

February 5, 2019

PROPOSED AMENDMENTS TO SENATE BILL NO. 2275

Page 1, line 2, remove "essential"

Page 1, line 3, replace the first "section" with "sections"

Page 1, line 3, remove "subdivision c of subsection 5 of section 6-09.4-03, and sections"

Page 1, line 4, after "6-09.4-06" insert a comma

Page 1, line 4, after "6-09.4-10" insert ", subsection 6 of section 21-03-07, and sections 21-03-19, 57-15-06.6, and 57-47-02"

Page 1, line 4, remove "essential"

Page 1, line 5, remove ", public finance agency definitions"

Page 1, line 6, remove "and"

Page 1, line 6, after "funds" insert ", and expanded bonding authority for political subdivisions"

Page 2, line 21, replace "**Essential infrastructure**" with "**Infrastructure**"

Page 2, line 21, remove "**- Counties, cities,**"

Page 2, line 22, remove "**and institutions of higher education**"

Page 2, line 23, remove "essential"

Page 2, line 25, replace "counties and cities" with "political subdivisions"

Page 3, line 4, remove "essential"

Page 3, line 12, remove "Notwithstanding any other provision of law, the eligibility requirements for a loan under"

Page 3, remove lines 13 through 30

Page 4, replace lines 1 through 14 with "An applicant shall issue an evidence of indebtedness as authorized by law. An institution of higher education shall identify at least one funding source for the debt repayment, including:

- a. Tuition or fee revenue collected by the institution of higher education;
- b. Distributions of state aid received by the institution of higher education under chapter 15-18.2; or
- c. Other sources of revenue."

Page 4, line 25, replace "county and city" with "political subdivision"

Page 4, line 28, replace "county or city" with "political subdivision"

Page 5, line 9, replace "county and city" with "political subdivision"

Page 5, line 12, replace "county or city" with "political subdivision"

Page 5, remove lines 25 through 30

Page 6, line 26, after "lend" insert "or transfer"

Page 7, line 2, remove "essential"

Page 7, line 3, after "6-09-49" insert ". Bonds issued for this purpose are payable in each biennium solely from amounts the legislative assembly may appropriate for debt service for any biennium or from a reserve fund established for the bonds. This section may not be construed to require the state to appropriate funds sufficient to make debt service payments with respect to the bonds or replenish a related reserve fund. The bonds are not a debt of the department of transportation or the state, and the full faith, credit, and taxing powers of the state are not pledged to the payment of the bonds. The obligation of the public finance authority with respect to the bonds must terminate and the bonds are no longer outstanding as of the date appropriated funds and reserves are not sufficient to pay debt service on the bonds. In addition to providing funds for transfers to the department of transportation, the public finance authority may use the bond proceeds to pay the costs of issuance of the bonds and establish a reserve fund for the bonds"

Page 10, line 1, replace "**Essential infrastructure**" with "**Infrastructure**"

Page 10, line 4, remove "of moneys derived from the earnings of the legacy fund, as"

Page 10, line 5, remove "defined under section 21-10-12."

Page 10, line 6, remove "essential"

Page 10, after line 6, insert:

**"SECTION 5. AMENDMENT.** Subsection 6 of section 21-03-07 of the North Dakota Century Code is amended and reenacted as follows:

6. The governing body of any county may also by resolution adopted by a two-thirds vote dedicate the tax levy authorized by section 57-15-06.6 and subsection 5 of section 57-15-06.7 and may authorize and issue general obligation bonds to be paid by the dedicated levy for the ~~purpose of providing funds for the purchase, construction, reconstruction, or repair of regional or county correction centers, or parks and recreational facilities~~purposes identified under section 57-15-06.6 and subsection 5 of section 57-15-06.7; provided, that the initial resolution authorizing the tax levy dedication and general obligation bonds must be published in the official newspaper, and any owner of taxable property within the county may, within sixty days after publication, file with the county auditor a protest against the adoption of the resolution. Protests must be in writing and must describe the property which is the subject of the protest. If the governing body finds such protests to have been signed by the owners of taxable property having an assessed valuation equal to five percent or more of the assessed valuation of all taxable property within the county, as theretofore last finally equalized, all further proceedings under the initial resolution are barred.

**SECTION 6. AMENDMENT.** Section 21-03-19 of the North Dakota Century Code is amended and reenacted as follows:

## **21-03-19. Bonds - Terms.**

Bonds issued under this chapter must be authorized by resolution, bear such date or dates, be in such denomination or denominations, be in such form, be subject to redemption with or without premium, and be subject to such other terms or conditions as in the judgment of the municipality are in the public interest of the municipality, and must provide that the last installment of principal falls due not more than twenty years from the date of the bonds or not more than thirty years for bonds sold to the entities under section 21-03-30. The requirements of this section apply to each new issue of bonds, or if so determined by the governing body, to the bonds of a new issue combined with all of the outstanding bonds of one or more designated issues of bonds previously issued and similarly payable from taxes or other sources of revenues, or both, as the case may be.

