

Sixty-first  
Legislative Assembly  
of North Dakota

Introduced by

(At the request of the Public Finance Authority)

1 A BILL for an Act to amend and reenact section 6-09.4-06 of the North Dakota Century Code,  
2 relating to lending and borrowing powers of the public finance authority:

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

4 **SECTION 1. AMENDMENT.** Section 6-09.4-06 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **6-09.4-06. Lending and borrowing powers generally.** The public finance authority  
7 may lend money to political subdivisions or other contracting parties through the purchase or  
8 holding of municipal securities which, in the opinion of the attorney general, are properly eligible  
9 for purchase or holding by the public finance authority under this chapter or chapter 40-57 and  
10 ~~for which the principal amount of any one issue does not exceed two hundred thousand dollars.~~  
11 ~~However, the public finance authority may lend money to political subdivisions or other~~  
12 ~~contracting parties, through the purchase or holding of securities issued by the political~~  
13 ~~subdivisions or other contracting parties without regard to the principal amount of the bonds~~  
14 ~~issued, if the industrial commission approves a resolution that authorizes the public finance~~  
15 ~~authority to purchase or hold the securities. The authorizing resolution must state that the~~  
16 ~~industrial commission has determined that private bond markets will not be responsive to the~~  
17 ~~needs of the issuing political subdivision or other contracting party concerning the securities or,~~  
18 ~~if it appears that the securities can be sold through private bond markets without the~~  
19 ~~involvement of the public finance authority, the authorizing resolution must state reasons for the~~  
20 ~~public finance authority's involvement in the bond issue. The public finance authority may hold~~  
21 such municipal securities for any length of time it finds to be necessary. The public finance  
22 authority, for the purposes authorized by this chapter or chapter 40-57, may issue its bonds  
23 payable solely from the revenues available to the public finance authority which are authorized

1 or pledged for payment of public finance authority obligations, and to otherwise assist political  
2 subdivisions or other contracting parties as provided in this chapter or chapter 40-57.

3 The public finance authority may lend money to the Bank of North Dakota under terms  
4 and conditions requiring the Bank to use the proceeds to make loans for agricultural  
5 improvements that qualify for assistance under the revolving loan fund program established by  
6 chapter 61-28.2.

7 Bonds of the public finance authority issued under this chapter or chapter 40-57 are not  
8 in any way a debt or liability of the state and do not constitute a loan of the credit of the state or  
9 create any debt or debts, liability or liabilities, on behalf of the state, or constitute a pledge of the  
10 faith and credit of the state, but all such bonds are payable solely from revenues pledged or  
11 available for their payment as authorized in this chapter. Each bond must contain on its face a  
12 statement to the effect that the public finance authority is obligated to pay such principal or  
13 interest, and redemption premium, if any, and that neither the faith and credit nor the taxing  
14 power of the state is pledged to the payment of the principal of or the interest on such bonds.  
15 Specific funds pledged to fulfill the public finance authority's obligations are obligations of the  
16 public finance authority.

17 All expenses incurred in carrying out the purposes of this chapter or chapter 40-57 are  
18 payable solely from revenues or funds provided or to be provided under this chapter or chapter  
19 40-57 and nothing in this chapter may be construed to authorize the public finance authority to  
20 incur any indebtedness or liability on behalf of or payable by the state.