

Fifty-sixth  
Legislative Assembly  
of North Dakota

## ENGROSSED SENATE BILL NO. 2188

Introduced by

Senator Traynor

Representatives Brekke, Grosz, D. Johnson

1 A BILL for an Act to create and enact a new section to chapter 61-01 and chapter 61-02.1 of  
2 the North Dakota Century Code, relating to statewide water development goals and the  
3 issuance of bonds to finance construction of flood control projects, the southwest pipeline  
4 project, a Devils Lake outlet, and a statewide water development program; to amend and  
5 reenact subdivision d of subsection 5 of section 61-02-02 of the North Dakota Century Code,  
6 relating to the definition of works; to require the pledging of funds for certain water projects; to  
7 allocate funds from settlements with tobacco product manufacturers; to provide a statement of  
8 legislative intent; to provide for reports to the legislative council; to provide an appropriation; to  
9 provide an effective date; to provide an expiration date; and to declare an emergency.

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

11 **SECTION 1.** A new section to chapter 61-01 of the North Dakota Century Code is  
12 created and enacted as follows:

13 **Statewide water development goals.** The legislative assembly is committed to the  
14 comprehensive statewide water development program developed pursuant to section 2 of  
15 chapter 587 of the 1995 Session Laws and to the state water management plan established  
16 under section 61-01-26. In order to implement the state water management plan, the  
17 legislative assembly is committed to the following:

- 18 1. During the 1999-2001 biennium:
- 19 a. Southwest pipeline project: Six million dollars in state funds and eleven  
20 million five hundred thousand dollars in federal funds, assuming Perkins  
21 County water system payment to the state water commission of four million  
22 five hundred thousand dollars.
- 23 b. Northwest area water supply project: Eight million two hundred thousand  
24 dollars in local funds and fourteen million eight hundred thousand dollars in

1                   federal funds, with an option being considered of the state water commission  
2                   bonding the local cost-share with local repayment to the state water  
3                   commission.

4                   c. Other municipal, rural, and industrial projects: Twenty-five million five  
5                   hundred thousand dollars in local funds and thirty-nine million nine hundred  
6                   thousand dollars in federal funds.

7                   d. Grand Forks flood control: Twenty-five million dollars in local funds,  
8                   twenty-five million dollars in state funds, and thirty-eight million five hundred  
9                   thousand dollars in federal funds. The state total cost-share of fifty-two  
10                  million dollars will be bonded, requiring a local repayment estimated at three  
11                  million nine hundred thousand dollars per year with repayment beginning in  
12                  2001.

13                  e. Devils Lake outlet: Seventeen million five hundred thousand dollars in state  
14                  funds and thirty-two million five hundred thousand dollars in federal funds.  
15                  The total state cost-share of seventeen million five hundred thousand dollars  
16                  includes mitigation costs and will be bonded, requiring a local repayment  
17                  estimated at one million five hundred thousand dollars per year, with the split  
18                  between state and local loan repayment to be determined.

19                  f. General projects: Thirty-one million seven hundred thousand dollars in local  
20                  funds, twenty-five million nine hundred thousand dollars in state funds, and  
21                  thirty-nine million eight hundred thousand dollars in federal funds.

22                  2. During the 2001-03 biennium:

23                  a. Water to eastern North Dakota: Seventeen million dollars in federal funds  
24                  appropriated under the Garrison Diversion Unit Reformulation Act of 1986  
25                  [Pub. L. 99-294; 100 Stat. 418], Dakota Water Resources Act of 1998, or  
26                  other federal Act. The local cost has not been determined and will be  
27                  determined after project configuration is complete.

28                  b. Southwest pipeline project: Five hundred thousand dollars in local funds, one  
29                  million seven hundred thousand dollars in state funds, and twelve million five  
30                  hundred thousand dollars federal funds.

- 1           c. Northwest area water supply project: Eight million seven hundred thousand  
2           dollars in local funds and sixteen million three hundred thousand dollars in  
3           federal funds.
- 4           d. Other municipal, rural, and industrial projects: Seventeen million seven  
5           hundred thousand dollars in local funds and thirty-two million eight hundred  
6           thousand dollars in federal funds.
- 7           e. Grand Forks flood control: Thirty-five million seven hundred thousand dollars  
8           in local funds, twenty-seven million dollars in state funds, and sixty-two million  
9           nine hundred thousand dollars in federal funds; annual bond payments of  
10          three million nine hundred thousand dollars. Components of the Grand Forks  
11          flood control project involve water treatment plant improvements. Those  
12          federal costs are reflected in subdivision d because of potential cost-sharing  
13          using Garrison diversion municipal, rural, and industrial funds. Other projects,  
14          such as greenway, are listed under subdivision g.
- 15          f. Devils Lake outlet: Bond repayments of one million five hundred thousand  
16          dollars per year.
- 17          g. General projects: Twenty-four million dollars in local funds, eighteen million  
18          four hundred thousand dollars in state funds, and five million five hundred  
19          thousand dollars in federal funds.
- 20         3. During the 2003-05 biennium:
- 21           a. Water to eastern North Dakota: Six million dollars in federal funds  
22           appropriated under the Garrison Diversion Unit Reformulation Act of 1986  
23           [Pub. L. 99-294; 100 Stat. 418], Dakota Water Resources Act of 1998, or  
24           other federal Act. The local cost has not been determined and will be  
25           determined after project configuration is complete.
- 26           b. Southwest pipeline project: One million dollars in local funds, five million  
27           dollars in state funds, and eleven million four hundred thousand dollars in  
28           federal funds.
- 29           c. Northwest area water supply project: Eleven million eight hundred thousand  
30           dollars in local funds and twenty-one million eight hundred thousand dollars in  
31           federal funds.

- 1           d. Other municipal, rural, and industrial projects: Seventeen million seven  
2           hundred thousand dollars in local funds and thirty-two million eight hundred  
3           thousand dollars in federal funds.
- 4           e. Grand Forks flood control: Annual bond payments of three million nine  
5           hundred thousand dollars.
- 6           f. Devils Lake outlet: Bond repayments of one million five hundred thousand  
7           dollars per year.
- 8           g. General projects: Twenty-four million dollars in local funds, eighteen million  
9           four hundred thousand dollars in state funds, and five million five hundred  
10          thousand dollars in federal funds.
- 11         4. During the 2005-07 biennium:
- 12           a. Water to eastern North Dakota: Eighty-four million dollars in federal funds  
13           appropriated under the Garrison Diversion Unit Reformulation Act of 1986  
14           [Pub. L. 99-294; 100 Stat. 418], Dakota Water Resources Act of 1998, or  
15           other federal Act. The local cost has not been determined and will be  
16           determined after project configuration is complete.
- 17           b. Southwest pipeline project: One million dollars in local funds, nine million five  
18           hundred thousand dollars in state funds, and nineteen million five hundred  
19           thousand dollars in federal funds.
- 20           c. Northwest area water supply project: Five million eight hundred thousand  
21           dollars in local funds and ten million nine hundred thousand dollars in federal  
22           funds.
- 23           d. Other municipal, rural, and industrial projects: Seventeen million seven  
24           hundred thousand dollars in local funds and thirty-two million eight hundred  
25           thousand dollars in federal funds.
- 26           e. Grand Forks flood control: Annual bond payments of three million nine  
27           hundred thousand dollars.
- 28           f. Devils Lake outlet: Bond repayments of one million five hundred thousand  
29           dollars per year.

