

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1206

Page 1, line 2, after "authority" insert "; to provide grant repayment by the authority; and to declare an emergency"

Page 2, line 12, after the underscored period insert "Participating member entities may not withdraw from the authority or fail or refuse to pay any water sale income or bond revenue to the authority, if any bonds or refunding bonds issued under this chapter remain outstanding or a grant of up to thirty million dollars from the state water commission has not been repaid."

Page 3, after line 19, insert:

"5. Before the bylaws become effective, the bylaws must be reviewed and approved by the attorney general."

Page 5, line 17, after the third underscored comma insert "leases."

Page 6, line 25, after the underscored period insert "However, if bonds issued by the authority utilize section 61-40-17, this subsection does not apply."

Page 7, line 2, remove "irrigation."

Page 7, line 10, replace "For" with "In relation to the initial construction of the system and for"

Page 7, after line 17, insert:

"61-40-06. Oversight of authority projects.

The authority shall report to the state water commission on the bidding, planning, construction, operation, and financial status of the project, as requested by the state water commission. In relation to initial construction of the system and debt repayment, the authority shall present the overall plan and contract plans and specifications for the project to the state water commission for concurrence. The attorney general shall assist the authority at the request of the state water commission. If bonds issued by the authority utilize section 61-40-17 or a grant of up to thirty million dollars from the state water commission has not been repaid, without the written consent of the state water commission the authority may not sell, lease, abandon, encumber, or otherwise dispose of any part of property used in a water system of the authority if the property is used to provide revenue."

Page 7, line 18, replace "**61-40-06.**" with "**61-40-07.**"

Page 7, line 26, replace "**61-40-07.**" with "**61-40-08.**"

Page 7, line 26, remove "**- When private sale authorized - Public sale and notice**"

Page 7, line 29, replace "**61-40-08.**" with "**61-40-09.**"

Page 7, line 29, remove "**- Negotiability**"

Page 8, line 1, replace "**61-40-09.**" with "**61-40-10.**"

Page 8, line 9, replace "**61-40-10.**" with "**61-40-11.**"

Page 8, line 20, replace "61-40-11." with "61-40-12."

Page 8, line 20, remove "- Taxing power prohibited"

Page 8, line 29, after the underscored period insert "However, this section does not apply to any bonds issued which utilize section 61-40-17."

Page 9, line 1, replace "61-40-12." with "61-40-13."

Page 9, line 5, remove "refunding"

Page 9, line 6, remove "bond and in accordance with the"

Page 9, line 18, remove "refunding"

Page 9, line 28, replace "upon" with "on all or part of"

Page 9, line 28, remove ", or any part of the revenues."

Page 10, line 11, replace "61-40-13." with "61-40-14."

Page 11, line 1, replace "61-40-14." with "61-40-15."

Page 11, line 9, replace "61-40-15." with "61-40-16."

Page 11, line 15, replace "61-40-16." with "61-40-17."

Page 11, after line 15 insert

"1.

Page 11, line 16, after "reserve" insert ", including a letter of credit or similar instrument."

Page 11, line 17, replace "authority" with "state water commission"

Page 11, line 18, after "authority" insert "to the state water commission"

Page 11, line 20, remove "However, the appropriation must be limited to an annual amount that does not exceed"

Page 11, line 21, replace "eighty percent of the required debt service reserve." with "The state water commission shall include in its submission to the governor for inclusion by the governor in the biennial executive budget of the state any amount as is certified to the commission by the authority. If the governor does not include in the executive budget the amount certified, the state water commission shall request independently an appropriation from the legislative assembly for the certified amount."

Page 11, line 25, after the underscored period insert "However, the amount of any refinancing may not be counted toward the one hundred fifty million dollar limitation to the extent the amount does not exceed the outstanding amount of the obligations being refinanced plus costs of issuance.

2. To the extent any reserve fund is replenished under this section, the authority shall reimburse the state from any revenues, funds, or any other property of the authority as dictated by the budget section.

3. Any bond financing planned by the authority utilizing this section must undergo due diligence examination by the public finance authority and the Bank of North Dakota, and must receive approval of the budget section.

60-40-18. Default.

If the authority is in default in the payment of the principal of or interest on any of the obligations of the authority under this chapter, if the legislative assembly has appropriated moneys to restore the reserve fund for the obligation in default under this chapter, and if the budget section determines that the authority is unable to reimburse the state in the time period required by the budget section, the budget section may give written notice to the governing board of the authority that the state has taken possession and ownership of the water system of the authority. Upon written notice, the members of the governing board of the authority are immediately removed, and the state water commission is the governing board from the date of notice. If the state water commission determines that governance, possession, and ownership of the water system is not necessary for the authority to be able to reimburse the state in the necessary time period, the state water commission may develop a plan to return governance, possession, and ownership to the authority, subject to approval of the plan by the budget section.

SECTION 2. STATE WATER COMMISSION GRANT REPAYMENT OBLIGATION. After any bonds or refunding bonds have been paid in full by the authority and after the provision of adequate funds for capital reserves and operation and maintenance reserves, the authority shall repay any state water commission grant made to the authority in an amount not to exceed thirty million dollars.

SECTION 3. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly