or an act of the board of governors as provided in  
31 section 10-32-61.

- 1           4. The following provisions relating to the management of the business or the  
2 regulation of the affairs of a limited liability company may be included either in the  
3 articles of organization, a member central agreement under section 10-32-50, or,  
4 except for naming persons to serve as the first board of governors, fixing a greater  
5 than majority governor or member vote, establishing the rights and priorities for  
6 distributions and the rights to share in profits and losses, or giving or prescribing  
7 the manner of giving voting rights to persons other than members otherwise than  
8 pursuant to the articles of organization, or eliminating or limiting a governor's  
9 personal liability, in the operating agreement:
- 10           a. The persons to serve as the first board of governors may be named in the  
11 articles of organization as provided in subsection 1 of section 10-32-69;
- 12           b. A manner for increasing or decreasing the number of governors may be  
13 provided as provided in section 10-32-70;
- 14           c. Additional qualifications for governors may be imposed as provided in section  
15 10-32-71;
- 16           d. Governors may be classified as provided in section 10-32-75;
- 17           e. The date, time, and place of board of governors meetings may be fixed as  
18 provided in subsection 1 of section 10-32-80;
- 19           f. Absent governors may be permitted to give written consent or opposition to a  
20 proposal as provided in section 10-32-81;
- 21           g. A larger than majority vote may be required for board of governor action as  
22 provided in section 10-32-83;
- 23           h. Authority to sign and deliver certain documents may be delegated to a  
24 manager or agent of the limited liability company other than the president as  
25 provided in section 10-32-89;
- 26           i. Additional managers may be designated as provided in section 10-32-88;
- 27           j. Additional powers, rights, duties, and responsibilities may be given to  
28 managers as provided in section 10-32-89;
- 29           k. A method for filling vacant offices may be specified as provided in  
30 subsection 3 of section 10-32-94;

- 1           l.    The date, time, and place of regular member meetings may be fixed as  
2                    provided in subsection 3 of section 10-32-38;
- 3           m.   Certain persons may be authorized to call special meetings of members as  
4                    provided in subsection 1 of section 10-32-39;
- 5           n.    Notices of member meetings may be required to contain certain information  
6                    as provided in subsection 3 of section 10-32-40;
- 7           o.    A larger than majority vote may be required for member action as provided in  
8                    section 10-32-42;
- 9           p.    Voting rights may be granted in or pursuant to the articles of organization to  
10                   persons who are not members as provided in ~~subsection 3 of section~~  
11                   ~~40-32-45~~ 10-32-40.1;
- 12           q.    Limited liability company actions giving rise to dissenter rights may be  
13                    designated as provided in subdivision d of subsection 1 of section 10-32-55;  
14                    and
- 15           r.    A governor's personal liability to the limited liability company or its members  
16                    for monetary damages for breach of fiduciary duty as a governor may be  
17                    eliminated or limited in the articles as provided in subsection 4 of section  
18                    10-32-86.

19           **SECTION 27. AMENDMENT.** Subdivision b of subsection 5 of section 10-32-56 of the  
20 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- 21           b.    Be ordinary membership interests entitled to vote as provided in section  
22                   ~~40-32-45~~ 10-32-40.1, and have equal rights and preferences in all matters not  
23                    otherwise provided for by the board of governors unless and to the extent that  
24                    the articles of organization have fixed the relative rights and preferences of  
25                    different classes and series; and

26           **SECTION 28. AMENDMENT.** Subsection 4 of section 10-32-107 of the 1997  
27 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- 28           4.    If the surviving organization in a merger will be a foreign corporation or foreign  
29                   limited liability company and will transact business in this state, it shall comply, as  
30                   the case may be, with the provisions of chapter ~~40-22~~ 10-19.1 with respect to  
31                   foreign corporations or with the provisions of this chapter with respect to foreign

- 1 limited liability companies. In every case the surviving foreign corporation or  
2 foreign limited liability company shall file with the secretary of state:
- 3 a. An agreement that it may be served with process in this state in a proceeding  
4 for the enforcement of an obligation of a constituent organization and in a  
5 proceeding for the enforcement of the rights of a dissenting owner of an  
6 ownership interest of a constituent organization against the surviving foreign  
7 corporation or foreign limited liability company;
- 8 b. An irrevocable appointment of the secretary of state as its agent to accept  
9 service of process in any proceeding, and an address to which process may  
10 be forwarded; and
- 11 c. An agreement that it will promptly pay to the dissenting owners of ownership  
12 interests of each constituent domestic limited liability company and  
13 constituent domestic corporation the amount, if any, to which they are entitled  
14 under section 10-19.1-88 or 10-32-55, as the case may be.

15 **SECTION 29. AMENDMENT.** Subdivision j of subsection 5 of section 10-33-06 of the  
16 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- 17 j. A corporation may issue membership certificates, or preferred or common  
18 shares as the board deems appropriate as provided in section ~~10-31-58~~  
19 10-33-58.

20 **SECTION 30. AMENDMENT.** Subsection 24 of section 10-33-21 of the 1997  
21 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- 22 24. Except where the trust instrument prescribes otherwise, a corporation may invest  
23 trust property or its proceeds in accordance with ~~section 59-02-08~~ sections  
24 59-02-08.1 through 59-02-08.11.

25 **SECTION 31. AMENDMENT.** Subsection 3 of section 11-10.2-01 of the North Dakota  
26 Century Code is amended and reenacted as follows:

- 27 3. This option is available in addition to, or in lieu of, other county structural options  
28 authorized under this title, unless a specific mandate for combining or separating  
29 particular county offices is otherwise provided by law. ~~The office of county judge is~~  
30 ~~excluded from the application of this chapter.~~

1           **SECTION 32. AMENDMENT.** Subdivision b of subsection 3 of section 12.1-32-15 of  
2 the North Dakota Century Code is amended and reenacted as follows:

3           b. Has pled guilty or nolo contendere to, or been found guilty of, an offense in a  
4 court of another state or the federal government equivalent to those offenses  
5 set forth in subdivisions a and e f of subsection 1; or

6           **SECTION 33. AMENDMENT.** Section 16.1-01-07 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8           **16.1-01-07. Constitutional amendments and other questions to be advertised -**

9 **Notification by secretary of state - Manner of publishing.** Whenever a proposed  
10 constitutional amendment or other question is to be submitted to the people of the state for  
11 popular vote, the secretary of state shall, not less than fifty-five days before the election, certify  
12 the amendment or other question to each county auditor and each auditor shall cause notice  
13 thereof to be included in the notice required by section 16.1-13-05. Questions to be submitted  
14 to the people of a particular county must be advertised in the same manner.

15           The secretary of state shall, at the same time the secretary of state certifies notice to  
16 the county auditors of the submission of a constitutional amendment or other question, certify  
17 the ballot form for such questions. The ballot form must conform to the provisions of section  
18 16.1-06-09 and must be used by all county auditors in preparing ballots for submission to the  
19 electorate of each county and in the preparation of sample ballots. ~~Sample ballots must~~  
20 ~~conform in form and style to samples of such ballots contained in the legal publications~~  
21 ~~handbook prepared under subsection 5 of section 46-01-02.~~ Any requirements in this title that  
22 a sample ballot be published will be met by the publication of either the paper ballot or the  
23 ballot as it will appear to persons using a voting machine, depending upon the method of voting  
24 used in the area involved. Absentee voter ballots may not be considered in determining which  
25 method of voting is used in an area. If both paper ballots and voting machines are used in an  
26 area, both forms must be published as sample ballots to meet publication and notice  
27 requirements. For two consecutive weeks before the sample ballot is published, an analysis of  
28 any constitutional amendment, initiated measure, or referred measure, written by the secretary  
29 of state after consultation with the attorney general, must be published in columns to enable the  
30 electors to become familiar with the effect of the proposed constitutional amendment or initiated  
31 or referred measure.

1           **SECTION 34. AMENDMENT.** Subsection 3 of section 16.1-08.1-01 of the North  
2 Dakota Century Code is amended and reenacted as follows:

- 3           3. "Contribution" means a gift, subscription, loan, advance, or deposit of money,  
4           made for the purpose of influencing the nomination for election, or election, of any  
5           person to public office or aiding or opposing the circulation or passage of a  
6           statewide initiative or referendum petition or measure. Contribution also means a  
7           contract, promise, or agreement, express or implied, whether or not legally  
8           enforceable, to make a contribution for any of the above purposes, and includes  
9           funds received by a political committee which are transferred to that committee  
10          from another political committee or other source. This definition does not include:  
11          a. A loan of money from a bank or other lending institution made in the regular  
12          course of business.  
13          b. Time spent by volunteer campaign or political party workers.  
14          c. Money spent by a candidate on the candidate's own behalf.  
15          d. Any money received from a district or state committee of a political party, as  
16          established pursuant to sections ~~16.1-03-06~~ 16.1-03-07 and 16.1-03-08,  
17          except for contributions reported pursuant to section 16.1-08.1-03.

18           **SECTION 35. AMENDMENT.** Section 18-08-12 of the North Dakota Century Code is  
19 amended and reenacted as follows:

20           **18-08-12. Annual fire inspection of state buildings and institutions.** An annual fire  
21 inspection shall be performed at each state institution and building. The state fire marshal shall  
22 ~~annually~~ inspect annually the state penitentiary ~~and, the James River correctional center, the~~  
23 Missouri River correctional center, the North Dakota youth correctional center, and the state  
24 hospital, ~~and san haven~~. The annual inspection of all other state institutions and buildings ~~shall~~  
25 must be made by the fire department of the city or fire protection district in which the institution  
26 or building is located, at the direction of the officer in charge of the institution or building, who  
27 shall prepare a report based upon the findings of the fire inspection. The report, which ~~shall~~  
28 must contain specifications of any violations, ~~shall~~ must be submitted to the responsible board,  
29 agency, or commission and a copy of the report ~~shall~~ must be submitted to the state fire  
30 marshal. If the report indicates that any violations can be corrected within the current budget of  
31 the responsible board, agency, or commission, action to correct the violations, unless good

1 cause can be demonstrated to the attorney general, ~~shall~~ must be initiated within thirty days of  
2 receipt of the report by the responsible board, agency, or commission. For purposes of this  
3 section, a "fire inspection" is a procedure performed in accordance with standards set forth in  
4 the uniform building code, the code of the building officials and code administrators, or the code  
5 of the national fire protection association.

6 **SECTION 36. AMENDMENT.** Section 20.1-08-04.6 of the 1997 Supplement to the  
7 North Dakota Century Code is amended and reenacted as follows:

8 **20.1-08-04.6. Governor's proclamation concerning the hunting of elk - Rocky**  
9 **mountain elk foundation raffle.** The governor may by proclamation provide for a season to  
10 hunt elk in a manner, number, places, and times as the governor prescribes. Licenses to hunt  
11 elk must be issued by lottery, except as provided under subsection 7 of section 20.1-03-11,  
12 with only residents eligible to apply; however, the governor may by proclamation make  
13 available to the rocky mountain elk foundation a license to hunt elk in a manner, places, and  
14 times as the governor prescribes. The rocky mountain elk foundation shall hold a raffle under  
15 rules adopted by the commissioner with only residents eligible to participate. No more than ten  
16 percent of the gross proceeds of the raffle may be used to promote the raffle and all net  
17 proceeds must be used for elk management and related projects in North Dakota as described  
18 under rocky mountain elk foundation policies and objectives. The rocky mountain elk  
19 foundation shall submit reports concerning the raffle as the commissioner requires. Except for  
20 landowners who receive special elk depredation management licenses issued to landowners of  
21 under subsection 7 of section 20.1-03-11 and persons who receive a special elk depredation  
22 management license issued by lottery under this section, a person may only receive one  
23 license to hunt elk issued by lottery and one nontransferable license to hunt elk through the  
24 rocky mountain elk foundation raffle in a lifetime.

25 **SECTION 37. AMENDMENT.** Section 21-10-06 of the 1997 Supplement to the North  
26 Dakota Century Code is amended and reenacted as follows:

27 **21-10-06. Funds under management of board - Accounts.** The board is charged  
28 with the investment of the following funds:

- 29 1. State bonding fund.
- 30 2. Teachers' fund for retirement.
- 31 3. State fire and tornado fund.

