

Fifty-fifth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2087

Introduced by

Political Subdivisions Committee

(At the request of the North Dakota Municipal Bond Bank)

1 A BILL for an Act to amend and reenact subsection 1 of section 6-09.4-10 of the North Dakota
2 Century Code, relating to the required debt service reserve of the municipal bond bank; and to
3 declare an emergency.

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

5 **SECTION 1. AMENDMENT.** Subsection 1 of section 6-09.4-10 of the 1995

6 Supplement to the North Dakota Century Code is amended and reenacted as follows:

7 1. The bond bank shall establish and maintain a reserve fund in which there must be
8 deposited all moneys appropriated by the state for the purpose of ~~such~~ the fund, all
9 proceeds of bonds required to be deposited therein by terms of any contract
10 between the bond bank and its bondholders or any resolution of the bond bank
11 with respect to ~~such~~ the proceeds of bonds, any other moneys or funds of the bond
12 bank which it determines to deposit therein, any contractual right to the receipt of
13 moneys by the bond bank for the purpose of the fund, including a letter of credit or
14 similar instrument, and any other moneys made available to the bond bank only for
15 the purposes of ~~such~~ the fund from any other source or sources. Moneys in the
16 reserve fund must be held and applied solely to the payment of the interest on and
17 the principal of bonds and sinking fund payments as the same become due and
18 payable and for the retirement of bonds, including payment of any redemption
19 premium required to be paid when any bonds are redeemed or retired prior to
20 maturity. Moneys in the reserve fund may not be withdrawn therefrom if ~~such~~ the
21 withdrawal would reduce the amount in the reserve fund to an amount less than
22 the required debt service reserve, except for payment of interest then due and

1 payable on bonds and the principal of bonds then maturing and payable and
2 sinking fund payments and for the retirement of bonds in accordance with the
3 terms of any contract between the bond bank and its bondholders and for the
4 payments on account of which interest or principal or sinking fund payments or
5 retirement of bonds, other moneys of the bond bank are not then available in
6 accordance with the terms of ~~any such~~ the contract. ~~Required~~ The required debt
7 service reserve ~~shall~~ must be an aggregate amount equal to at least the largest
8 amount of money required by the terms of all contracts between the bond bank and
9 its bondholders to be raised in the then current or any succeeding calendar year for
10 the payment of interest on and maturing principal of outstanding bonds, and
11 sinking fund payments required by the terms of any ~~such~~ contracts to sinking funds
12 established for the payment or redemption of ~~such~~ the bonds.

13 **SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure.