

SENATE BILL NO. 2293

Introduced by

Senators Heitkamp, Every, Traynor

Representatives Devlin, D. Johnson, Vigesaa

1 A BILL for an Act to create and enact a new section to chapter 61-35 of the North Dakota
2 Century Code, relating to conversion of water resource district water supply systems to water
3 districts.

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

5 **SECTION 1.** A new section to chapter 61-35 of the North Dakota Century Code is
6 created and enacted as follows:

7 **Conversion of water resource district water supply system to water district.** A
8 water resource district that has developed a water supply system under chapter 61-16.1 may
9 convert that system to a water district as provided in this section. The water resource district
10 board operating a water supply system may petition the state engineer to organize a district in
11 the manner provided by section 61-35-02. The signatures of the water resource district's board
12 of directors on the petition and a resolution adopted by the water supply system's users
13 approving the petition suffice in lieu of signatures of owners of fifty percent of the real property
14 in the proposed district, if the petition presenter provides evidence satisfactory to the state
15 engineer that a sufficient number of members of the proposed district will subscribe or have
16 subscribed to benefit units to make its operation feasible. The procedure for hearing and
17 determination of disposition of the petition is as provided by this chapter. In any district
18 organized upon the petition of a water resource board of directors, the following procedures
19 apply:

- 20 1. After final approval of the petition by the state engineer, the secretary of the water
21 resource board shall file a notice with the secretary of state.
- 22 2. Upon filing of the notice, the assets and liabilities of the water supply system
23 become the assets and liabilities of the newly organized district without any further
24 meetings, voting, notice to creditors, or other actions by the members of the board.

- 1 3. The officers and board of directors of the water resource district are the officers
2 and board of the district.
- 3 4. The applicable laws of the state governing the water resource district board control
4 the initial size and the initial terms of office of officers and the board, in lieu of
5 sections 61-35-08 through 61-35-11.
- 6 5. The district shall bring its operation and structure into compliance with the
7 requirements of section 61-35-08 regarding the number and qualification of
8 directors, section 61-35-09 regarding new bylaws, section 61-35-10 regarding
9 dividing its directors into classes, and section 61-35-11 regarding board meetings
10 at the first annual meeting of the participating members and board. The new
11 district has all the rights and all the property of the original water supply system
12 and is responsible for all its obligations. Title to any property is vested in the new
13 district with no reversion or impairment of ownership rights caused by the
14 conversion to a district. A water supply agreement entered by a water resource
15 district is binding for its term on a successor district organized by the water
16 resource district, unless otherwise agreed in writing by all parties to the agreement.
17 The right of any creditor may not be impaired by this section without the creditor's
18 consent.