- 1           4.   Workers' compensation fund.
- 2           5.   ~~Veterans' home improvement fund, in accordance with section 37-15-14.1.~~
- 3           ~~6.~~   National guard tuition trust fund.
- 4           ~~7.~~   6.   Public employees retirement system.
- 5           ~~8.~~   7.   Insurance regulatory trust fund.
- 6           ~~9.~~   8.   State risk management fund.
- 7           ~~10.~~ 9.   Veterans' cemetery trust fund.

8           Separate accounting must be maintained for each of the above funds. When it is  
9 deemed advantageous, the moneys of the individual funds may be commingled for investment  
10 purposes.

11           The state investment board may provide investment services to, and manage the  
12 money of, any agency, institution, or political subdivision of the state, subject to agreement with  
13 the industrial commission. The scope of services to be provided by the state investment board  
14 to the agency, institution, or political subdivision must be specified in a written contract. The  
15 state investment board may charge a fee for providing investment services and any revenue  
16 collected must be deposited in the state retirement and investment fund.

17           **SECTION 38. AMENDMENT.** Subsection 2 of section 23-06.4-03 of the 1997  
18 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- 19           2.   If the declarant is a resident of a long-term care facility, as defined in section  
20           50-10.1-01, at the time the declaration is executed, one of the two witnesses to the  
21           declaration must be a recognized member of the clergy, an attorney licensed to  
22           practice in this state, or a person as may be designated by the department of  
23           human services or the ~~county~~ district court for the county in which the facility is  
24           located.

25           **SECTION 39. AMENDMENT.** Subsection 2 of section 23-06.5-10 of the 1997  
26 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- 27           2.   A durable power of attorney for health care is not effective if, at the time of  
28           execution, the principal is a resident of a long-term care facility unless a  
29           recognized member of the clergy, an attorney licensed to practice in this state, or a  
30           person as may be designated by the department of human services or the ~~county~~  
31           district court for the county in which the facility is located, signs a statement

1 affirming that the person has explained the nature and effect of the durable power  
2 of attorney for health care to the principal or unless the principal acknowledges in  
3 writing that the principal has read the explanation prefacing the statutory form in  
4 section 23-06.5-17 or a similar written explanation of the nature and effect of a  
5 durable power of attorney for health care. It is the intent of this subsection to  
6 recognize that some residents of long-term care facilities are insulated from a  
7 voluntary decisionmaking role, by virtue of the custodial nature of their care, so as  
8 to require special assurance that they are capable of willingly and voluntarily  
9 executing a durable power of attorney for health care.

10 **SECTION 40. AMENDMENT.** Subsection 12 of section 25-03.1-02 of the North  
11 Dakota Century Code is amended and reenacted as follows:

12 12. "Private treatment facility" means any facility established under ~~chapters~~ chapter  
13 10-19.1, 10-22, and 10-24 or 10-33 and licensed under chapter 23-16 or 23-17.1.

14 **SECTION 41. AMENDMENT.** Section 26.1-17-02 of the North Dakota Century Code is  
15 amended and reenacted as follows:

16 **26.1-17-02. Nonprofit health service corporations authorized.** A health service  
17 corporation must be organized under this chapter and, to the extent applicable, under chapter  
18 ~~40-24~~ 10-33 for the purposes of establishing and putting into effect a health service plan  
19 whereby one or more kinds of health service is provided to subscribers under a contract  
20 entitling each subscriber to certain specified health service. Any corporation subject to this  
21 chapter is not subject to the laws of this state relating to insurance and insurance companies,  
22 except as specifically provided in such laws. This chapter applies only to corporations  
23 organized pursuant to its provisions, except as specifically provided otherwise.

24 **SECTION 42. AMENDMENT.** Section 26.1-17-33 of the North Dakota Century Code is  
25 amended and reenacted as follows:

26 **26.1-17-33. Liquidation - Dissolution - Merger - Consolidation.** Any involuntary  
27 liquidation and dissolution of a health service corporation is governed by chapter 26.1-07. Any  
28 voluntary liquidation and dissolution is governed by chapter ~~40-26~~ 10-33. Any merger or  
29 consolidation of a health service corporation is subject to the approval of the commissioner in  
30 accordance with the procedures set forth in chapter 26.1-07, but the consolidation or merger  
31 must be accomplished under chapter ~~40-25~~ 10-33.

1           **SECTION 43. AMENDMENT.** Subsection 1 of section 26.1-18.1-02 of the North  
2 Dakota Century Code is amended and reenacted as follows:

3           1. Notwithstanding any law of this state to the contrary, any person may apply to the  
4 commissioner for a certificate of authority to establish and operate a health  
5 maintenance organization in compliance with this chapter. No person may  
6 establish or operate a health maintenance organization in this state, without  
7 obtaining a certificate of authority under this chapter. A foreign corporation may  
8 qualify under this chapter, subject to ~~its registration to do business in this state~~  
9 obtaining a certificate of authority as a foreign corporation under section ~~40-22-04~~  
10 10-19.1-136 and compliance with all provisions of this chapter and other applicable  
11 state laws.

12           **SECTION 44. AMENDMENT.** Subsection 1 of section 26.1-19-04 of the North Dakota  
13 Century Code is amended and reenacted as follows:

14           1. Notwithstanding any law of this state to the contrary, any person may apply to the  
15 commissioner for and obtain a certificate of authority to establish and operate a  
16 prepaid legal services organization in compliance with this chapter. A person may  
17 not establish or operate a prepaid legal services organization in this state, or sell,  
18 offer to sell, or solicit offers to purchase or receive advance or periodic  
19 considerations in conjunction with a prepaid legal services plan without obtaining a  
20 certificate of authority under this chapter. A foreign corporation may similarly apply  
21 for a certificate of authority under this chapter, subject to ~~its registration to do~~  
22 ~~business in this state~~ obtaining a certificate of authority as a foreign corporation  
23 under ~~chapter 10-22~~ section 10-19.1-136.

24           **SECTION 45. AMENDMENT.** Section 26.1-49-03 of the North Dakota Century Code is  
25 amended and reenacted as follows:

26           **26.1-49-03. Powers.** In addition to the powers granted a cooperative under chapter  
27 10-15, a health provider cooperative has the powers granted a nonprofit corporation under  
28 chapter ~~40-24~~ 10-33. The power granted under chapter 10-15 controls over any inconsistent  
29 power granted by chapter ~~40-24~~ 10-33.

30           **SECTION 46. AMENDMENT.** Section 28-04-05.1 of the 1997 Supplement to the North  
31 Dakota Century Code is amended and reenacted as follows:

1           **28-04-05.1. Venue of trials.** Notwithstanding any other provision of this chapter, if the  
2 county seats of adjoining counties are less than ten miles [~~16.10 kilometers~~] apart and are  
3 located in the same judicial district, the district court ~~or county court~~ may hold any trial or  
4 hearing in either county. In the case of a jury trial, the jury panel must be composed of  
5 residents of the county of venue as would otherwise be determined under this chapter even if  
6 the case is not tried in that county.

7           **SECTION 47. AMENDMENT.** Section 29-12-05 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9           **29-12-05. Bench warrant, misdemeanor, infraction, or bailable felony.** If an  
10 offense is a misdemeanor, an infraction, or a bailable felony, the bench warrant issued must be  
11 in a form similar to form ~~40~~ 12 as contained in the appendix to the North Dakota Rules of  
12 Criminal Procedure, but must add to the body thereof a direction to the following effect, "or if he  
13 the person requires it, that you take ~~him~~ the person before any magistrate of that county or in  
14 the county in which you arrest ~~him~~ the person, that ~~he~~ the person may give bail to answer the  
15 information (or indictment)".

16           **SECTION 48. AMENDMENT.** Section 30.1-15-02 of the North Dakota Century Code is  
17 amended and reenacted as follows:

18           **30.1-15-02. (3-402) Formal testacy or appointment proceedings - Petition -**  
19 **Contents.**

- 20           1. Petitions for formal probate of a will, or for adjudication of intestacy with or without  
21 request for appointment of a personal representative, must be directed to the  
22 court, request a judicial order after notice and hearing, and contain further  
23 statements as indicated in this section. A petition for formal probate of a will:
- 24           a. Requests an order as to the testacy of the decedent in relation to a particular  
25           instrument which may or may not have been informally probated and  
26           determining the heirs.
  - 27           b. Contains the statements required for informal applications as stated in ~~the five~~  
28           ~~subdivisions under~~ paragraphs 1 through 6 of subdivision a of subsection 1 of  
29           section 30.1-14-01 and the statements required by ~~subdivisions b and c of~~  
30           ~~subsection 2~~ paragraphs 2 and 3 of subdivision b of subsection 1 of section  
31           30.1-14-01.

1           c. States whether the original of the last will of the decedent is in the possession  
2           of the court or accompanies the petition.

3           If the original will is neither in the possession of the court nor accompanies the  
4           petition and no authenticated copy of a will probated in another jurisdiction  
5           accompanies the petition, the petition also must state the contents of the will, and  
6           indicate that it is lost, destroyed, or otherwise unavailable.

7           2. A petition for adjudication of intestacy and appointment of an administrator in  
8           intestacy must request a judicial finding and order that the decedent left no will and  
9           determining the heirs, contain the statements required by ~~subsections 1 and 4~~  
10          subdivisions a and d of subsection 1 of section 30.1-14-01 and indicate whether  
11          supervised administration is sought. A petition may request an order determining  
12          intestacy and heirs without requesting the appointment of an administrator, in  
13          which case the statements required by ~~subdivision b of subsection 4 paragraph 2~~  
14          of subdivision d of subsection 1 of section 30.1-14-01 may be omitted.

15          **SECTION 49. AMENDMENT.** Section 30.1-29-26 of the 1997 Supplement to the North  
16          Dakota Century Code is amended and reenacted as follows:

17          **30.1-29-26. (5-426) Enlargement or limitation of powers of conservator.** Subject  
18          to the restrictions in subdivision d of subsection 2 of section 30.1-29-08, the court may confer  
19          on a conservator at the time of appointment or later, in addition to the powers conferred on the  
20          conservator by sections 30.1-29-24 and 30.1-29-25, any power which the court itself could  
21          exercise under ~~subsections 2 and 3~~ subdivisions b and c of subsection 2 of section 30.1-29-08.  
22          The court may, at the time of appointment or later, limit the powers of a conservator otherwise  
23          conferred by sections 30.1-29-24 and 30.1-29-25, or previously conferred by the court, and  
24          may at any time relieve the conservator of any limitation. If the court limits any power conferred  
25          on the conservator by sections 30.1-29-24 and 30.1-29-25, the limitation shall be endorsed  
26          upon the conservator's letters of appointment.

27          **SECTION 50. AMENDMENT.** Section 32-03-36 of the North Dakota Century Code is  
28          amended and reenacted as follows:

29          **32-03-36. Recovery not more than gained by performance.** Notwithstanding the  
30          provisions of this chapter, no person can recover a greater amount in damages for the breach  
31          of an obligation than the person could have gained by the full performance thereof on both

1 sides, except in the cases wherein exemplary damages or penal damages are authorized, and  
2 in the ~~eases~~ case specified in ~~sections 32-03-19, 32-03-26, and section~~ section 36-21-13.

3 **SECTION 51. AMENDMENT.** Section 36-01-08.1 of the 1997 Supplement to the North  
4 Dakota Century Code is amended and reenacted as follows:

5 **36-01-08.1. ~~Captive wildlife~~ Nontraditional livestock license - Fee.** The board of  
6 animal health may require a license for ~~captive wildlife~~ nontraditional livestock maintained  
7 within this state. The annual fee for a license for a bird species required to be licensed is five  
8 dollars. The maximum amount of annual fees for bird species licenses to be paid by a person  
9 holding more than one bird species license is twenty-five dollars. The annual fee for a license  
10 for any other species required to be licensed is ten dollars. The maximum amount of annual  
11 fees for nonbird species licenses to be paid by a person holding more than one nonbird species  
12 license is seventy-five dollars.

13 **SECTION 52. AMENDMENT.** Section 37-15-16 of the North Dakota Century Code is  
14 amended and reenacted as follows:

15 **37-15-16. Commandant shall take charge of unclaimed estates of small value.** If a  
16 member of the veterans' home dies leaving property of the value of three thousand dollars or  
17 less, the commandant immediately shall take charge of such property. If within forty-five days  
18 of the date of death no valid claim of any heir or devisee is made for the property and no  
19 application or petition has been filed for issuance of letters of administration, the commandant  
20 shall convert the property into cash without probate or other proceedings and make payment in  
21 the following order:

- 22 1. Reasonable funeral expenses.
- 23 2. Reasonable and necessary medical and hospital expenses of the last illness of the  
24 decedent.

25 If any cash remains the commandant shall deposit the cash with the state treasurer who shall  
26 credit it to the veterans' home ~~improvement~~ operating fund. The commandant shall make a  
27 report of the commandant's action to the administrative committee on veterans' affairs. The  
28 report must be audited by, and included in the records of, the committee.

29 **SECTION 53. AMENDMENT.** Section 37-15-17 of the North Dakota Century Code is  
30 amended and reenacted as follows:

1           **37-15-17. Intestate members leaving estates valued in excess of three thousand**  
2 **dollars - Commandant to administer.** If a member of the veterans' home dies leaving  
3 property in excess of three thousand dollars in value not disposed of by will, the commandant is  
4 entitled to letters of administration upon such estate. ~~He~~ The commandant shall ~~make~~  
5 ~~application~~ apply to the proper court for letters of administration, qualify as administrator, and  
6 distribute and dispose of such estate as is provided by this code. If no valid claim is made to  
7 such estate by the heirs or the next of kin of the deceased member for a period of one year  
8 after the granting of letters of administration, the residue of the estate must be deposited with  
9 the state treasurer for the benefit of the veterans' home ~~improvement~~ operating fund.

10           **SECTION 54. AMENDMENT.** Section 37-15-21 of the 1997 Supplement to the North  
11 Dakota Century Code is amended and reenacted as follows:

12           **37-15-21. Commandant may accept gifts, donations, or bequests.** The  
13 commandant for and in behalf of the veterans' home is hereby authorized to accept and expend  
14 funds from any source, including federal or private sources and donations, gifts, or bequests  
15 offered or tendered to, or for the benefit of, the veterans' home to be used to benefit the  
16 veterans' home. All such moneys received or accepted must be used for the specific purposes  
17 for which they were given or donated. This authority shall apply and be retroactive to any or all  
18 gifts, donations, or bequests heretofore tendered, offered, or made. The veterans' home may  
19 establish and maintain its own local fund to administer moneys received under this section. All  
20 interest, rent, or income from moneys or property received under this section must be  
21 deposited in the veterans' home ~~improvement~~ operating fund unless by the terms of acquisition,  
22 the moneys are required to be maintained in a different manner.

23           **SECTION 55. AMENDMENT.** Section 38-08.1-03 of the North Dakota Century Code is  
24 amended and reenacted as follows:

25           **38-08.1-03. Deemed doing business within state - Resident agent.** A person must  
26 be deemed doing business within this state when engaged in geophysical exploration within the  
27 boundaries of this state, and shall, if not already qualified to do business within the state under  
28 chapter ~~40-22~~ 10-19.1, prior to such exploration, file with the secretary of state an authorization  
29 designating an agent for the service of process.

30           **SECTION 56. AMENDMENT.** Subsection 3 of section 38-08.1-03.1 of the 1997  
31 Supplement to the North Dakota Century Code is amended and reenacted as follows:

1           3. Upon filing the bond required by this section and presenting a certificate of  
2 authority to transact business in this state issued ~~pursuant to chapter 10-22~~ under  
3 section 10-19.1-136, a certificate of incorporation issued ~~pursuant to~~ under chapter  
4 10-19.1, or some other certificate issued by the secretary of state showing the  
5 name of the person designated as resident agent for service of process, the  
6 commission shall issue to the person desiring to engage in geophysical exploration  
7 or plugging operations or any subcontractor of that person a certificate showing  
8 that the bond has been filed and showing the name and address of the surety  
9 company and the name of the person designated resident agent for service of  
10 process.

11           **SECTION 57. AMENDMENT.** Section 40-51.2-05 of the 1997 Supplement to the North  
12 Dakota Century Code is amended and reenacted as follows:

13           **40-51.2-05. Notice - Petition of owners and electors - Mediation.**

14           1. The governing body may not take final action on a petition presented by owners  
15 and qualified electors until the petitioners have given notice of presentation of the  
16 petition by one publication in the official newspaper of the city as provided by  
17 section 40-01-09 and the governing body has mailed a notice of the time and place  
18 of consideration of the petition to the owner of each parcel of real property within  
19 the area described in the petition at the person's last known mailing address. The  
20 notice is not required to be sent to any owner of real property who signed a petition  
21 pursuant to section 40-51.2-03 or 40-51.2-04. If the land area petitioned to be  
22 annexed to the city lies within the extraterritorial zoning or subdivision regulation  
23 authority of another city, the governing body of the city must also mail the notice of  
24 the time and place of consideration of the petition to the governing body of the  
25 other city.

26           2. If the land area petitioned to be annexed to the city lies within the extraterritorial  
27 zoning or subdivision regulation authority of another city and written consent to  
28 annex the land area is not received from the governing body of the other city, the  
29 annexing city may either stop its pursuit of the annexation or submit the matter to a  
30 committee for mediation as provided in section 40-51.2-07.1. If mediation does not  
31 resolve the matter, the office of administrative hearings may be petitioned to hear

1 the matter in accordance with sections 40-51.2-08, 40-51.2-09, ~~40-51.2-10,~~  
2 40-51.2-11, 40-51.2-12, 40-51.2-13, 40-51.2-14, 40-51.2-15, 40-51.2-16, and  
3 40-51.2-17.

4 **SECTION 58. AMENDMENT.** Section 40-57.1-05 of the 1997 Supplement to the North  
5 Dakota Century Code is amended and reenacted as follows:

6 **40-57.1-05. Reapplication for tax exemption - Discretion of board of equalization.**

7 The municipality or the state board of equalization, ~~in its discretion,~~ upon the presentation of  
8 additional facts and circumstances which were not presented or discovered at the time of the  
9 original application for tax exemption under the provisions of this chapter, may accept  
10 reapplications from project operators at any time if the project operators first publish notice of  
11 application for tax exemption as required by this chapter.

12 **SECTION 59. AMENDMENT.** Subsection 4 of section 41-09-16 of the 1997  
13 Supplement to the North Dakota Century Code is amended and reenacted as follows:

14 4. A transaction, although subject to this chapter, is also subject to chapters ~~13-03~~  
15 13-03.1, 35-05, 49-09, and 51-13, and in the case of conflict between the  
16 provisions of this chapter and any such statute, the provisions of such statute  
17 control. Failure to comply with any applicable statute has only the effect which is  
18 specified therein.

19 **SECTION 60. AMENDMENT.** Section 43-07-19 of the North Dakota Century Code is  
20 amended and reenacted as follows:

21 **43-07-19. Nonresident contractors - Agent for service of process.** Every applicant  
22 for a contractor's license who is not a resident of the state of North Dakota shall furnish to the  
23 secretary of state ~~of the state of North Dakota~~ a written appointment by which such applicant  
24 appoints the secretary of state ~~of the state of North Dakota~~ as ~~his~~ the applicant's true and  
25 lawful agent upon whom may be served all lawful process in any action or proceeding against  
26 such nonresident contractor. Such appointment in writing shall be evidence of said contractor's  
27 consent that any such process against ~~him~~ the contractor which is so served upon the  
28 secretary of state shall be of the same legal force and effect as if served upon ~~him~~ the  
29 contractor personally within this state. Registered foreign corporations entitled to do business  
30 in this state according to chapter ~~40-22~~ 10-19.1 and registered foreign limited liability  
31 companies entitled to do business in the state according to chapter 10-32 and having a current

1 registered agent and registered address on file in the corporate division of the secretary of  
2 state's office need not appoint the secretary of state as agent for service of process under ~~the~~  
3 ~~provisions of~~ this section. Within ten days after service of the summons upon the secretary of  
4 state, notice of such service ~~together~~ with the summons and complaint in the action shall be  
5 sent to the defendant contractor at ~~his~~ the defendant contractor's last known address by  
6 registered or certified mail with return receipt requested and proof of such mailing shall be  
7 attached to the summons. The secretary of state shall keep a record of all process served  
8 upon ~~him~~ the secretary of state under ~~the provisions of~~ this section. ~~Such record shall show,~~  
9 showing the day and hour of service. Whenever service of process ~~shall have been~~ was made  
10 ~~as provided in~~ under this section, the court, before entering a default judgment, or at any stage  
11 of the proceeding, may order such continuance as may be necessary to afford the defendant  
12 contractor reasonable opportunity to defend any action pending against ~~him~~ the defendant  
13 contractor.

14 **SECTION 61. AMENDMENT.** Subsection 10 of section 43-17-02 of the 1997  
15 Supplement to the North Dakota Century Code is amended and reenacted as follows:

16 10. Any person rendering services as a ~~physician's trained~~ physician assistant, if such  
17 service is rendered under the supervision, control, and responsibility of a licensed  
18 physician ~~and provided that the~~. However, sections 43-17-02.1 and 43-17-02.2 do  
19 apply to physician assistants. The state board of medical examiners shall  
20 prescribe rules ~~and regulations~~ governing the conduct, activities, and supervision  
21 of ~~physicians' trained~~ physician assistants. ~~Physicians' trained~~ Physician  
22 assistants may not be authorized to perform any services which must be  
23 performed by persons licensed pursuant to chapters 43-12.1, 43-13, 43-15, and  
24 43-28 or services otherwise regulated by licensing laws, notwithstanding the fact  
25 that medical doctors need not be licensed specifically to perform the services  
26 contemplated under such chapters or licensing laws.

27 **SECTION 62. AMENDMENT.** Subsection 1 of section 43-17.1-06 of the 1997  
28 Supplement to the North Dakota Century Code is amended and reenacted as follows:

29 1. Subpoena witnesses and physician and hospital records relating to the practice of  
30 any physician under investigation. The confidentiality of the records by any other  
31 statute or law does not affect the validity of the commission's subpoena nor the

1           admissibility of the records ~~and in~~ board proceedings; however, the proceedings  
2           and records of a committee that are exempt from subpoena, discovery, or  
3           introduction into evidence under chapter 23-34 are not subject to this subsection.

4           **SECTION 63. AMENDMENT.** Subdivision h of subsection 1 of section 45-10.1-02 of  
5 the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

6           h.    May not be the same as, or deceptively similar to:

7           (1)   The name, whether foreign and authorized to do business in this state,  
8           or domestic, unless there is filed with the articles a document in  
9           compliance with subsection ~~2 of this section~~ 3, of:

10           (a)   Another limited partnership;

11           (b)   A corporation;

12           (c)   A limited liability company; or

13           (d)   A limited liability partnership; ~~or~~

14           (2)   A name the right to which is, at the time of organization, reserved in the  
15           manner provided in section 10-19.1-14, 10-32-11, 10-33-11,  
16           45-10.1-03, or 45-22-05;

17           (3)   A fictitious name registered in the manner provided in chapter 45-11; or

18           (4)   A trade name registered in the manner provided in chapter 47-25.

19           **SECTION 64. AMENDMENT.** Subsection 1 of section 47-15.1-03 of the 1997  
20 Supplement to the North Dakota Century Code is amended and reenacted as follows:

21           1.   A lessor shall include in a consumer rental purchase agreement:

22           a.   The total number, total amount, and timing of all payments necessary to  
23           acquire ownership of the property.

24           b.   A statement that the consumer does not own the property until the consumer  
25           has made the total payments necessary to acquire ownership.

26           c.   A statement that the consumer is responsible for the fair market value of the  
27           property at the time it is lost, stolen, damaged, or destroyed, if that is the  
28           intent of the lessor.

29           d.   A description of the leased property sufficient to identify the property to the  
30           consumer and the lessor, including any identification numbers, if applicable,  
31           in a statement indicating whether the property is new or used. A statement

- 1                    indicating that the property is used when in fact it is new is not a violation of  
2                    this chapter.
- 3                    e.    A statement of the cash price of the property. If the agreement includes a  
4                    lease of two or more items as a set, in one agreement, a statement of the  
5                    aggregate cash price of all the items is sufficient.
- 6                    f.    The total of initial payments paid or required to be paid at or before  
7                    consummation of the agreement or delivery of the property, whichever is  
8                    later.
- 9                    g.    A statement that the total amount of a payment does not include other  
10                    charges such as late payment penalties; default, pick-up, or reinstatement  
11                    fees; and other fees which must be separately disclosed in the contract.
- 12                    h.    A statement clearly summarizing the terms of the consumer's option to  
13                    purchase, including a statement that the consumer has the right to exercise  
14                    any early purchase options and the price or formula or method for  
15                    determining the price at which the property may be purchased at any given  
16                    time.
- 17                    i.    A statement identifying the party responsible for maintaining or servicing the  
18                    property while the property is being leased, together with a description of that  
19                    responsibility, and a statement that if any part of the manufacturer's express  
20                    warranty covers the leased property at the time the consumer acquires  
21                    ownership of the property, the warranty is transferred to the consumer, if  
22                    allowed by the terms of the warranty.
- 23                    j.    The date of the transaction, the identification of the lessor and consumer, and  
24                    the address where the property will be primarily located during the possession  
25                    of the consumer under the ~~commercial~~ consumer rental purchase agreement.
- 26                    k.    A statement that the consumer may terminate the agreement at any time  
27                    without penalty by voluntarily surrendering or returning the property in good  
28                    repair, ordinary wear and tear excepted, along with any payment of any past  
29                    due rent.
- 30                    l.    Notice of the right to reinstate an agreement as provided in this chapter.

1           m. A statement that the lessor is required by law to provide the consumer a  
2           written receipt, upon request by the consumer at the lessor's place of  
3           business, for each payment made by cash or money order.

4           **SECTION 65. AMENDMENT.** Subsection 3 of section 50-06-01.8 of the 1997  
5 Supplement to the North Dakota Century Code is amended and reenacted as follows:

6           3. The training, education, employment, and management program established under  
7           this section must provide for uniform and consistent treatment of income and  
8           assets in determining eligibility; provide for the creation of a uniform method of  
9           budgeting and computing benefits, a consistent certification period for the receipt  
10          of benefits, and uniform reporting requirements; provide for necessary child care to  
11          allow a participant to meet educational and employment goals; and provide for  
12          universal employment and training to assist individuals in becoming self-sufficient.  
13          The training, education, employment, and management program may be  
14          administered notwithstanding the requirements of section 50-01.2-03, ~~section~~  
15          ~~50-03-07~~, subsections 17 and 19 of section 50-06-05.1, chapter 50-09, and section  
16          50-11.1-11.1, relating to the administration of the temporary assistance for needy  
17          families, fuel assistance, and food stamp programs. The training, education,  
18          employment, and management program may require any participant to cooperate  
19          with child support enforcement efforts.

20          **SECTION 66. AMENDMENT.** Section 51-14-03.2 of the 1997 Supplement to the North  
21 Dakota Century Code is amended and reenacted as follows:

22          **51-14-03.2. Application of other provisions.** Credit extended by a seller or holder of  
23 a revolving charge agreement to a buyer is not subject to chapter ~~13-03~~, 13-03.1; or 47-14.

24          **SECTION 67. AMENDMENT.** Subsection 5 of section 53-06.2-11 of the 1997  
25 Supplement to the North Dakota Century Code is amended and reenacted as follows:

26          5. A licensee may not use any of the portion deducted for expenses under  
27          subsections 1 and 2 for expenses not directly incurred by the licensee in  
28          conducting parimutuel racing under the certificate system. After paying qualifying  
29          expenses, the licensee shall use the remainder of the amount so withheld only for  
30          eligible uses allowed to charitable gambling organizations under subsection ~~6 2~~ of  
31          section ~~53-06.1-04~~ 53-06.1-11.

1           **SECTION 68. AMENDMENT.** Subsection 1 of section 54-40-01 of the 1997  
2 Supplement to the North Dakota Century Code is amended and reenacted as follows:

3           1. Two or more governmental units or municipal corporations having in common any  
4 portion of their territory or boundary, by agreement entered into through action of  
5 their governing bodies, may jointly or cooperatively exercise their respective  
6 separate powers, or any power common to the contracting parties or any similar  
7 powers, including those which are the same except for the territorial limits within  
8 which they may be exercised for the purpose of acquiring, constructing, and  
9 maintaining any building for their joint use. The term "governmental unit" as used  
10 in this section includes ~~and means~~ every city, county, ~~town~~, park district, school  
11 district, states and United States governments and departments of each thereof,  
12 and all other political subdivisions even though not specifically named or referred  
13 to herein.

14           **SECTION 69. AMENDMENT.** Section 57-15-08 of the 1997 Supplement to the North  
15 Dakota Century Code is amended and reenacted as follows:

16           **57-15-08. ~~Tax~~ General fund levy limitations in cities.** The aggregate amount levied  
17 for general city purposes may not exceed an amount produced by a levy of thirty-eight mills on  
18 the taxable valuation of property in the city; ~~provided, that in cities.~~ Cities with a population of  
19 over five thousand ~~they be permitted to~~ may levy an additional one-half of one mill for each  
20 additional one thousand population in excess of five thousand, ~~and provided, further, that the~~  
21 up to a maximum levy for general city purposes ~~may not exceed of~~ forty mills, ~~except that a.~~ A  
22 city, when authorized by a majority vote of the electors of the city voting on the question ~~upon~~  
23 ~~the submission of such question~~ at a regularly scheduled or special election called for such  
24 purpose pursuant to a resolution approved by the governing body of ~~such~~ the city, may  
25 increase the maximum mill levy for general city purposes by not more than ten mills, ~~and that in~~  
26 ~~a city supporting a band or public library an additional levy, not to exceed one mill on the~~  
27 ~~taxable valuation of property in such city, may be made for a band, and an additional levy not to~~  
28 ~~exceed four mills on the taxable valuation of property in such city may be made for a public~~  
29 ~~library.~~

30           **SECTION 70.** A new subsection to section 57-15-10 of the North Dakota Century Code  
31 is created and enacted as follows:

1           Taxes levied for support of a city band may be levied in an amount not exceeding  
2           one mill.

3           **SECTION 71. AMENDMENT.** Subdivision b of subsection 2 of section 57-35.3-05 of  
4 the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

5           b. For purposes of determining distributions to and from the counties under  
6 section ~~57-38.3-09~~ 57-35.3-09:

7           (1) The balance in the financial institution tax distribution fund and the  
8 amount of the payment received by each county from the state shall be  
9 determined as if any credit allowed under subdivision a had not been  
10 claimed and the full amount of the tax otherwise due had been timely  
11 paid;

12           (2) The credited amount must be deducted from the distributions that  
13 would otherwise be made to and from the county that received the tax  
14 overpayment until the sum of the deductions equals the credit; and

15           (3) The deductions from distributions made by a county to each distributee  
16 must be proportionate to the overpayment of tax received by each  
17 distributee.

18           **SECTION 72. AMENDMENT.** Section 61-04.1-13 of the North Dakota Century Code is  
19 amended and reenacted as follows:

20           **61-04.1-13. Operator deemed to be doing business within state - Resident agent.**

21 A person shall be deemed doing business within this state when engaged in weather  
22 modification operations within the boundaries of this state, and shall, if not already qualified to  
23 do business within this state under chapter ~~10-22~~ 10-19.1, prior to conducting such operations,  
24 file with the secretary of state an authorization designating an agent for the service of process.

25           **SECTION 73. AMENDMENT.** Section 61-04.1-14 of the North Dakota Century Code is  
26 amended and reenacted as follows:

27           **61-04.1-14. Issuance of license - Fee.** The board shall provide, by rule, the  
28 procedure and criteria for the issuance of a license. The board, in accordance with its rules,  
29 shall issue a weather modification license to each applicant who:

30           1. Pays a license fee of fifty dollars.

1           2.    Demonstrates competence to engage in weather modification operations, to the  
2                   satisfaction of the board.

3           3.    Designates an agent for the service of process pursuant to section 61-04.1-13 or  
4                   chapter ~~40-22~~ 10-19.1.

5   Each license issued by the board shall be nontransferable and shall expire on December  
6   thirty-first of the year of issuance. A license shall be revocable for cause at any time prior to  
7   such date if, after holding a hearing upon due notice, the board shall determine that cause for  
8   revocation exists. License fees collected by the board shall be paid into the general fund in the  
9   state treasury.

10           **SECTION 74. AMENDMENT.** Section 61-21-47 of the North Dakota Century Code is  
11   amended and reenacted as follows:

12           **61-21-47. Expenditures in excess of maximum levy.** If the cost of maintenance,  
13   cleaning out, and repairing any drain shall exceed the amount produced by the maximum levy  
14   of one dollar and fifty cents per acre [.40 hectare] in any year, ~~together~~ with the amount  
15   accumulated in the drainage fund, the board may proceed with such cleaning out and make an  
16   additional levy only upon petition of at least sixty-one percent of the affected landowners. The  
17   percentage of the affected landowners signing such petition shall be determined in accordance  
18   with the weighted voting provisions in section 61-21-16.

19           **SECTION 75. AMENDMENT.** Section 61-35-25 of the North Dakota Century Code is  
20   amended and reenacted as follows:

21           **61-35-25. Alternate operation by nonprofit corporation or cooperative.** A nonprofit  
22   corporation or cooperative association established under title 10 for the specific purpose of  
23   operating a rural water system may petition the state engineer to organize a district, in the  
24   manner provided by section 61-35-02. The signatures of the corporation's or cooperative's  
25   officers on the petition and a resolution adopted by the members in the manner provided in  
26   section 10-15-37 for amendments to articles or in the manner provided in ~~subsections 1 and 2~~  
27   ~~of section 10-26-04~~ chapter 10-33 for dissolution, as the case may be, approving the petition  
28   suffice in lieu of signatures of owners of fifty percent of the real property in the proposed district,  
29   if the petition presenter provides evidence satisfactory to the state engineer that a sufficient  
30   number of members of the proposed district will subscribe or have subscribed to benefit units to  
31   make its operation feasible. The procedure for hearing and determination of disposition of the

1 petition is as provided by this chapter. In any district organized upon the petition of a nonprofit  
2 corporation or cooperative association, the following procedures apply:

- 3 1. After final approval of the petition by the state engineer, the secretary of the  
4 corporation or cooperative shall file a notice with the corporation or cooperative in  
5 accordance with title 10.
- 6 2. Upon filing of the notice, the nonprofit corporation or cooperative ceases to exist as  
7 a title 10 entity and all assets and liabilities of the nonprofit corporation or  
8 cooperative become the assets and liabilities of the newly organized district  
9 without any further meetings, voting, notice to creditors, or other actions by the  
10 members of the board.
- 11 3. The officers and board of directors of the corporation or cooperative are the  
12 officers and board of the district.
- 13 4. The applicable laws of the state and the articles of incorporation and bylaws of the  
14 corporation or cooperative control the initial size and initial term of office of officers  
15 and the board, in lieu of sections 61-35-08 through 61-35-11.
- 16 5. The district shall bring its operation and structure into compliance with the  
17 requirements of section 61-35-08 regarding the number and qualification of  
18 directors, section 61-35-09 regarding new bylaws, section 61-35-10 regarding  
19 dividing its directors into classes, and section 61-35-11 regarding board meetings  
20 at the first annual meeting of the participating members and board. The new  
21 district has all the rights and all the property of the original corporation or  
22 cooperative and is responsible for all its obligations. Title to any property is vested  
23 in the new district with no reversion or impairment of ownership rights caused by  
24 the conversion to a district. A water supply agreement entered by a nonprofit  
25 corporation or cooperative association is binding for its term on a successor district  
26 organized by the nonprofit corporation or cooperative association, unless  
27 otherwise agreed in writing by all parties to the agreement. The right of any  
28 creditor may not be impaired by this section without the creditor's consent.

29 **SECTION 76. REPEAL.** Sections 10-19.1-131, 14-02.1-06, 28-32-22, and chapter  
30 61-24.4 of the North Dakota Century Code are repealed.