**SECTION 7. AMENDMENT.** Section 57-15-06.6 of the North Dakota Century Code is amended and reenacted as follows:

### **57-15-06.6. County capital projects levy.**

1. The board of county commissioners of each county may levy an annual tax not exceeding ten mills plus any voter-approved additional levy as provided in subsection 8 of section 57-15-06.7 for the purpose of the following capital projects:
  - 1- a. Constructing and equipping and maintaining structural and mechanical components of regional or county corrections centers or for the purpose of contracting for corrections center space capacity from another public or private entity.
  - 2- b. Acquiring real estate as a site for public parks and construction and equipping and maintaining structural and mechanical components of recreational facilities under section 11-28-06.
  - 3- c. Acquiring real estate as a site for county buildings and operations and constructing and equipping and maintaining structural and mechanical components of county buildings and property.
  - 4- d. Acquiring real estate as a site for county fair buildings and operations and constructing and equipping and maintaining structural and mechanical components of county fair buildings and property as provided in section 4-02-26.
  - 5- e. Acquiring and developing real estate, capital improvements, buildings, pavement, equipment, and debt service associated with financing for county supported airports or airport authorities.
  - 6- f. Expenditures for the cost of leasing as an alternative means of financing for any of the purposes for which expenditures are authorized under subsections 1 through 5.
  - g. Improvement of the county road system, including the acquisition of land, construction of new paved and unpaved roads and bridges, replacement of existing paved and unpaved roads and bridges, and maintenance and repair of existing paved and unpaved roads and bridges.

2. Any voter-approved levy for the purposes specified in this section approved by the electors before January 1, 2015, remains effective through 2024 or the period of time for which it was approved by the electors, whichever is less, under the provisions of law in effect at the time it was approved. After January 1, 2015, approval or reauthorization by electors of increased levy authority under this section may not be effective for more than ten taxable years.

**SECTION 8. AMENDMENT.** Section 57-47-02 of the North Dakota Century Code is amended and reenacted as follows:

**57-47-02. County authorized to borrow - Term - Interest rate.**

Whenever in the judgment of the board of county commissioners all taxes authorized to be levied in any one year for general or special county purposes are insufficient to carry on the primary governmental functions, or to pay the mandatory obligations imposed by law upon a county, then such a county may borrow money in such an amount as the board shall determine to be necessary to meet the deficiencies existing in its general or special funds, or to carry on primary governmental functions, and to pay mandatory obligations. For the purpose of borrowing, a county may issue evidences of indebtedness, which must consist of an agreement by the county to pay a stated sum on a specified date, or on or before a specified date, not more than ~~five~~twenty years in the future, together with interest thereon at a rate or rates resulting in an average annual net interest cost not to exceed twelve percent per annum if sold privately, or with no interest rate ceiling if sold at a public sale or to the state of North Dakota or any of its agencies or instrumentalities. A public sale must comply with the procedures set out in chapter 21-03. There is no requirement for an advertisement for bids if an evidence of indebtedness is sold privately or to the state of North Dakota or any of its agencies or instrumentalities."

Page 10, remove lines 8 through 12

Page 10, line 13, after "**FUND**" insert "**FOR WATER PROJECTS**"

Page 10, line 13, remove "**ESSENTIAL**"

Page 10, line 16, remove "essential"

Page 10, line 21, remove "essential"

Page 10, line 24, replace "twenty" with "thirty"

Page 10, after line 24, insert:

**"SECTION 12. APPROPRIATION - BANK OF NORTH DAKOTA - LINE OF CREDIT.** The Bank of North Dakota may extend a line of credit, not to exceed \$100,000,000, to the infrastructure revolving loan fund established under section 6-09-49. The Bank may access the line of credit, to the extent necessary, the sum of which is appropriated, for the purpose of financing loans under the infrastructure revolving loan fund prior to a bond issuance by the public finance authority, for the biennium beginning July 1, 2019, and ending June 30, 2021. The interest rate associated with the line of credit must be the same as the prevailing interest rate charged by the Bank to North Dakota governmental entities. The Bank shall repay the line of credit from bond proceeds associated with the bonds issued by the public finance authority to support the infrastructure revolving loan fund.

**SECTION 13. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$26,000,000, or so much of the sum as may be necessary, to the public finance authority for the purpose of debt service repayments associated with bonds issued to support the infrastructure revolving loan fund, for the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 10, line 25, replace "6" with "9"

Renumber accordingly