- 1           g. General projects: Twenty-four million dollars in local funds, eighteen million  
2           four hundred thousand dollars in state funds, and five million five hundred  
3           thousand dollars in federal funds.
- 4           5. During the 2007-09 biennium:
- 5           a. Water to eastern North Dakota: Fifty-nine million dollars in federal funds  
6           appropriated under the Garrison Diversion Unit Reformulation Act of 1986  
7           [Pub. L. 99-294; 100 Stat. 418], Dakota Water Resources Act of 1998, or  
8           other federal Act. The local cost has not been determined and will be  
9           determined after project configuration is complete.
- 10          b. Northwest area water supply project: Three million seven hundred thousand  
11          dollars in local funds and seven million dollars in federal funds.
- 12          c. Other municipal, rural, and industrial projects: Seventeen million seven  
13          hundred thousand dollars in local funds and thirty-two million eight hundred  
14          thousand dollars in federal funds.
- 15          d. Grand Forks flood control: Annual bond repayments of three million nine  
16          hundred thousand dollars.
- 17          e. Devils Lake outlet: Bond repayments of one million five hundred thousand  
18          dollars per year.
- 19          f. General projects: Twenty-four million dollars in local funds, eighteen million  
20          four hundred thousand dollars in state funds, and five million five hundred  
21          thousand dollars in federal funds.
- 22          6. During the 2009-11 biennium:
- 23          a. Water to eastern North Dakota: Two million dollars in federal funds  
24          appropriated under the Garrison Diversion Unit Reformulation Act of 1986  
25          [Pub. L. 99-294; 100 Stat. 418], Dakota Water Resources Act of 1998, or  
26          other federal Act. The local cost has not been determined and will be  
27          determined after project configuration is complete.
- 28          b. Northwest area water supply project: One million seven hundred thousand  
29          dollars in local funds and three million three hundred thousand dollars in  
30          federal funds.

- 1           c. Other municipal, rural, and industrial projects: Seventeen million seven  
2                    hundred thousand dollars in local funds and thirty-two million eight hundred  
3                    thousand dollars in federal funds.
- 4           d. Grand Forks flood control: Annual bond repayments of three million nine  
5                    hundred thousand dollars.
- 6           e. Devils Lake outlet: Bond repayments of one million five hundred thousand  
7                    dollars per year.
- 8           f. General projects: Twenty-four million dollars in local funds, eighteen million  
9                    four hundred thousand dollars in state funds, and five million five hundred  
10                  thousand dollars in federal funds.
- 11        7. Beyond the year 2011:
- 12           a. Water to eastern North Dakota: The local cost has not been determined and  
13                    will be determined after project configuration is complete.
- 14           b. Northwest area water supply project: Eight million seven hundred thousand  
15                    dollars in local funds and sixteen million three hundred thousand dollars in  
16                    federal funds.
- 17           c. Other municipal, rural, and industrial projects: One hundred thirty million two  
18                    hundred thousand dollars in local funds and two hundred forty-one million two  
19                    hundred thousand dollars in state funds. The anticipated three hundred  
20                    forty-five million dollars in federal cost-share has been used in the previous  
21                    bienniums and the remaining cost-share for projects has been identified as a  
22                    potential state cost-share.
- 23           d. Grand Forks flood control: A total of fifty-eight million five hundred thousand  
24                    dollars in bond payments is anticipated.
- 25           e. Devils Lake outlet: A total of fifteen million dollars in bond repayments.
- 26           f. General projects: One hundred ninety-six million two hundred thousand  
27                    dollars in local funds, one hundred thirty-eight million dollars in state funds,  
28                    and twenty-five million eight hundred thousand dollars in federal funds.

29           **SECTION 2. AMENDMENT.** Subdivision d of subsection 5 of section 61-02-02 of the  
30 North Dakota Century Code is amended and reenacted as follows:

- 1           d. All works for the conservation, control, development, storage, treatment,  
2           distribution, and utilization of water including, without limiting the generality of  
3           the foregoing subdivisions, works for the purpose of irrigation, flood control,  
4           watering stock, supplying water for public, domestic, industrial, and  
5           recreational use, fire protection, and the draining of lands injured or in danger  
6           of injury as a result of such water utilization.

