

Sixty-first  
Legislative Assembly  
of North Dakota

**SENATE BILL NO.**

Introduced by

Senator Fischer

1 A BILL for an Act to amend and reenact subsection 1 of section 61-24.7-01 and sections  
2 64-24.7-02 and 61-24.7-05 of the North Dakota Century Code, relating to the funding plan for  
3 the Red River valley water supply project.

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

5 **SECTION 1. AMENDMENT.** Section 61-24.7-01 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **61-24.7-01. Legislative findings and intent - Authority to issue bonds.**

8 1. The legislative assembly finds that the provision of water of sufficient quantity and  
9 quality to supply homes, businesses, industries, wildlife, and recreation in the Red  
10 River valley within this state is necessary for the protection of health, property, and  
11 enterprises and for the promotion of prosperity and the general welfare of the  
12 people of the Red River valley and that construction of the Red River valley water  
13 supply project involves and requires the exercise of the sovereign powers of the  
14 state and concerns a public purpose. Therefore, it is declared necessary and in  
15 the public interest that the state by and through the state water commission ~~assist~~  
16 ~~in financing~~ provide a one-third share of the cost of constructing the Red River  
17 valley water supply project ~~through the issuance of bonds~~.

18 2. In furtherance of the public purpose set forth in subsection 1, the state water  
19 commission may issue bonds under chapter 61-02 and the proceeds are  
20 appropriated for construction of the Red River valley water supply project  
21 authorized and funded in part by the federal government and designed to provide  
22 reliable sources of water of sufficient quantity and quality to supply homes,  
23 businesses, industries, wildlife, and recreation in the Red River valley within this  
24 state.

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

**SECTION 2. AMENDMENT.** Section 61-24.7-02 of the North Dakota Century Code is amended and reenacted as follows:

**61-24.7-02. Funding - Red River valley water supply project - Bond issuance amount.** The state water commission may provide a portion of the ~~nonfederal state~~ share of funds necessary to construct the Red River valley water supply project by issuing bonds in an amount not to exceed forty million dollars plus the cost of issuance of the bonds, capitalized interest, and reasonably required reserves. The proceeds of any bonds issued under the authority provided in this section are appropriated to the state water commission for the purposes set forth in this chapter.

**SECTION 3. AMENDMENT.** Section 61-24.7-03 of the North Dakota Century Code is amended and reenacted as follows:

**61-24.7-03. Limitation of action.** An action may not be brought or maintained in any court in this state questioning the validity of any bonds issued as provided in this chapter unless the action is commenced within thirty days after the adoption of the resolution of the state water commission authorizing the sale of bonds. The state water commission may commence a special proceeding at any time after July 1, 2007, in and by which the constitutionality and validity of the bonds to be issued pursuant to this chapter may be judicially examined, approved and confirmed, or disapproved and disaffirmed. Proceedings must comply as nearly as possible with the procedure required for declaratory judgment proceedings.

**SECTION 4. AMENDMENT.** Section 61-24.7-04 of the North Dakota Century Code is amended and reenacted as follows:

**61-24.7-04. Bonds payable from water development trust fund.**

1. Principal and interest on bonds issued for the Red River valley water supply project as provided in this chapter are payable from the water development trust fund from funds transferred from the tobacco settlement trust fund.
2. Obligations issued as provided in this chapter do not constitute a debt, liability, or obligation of the state of North Dakota or a pledge of the faith and credit of the state of North Dakota, but are payable solely from the sources as described in this chapter.

- 1           3.    The state water commission shall include in its submission to the governor for  
2               inclusion by the governor in the biennial executive budget of the state for each year  
3               of the respective biennium during the term of any bonds issued as provided in this  
4               chapter an amount fully sufficient to pay the principal and interest required to be  
5               paid in each year of the biennium, if any, from moneys from the water development  
6               trust fund. If the governor does not include in the executive budget for any reason  
7               the amounts required to be included by this section, the state water commission  
8               shall request independently that the legislative assembly amend the executive  
9               budget appropriation so as to include the amounts.

10           **SECTION 5. AMENDMENT.** Section 61-24.7-05 of the North Dakota Century Code is  
11 amended and reenacted as follows:

12           **61-24.7-05. State funding plan.**

- 13           ~~1.    The remaining sixty million dollars to comprise a total of one hundred million dollars~~  
14           ~~to meet the one hundred million dollar state share of phase one of the Red River~~  
15           ~~valley water supply project is to be funded over three bienniums. The sixty million~~  
16           ~~dollars is to be derived from thirty million dollars from the general fund and thirty~~  
17           ~~million dollars from the resources trust fund.~~
- 18           ~~2.    The state shall provide an additional one hundred million dollars of municipal, rural,~~  
19           ~~and industrial water supply funds for phase two of the Red River valley water~~  
20           ~~supply project, to meet the two hundred million dollar state share of the project.~~
- 21           1.    The legislative assembly declares its intent to provide state funding for one-third of  
22           the total cost of constructing the Red River valley water supply project.
- 23           2.    The one-third share shall be provided by funds from bonding as authorized herein,  
24           and by appropriations from the resources trust fund or the general fund, as  
25           determined by the legislative assembly.
- 26           3.    Any general funds appropriated for the construction of the Red River valley water  
27           supply project may be carried over to future bienniums.
- 28           4.    State funding for the Red River valley water supply project may be appropriated at  
29           the time and in the manner determined by the legislative assembly, either  
30           concurrently or separately from federal and local funding for the Red River valley  
31           water supply project.