7           **SECTION 3.** Chapter 61-02.1 of the North Dakota Century Code is created and  
8 enacted as follows:

9           **61-02.1-01. Legislative findings and intent - Authority to issue bonds.**

- 10          1. The legislative assembly finds that some cities suffered serious economic and  
11          social injuries due to the major flood disaster in 1997 and other recent floods and  
12          are at significant risk for future flooding; and that construction of flood control or  
13          reduction projects is necessary for the protection of health, property, and  
14          enterprises and for the promotion of prosperity and the general welfare of the  
15          people of the state and that construction of any such projects involves and requires  
16          the exercise of the sovereign powers of the state and concerns a public purpose.  
17          Therefore, it is declared necessary and in the public interest that the state by and  
18          through the state water commission assist in financing the costs of constructing  
19          flood control or reduction projects through the issuance of bonds.
- 20          2. The legislative assembly finds that continued construction of the southwest  
21          pipeline project is necessary for the protection of health, property, and enterprises  
22          and for the promotion of prosperity and the general welfare of the people of the  
23          state and that continued construction of the southwest pipeline project involves  
24          and requires the exercise of the sovereign powers of the state and concerns a  
25          public purpose. The legislative assembly also finds that current funding for the  
26          southwest pipeline project has become uncertain, and therefore, it is declared  
27          necessary and in the public interest that the state by and through the state water  
28          commission assist in financing the costs of continued construction of the southwest  
29          pipeline project through the issuance of bonds.
- 30          3. The legislative assembly finds that the Devils Lake basin is suffering and facing a  
31          worsening flood disaster; and that construction of an outlet from Devils Lake is

1           necessary for the protection of health, property, and enterprises and for the  
2           promotion of prosperity and the general welfare of the people of the state; and that  
3           construction of the outlet involves and requires the exercise of the sovereign  
4           powers of the state and concerns a public purpose. Therefore, it is declared  
5           necessary and in the public interest that an outlet from Devils Lake be constructed  
6           with financing from the state water commission to provide flood relief to the Devils  
7           Lake basin.

8           4. The legislative assembly finds that there is a critical need to develop a  
9           comprehensive statewide water development program to serve the long-term  
10           water resource needs of the state and its people and to protect the state's current  
11           usage of, and the state's claim to, its proper share of Missouri River water.

12           5. In furtherance of the public purpose set forth in subsection 1, the state water  
13           commission may issue bonds under chapter 61-02 and the proceeds are  
14           appropriated for flood control projects authorized and funded in part by the federal  
15           government and designed to provide permanent flood control or reduction to cities  
16           that suffered severe damages as a result of the 1997 flood or other recent floods.

17           The commission may issue bonds for a flood control or reduction project only:

18           a. When:

19                   (1) A flood control or reduction project involves a city that suffered  
20                   catastrophic flood damage requiring evacuation of the major share of  
21                   its populace;

22                   (2) A flood control or reduction project includes interstate features and  
23                   requires acquisition of private property to build permanent flood  
24                   protection systems to comply with federal flood protection standards;

25                   (3) The governing body of a city provides a written certification to the state  
26                   water commission that the city has committed itself to contribute  
27                   one-half or more of the North Dakota project sponsor's share of the  
28                   nonfederal share of the cost to construct the project; and

29                   (4) The United States army corps of engineers issues its approval of the  
30                   flood control or reduction project;



- 1            b. When a flood control or reduction project in a city with a population as of the  
2            1990 federal decennial census of at least eight thousand and not more than  
3            ten thousand has received significant federal funding through federal grants  
4            and funds from the United States army corps of engineers and the federal  
5            emergency management agency; or
- 6            c. When a flood control or reduction project in a city with a population as of the  
7            1990 federal decennial census of at least four thousand five hundred and not  
8            more than six thousand has at least seventy percent of the land within the  
9            boundaries of the city located within the one hundred year floodplain as  
10           designated on a flood insurance rate map and the United States army corps  
11           of engineers issues its approval of the flood control or reduction project.
- 12          6. In furtherance of the public purpose set forth in subsection 2, the state water  
13          commission may issue bonds under chapter 61-02 and the proceeds are  
14          appropriated for construction of the southwest pipeline project. The commission  
15          may only issue bonds under this chapter for continued construction of the  
16          southwest pipeline project when it is determined that the Perkins County water  
17          system will not make payment to the state water commission in the amount of four  
18          million five hundred thousand dollars or on January 1, 2000, whichever occurs  
19          earlier. If the Perkins County water system makes payment to the state water  
20          commission after January 1, 2000, the payment must be used to pay principal and  
21          interest on bonds issued for continued construction of the southwest pipeline  
22          project as provided in subsection 2 of section 61-02.1-04.
- 23          7. In furtherance of the public purposes set forth in subsections 3 and 4, the state  
24          water commission may issue bonds under chapter 61-02 to finance the cost of one  
25          or more of the projects identified in this subsection, provided that:
- 26            a. The state water commission may only issue bonds for construction of an  
27            outlet from Devils Lake when the United States authorizes construction of an  
28            outlet and either the state water commission or a federal agency has  
29            developed a plan addressing damage to basic infrastructure such as roads,  
30            culverts, and bridges; riverbank erosion; downstream flooding; and increased  
31            water treatment costs caused by or resulting from construction of the outlet.

1           **b.** The state water commission may only issue bonds to finance the nonfederal  
2           cost-share of the Garrison diversion unit when the Congress of the United  
3           States enacts legislation for the completion of the Garrison diversion unit,  
4           which may include the delivery of water to the northwest area water supply  
5           project; southwest pipeline project; Turtle Lake irrigation district;  
6           Nesson-Valley irrigation district; Elk Charbon irrigation district; the Williston  
7           irrigation project; the Oakes irrigation project; other irrigation, municipal, rural,  
8           and industrial water supply projects; augmented streamflow and ground water  
9           recharge projects; development of a Red River valley water supply; and  
10           delivery of Missouri River water to the Sheyenne River.

11           **8.** This chapter does not affect the state water commission's authority to otherwise  
12           issue bonds pursuant to chapter 61-02 or 61-24.3-01.

13           **9.** Notwithstanding this section, the state water commission may not issue bonds  
14           under subsection 5 or subdivision a of subsection 7 for a project unless that project  
15           has received federal funds.

16           **61-02.1-02. Bond issuance amount limited.**

17           **1.** The state water commission bonds issued for flood control or reduction projects  
18           meeting the requirements of subdivision a of subsection 5 of section 61-02.1-01  
19           may not exceed forty-five percent and bonds issued for flood control or reduction  
20           projects meeting the requirements of subdivision b or c of subsection 5 of section  
21           61-02.1-01 may not exceed one-half of the North Dakota project sponsor's share of  
22           the nonfederal share of the cost to construct the flood control or reduction project  
23           or, in the aggregate, sixty million three hundred thousand dollars plus the costs of  
24           issuance of the bonds, capitalized interest, and reasonably required reserves,  
25           whichever is less. Of the sixty million three hundred thousand dollars authorized in  
26           this subsection for flood control or reduction projects under subsection 5 of section  
27           61-02.1-01, fifty-two million dollars must be allocated for flood control or reduction  
28           projects meeting the requirements of subdivision a of subsection 5 of section  
29           61-02.1-01, three million five hundred thousand dollars must be allocated for flood  
30           control or reduction projects meeting the requirements of subdivision b of  
31           subsection 5 of section 61-02.1-01, and four million eight hundred thousand dollars

1           must be allocated for flood control or reduction projects meeting the requirements  
2           of subdivision c of subsection 5 of section 61-02.1-01.

3           2. The state water commission bonds issued under subsection 6 of section  
4           61-02.1-01 for continued construction of the southwest pipeline project may not  
5           exceed, in the aggregate, four million five hundred thousand dollars plus the costs  
6           of issuance of the bonds, capitalized interest, and reasonably required reserves.

7           3. The state water commission bonds issued under subsection 7 of section  
8           61-02.1-01 for the Devils Lake outlet or other projects listed in subdivision b of  
9           subsection 7 of section 61-02.1-01 may not exceed, in the aggregate, twenty  
10           million dollars, plus the costs of issuance of the bonds, capitalized interest, and  
11           reasonably required reserves. The state water commission may use all or part of  
12           the proceeds of bonds issued as provided in subsection 7 of section 61-02.1-01  
13           and the proceeds are appropriated to match, in a ratio no greater than required by  
14           the federal government, any federal funds available for the projects identified in  
15           subsection 7 of section 61-02.1-01. The commission may require any political  
16           subdivision affected by Devils Lake flooding to participate in the cost of  
17           construction of an outlet from Devils Lake by providing matching funds in a  
18           percentage of the construction costs determined by the commission to be  
19           reasonable in light of the benefits to be received by that political subdivision in  
20           relation to benefits received by all benefited political subdivisions. Any local  
21           matching fund requirement must be determined by the commission and the  
22           affected political subdivisions must be informed of their matching fund obligation  
23           prior to issuance of bonds pursuant to this chapter.

24           **61-02.1-03. Limitation of action.** An action may not be brought or maintained in any  
25           court in this state questioning the validity of any bonds issued under this chapter unless the  
26           action is commenced within thirty days after the adoption of the resolution of the state water  
27           commission authorizing the sale of the bonds. The state water commission may commence a  
28           special proceeding any time after the effective date of this chapter in and by which the  
29           constitutionality and validity of the bonds to be issued pursuant to this chapter may be judicially  
30           examined, approved and confirmed, or disapproved and disaffirmed. Proceedings must comply  
31           as nearly as possible with the procedure required for declaratory judgment proceedings.

1           **61-02.1-04. Bonds payable from appropriations and other revenues.**

2           1. Principal and interest on bonds issued for flood control or reduction projects under  
3           this chapter are payable from transfers to be made and appropriated by the  
4           legislative assembly from the resources trust fund as provided in section 5 of this  
5           Act, from transfers to be made and appropriated by the legislative assembly from  
6           the first available current biennial earnings of the Bank of North Dakota prorated  
7           with any other bonds payable from transfers to be made and appropriated by the  
8           legislative assembly from the available current biennial earnings of the Bank of  
9           North Dakota, to be credited by the trustee to the fund established for paying  
10           principal and interest on the bonds under a trust indenture, or from appropriations  
11           of other available revenues in the then current biennium, and any other revenues  
12           the state water commission makes available during the then current biennium for  
13           that purpose, including any federal moneys received by the state for the  
14           construction of flood control or reduction projects to pay bonds issued for that  
15           project.

16           2. Principal and interest on bonds issued for continued construction of the southwest  
17           pipeline project are payable from transfers to be made and appropriated by the  
18           legislative assembly from the resources trust fund as provided in section 5 of this  
19           Act, from transfers to be made and appropriated by the legislative assembly from  
20           the available current biennial earnings of the Bank of North Dakota prorated with  
21           any other bonds payable from transfers to be made and appropriated by the  
22           legislative assembly from the available current biennial earnings of the Bank of  
23           North Dakota, to be credited by the trustee to the fund established for paying  
24           principal and interest on the bonds under a trust indenture, from appropriations of  
25           other available revenues in the then current biennium, or from payment from the  
26           Perkins County rural water system, and any other revenues the state water  
27           commission makes available during the then current biennium for that purpose,  
28           including any federal moneys received by the state for the construction of the  
29           southwest pipeline project to pay bonds issued for the project.

30           3. Principal and interest on bonds issued under subsection 7 of section 61-02.1-01  
31           are payable from transfers to be made and appropriated by the legislative

1           assembly from the resources trust fund as provided in section 5 of this Act, from  
2           transfers to be made and appropriated by the legislative assembly from the first  
3           available current biennial earnings of the Bank of North Dakota prorated with any  
4           other bonds payable from transfers to be made and appropriated by the legislative  
5           assembly from the first available current biennial earnings of the Bank of North  
6           Dakota, to be credited by the trustee to the fund established for paying principal  
7           and interest on the bonds pursuant to a trust indenture, or from appropriations of  
8           other available revenues in the then current biennium, and any other revenues the  
9           state water commission makes available during the then current biennium for that  
10           purpose, including any federal moneys received by the state for the construction of  
11           an outlet to Devils Lake to pay bonds issued for that project, or financing a  
12           statewide water development program to pay bonds issued for that project.  
13           4. Obligations issued under this chapter do not constitute a debt, liability, or obligation  
14           of the state of North Dakota or a pledge of the faith and credit of the state of North  
15           Dakota, but are payable solely from the sources as described in this chapter.  
16           5. The state water commission shall include in its submission to the governor for  
17           inclusion by the governor in the biennial executive budget of the state for each  
18           year of the respective biennium during the term of any bonds issued under this  
19           chapter an amount fully sufficient to pay the principal and interest required to be  
20           paid in each year of the biennium, if any, from moneys from nongeneral fund  
21           sources. Provided, that should the governor not include in the executive budget  
22           for any reason the amounts required to be included by this section, the state water  
23           commission shall request independently that the legislative assembly amend the  
24           executive budget appropriation so as to include the amounts.

25           **SECTION 4. CORPORATE CENTER - CONTRACT TO PLEDGE REVENUES.**

26           Before the issuance of any bonds for any flood control or reduction project in Grand Forks  
27           under chapter 61-02.1, the state water commission shall require a contract be entered with the  
28           city of Grand Forks pledging revenue from the corporate center in that city as follows:

29           1.    After all moneys pledged for the repayment of revenue bonds for the corporate  
30           center project have been paid, the city must pledge revenue from the project to the  
31           resources trust fund as repayment for the flood control or reduction project to

1 facilitate economic development in this state. This contract must be in compliance  
2 with all applicable federal requirements.

3 2. If the corporate center is sold, the city must pledge the proceeds of the sale to the  
4 resources trust fund as repayment for the flood control or reduction project to  
5 facilitate economic development in this state. The corporate center may not be  
6 sold without the prior approval of the budget section of the legislative council.

7 3. The revenue to be pledged must be in amounts similar to the amounts previously  
8 dedicated each year for the repayment of the revenue bonds.

9 4. The period during which revenue must be pledged under this section is from the  
10 date of the final payment of the revenue bonds until the end of the projected life of  
11 the corporate center, which must be not less than forty years from the date of initial  
12 occupancy.

13 5. Any refinancing of debt or any improvements to the corporate center requiring the  
14 incurring of indebtedness cannot be entered without prior approval of the budget  
15 section of the legislative council.

16 **SECTION 5. ALLOCATION OF TOBACCO SETTLEMENT FUNDS.** Forty-five  
17 percent of any funds received by the state pursuant to the 1998 settlement agreement with  
18 tobacco product manufacturers, or any successor agreement, must be deposited in the  
19 resources trust fund for use in paying for bonds issued under section 3 of this Act and for other  
20 water projects.

21 **SECTION 6. LEGISLATIVE INTENT.** It is the intent of the fifty-sixth legislative  
22 assembly that a total of six million dollars of funding be provided to the state water commission  
23 for the southwest pipeline project through a combination of funding sources. The potential  
24 funding source must include payment from the Perkins County rural water system, bonds  
25 issued by the state water commission, or other available resources.

26 **SECTION 7. EFFECTIVE DATE.** The authority of the commission to issue bonds  
27 under subsection 2 of section 61-02.1-01 becomes effective on the date the state engineer  
28 certifies to the state water commission that the Perkins County water system will not make a  
29 payment to the state water commission in the amount of four million five hundred thousand  
30 dollars or January 1, 2000, whichever occurs earlier.

1           **SECTION 8. REPORTS TO LEGISLATIVE COUNCIL - COMPREHENSIVE**  
2   **STATEWIDE WATER DEVELOPMENT PROGRAM AND STATE WATER MANAGEMENT**  
3   **PLAN IMPLEMENTATION - BOND ISSUANCE.** The state engineer shall report periodically to  
4 the budget section and to any other interim committee designated by the legislative council  
5 regarding implementation of the comprehensive statewide water development program and  
6 state water management plan and the issuance of bonds to finance construction of flood control  
7 projects, the southwest pipeline project, a Devils Lake outlet, and a statewide water  
8 development program during the 1999-2000 interim.

9           **SECTION 9. EXPIRATION DATE.** The authority of the commission to issue bonds  
10 under chapter 61-02.1 is effective through June 30, 2001, and after that date is ineffective.

11           **SECTION 10. EMERGENCY.** This Act is declared to be an emergency measure.