

Sixty-first
Legislative Assembly
of North Dakota

Introduced by

(At the request of the Industrial Commission)

1 A BILL for an Act to amend and reenact section 54-01-27 of the North Dakota Century Code,
2 relating to the approval of state leases by the industrial commission.

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

4 **SECTION 1. AMENDMENT.** Section 54-01-27 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **54-01-27. Lease of state-owned property.** Notwithstanding any other provision of
7 law, the state, or any agency or institution of the state, may enter agreements to lease all or
8 part of, or an undivided or other interest in, any real or personal property belonging to the state,
9 or any agency or institution of the state, to and, or, from any agency or institution of the state or
10 any person for such compensation and upon such terms and conditions as the parties under
11 such agreement may stipulate. Such agreements must be authorized by the board, if any, or
12 commissioner or other executive officer of the commission, agency, or institution holding,
13 controlling, possessing, or owning the property or on whose behalf the property is held, ~~and~~
14 ~~must be approved by the industrial commission.~~ For purposes of this section, the agreements
15 include any lease, sublease, purchase agreement, lease-purchase agreement, installment
16 purchase agreement, leaseback agreement, or other contract, agreement, instrument, or
17 arrangement pursuant to which any rights, interests, or other property are transferred to, by, or
18 from any party to, by, or from one or more parties, and any related documents entered or to be
19 entered, including any operating agreement, service agreement, indemnity agreement,
20 participation agreement, loan agreement, or payment undertaking agreement entered as part of
21 a long-term lease and leaseback transaction. A lease obligation under this section may not
22 exceed a term of ninety-nine years. A lease obligation entered into under this section is
23 payable solely from revenues to be derived by the state, or any agency or institution of the
24 state, from the ownership, sale, lease, disposition, and operation of the property; any funds or

1 investments permitted under state law, and any earnings thereon, to the extent pledged
2 therefor; revenues to be derived by the state, or any agency or institution of the state, from any
3 support and operating agreement, service agreement, or any other agreement relating to the
4 property; funds, if any, appropriated annually by the legislative assembly or received from
5 federal sources; and income or proceeds from any collateral pledged or provided therefor. A
6 lease obligation under this section does not constitute an indebtedness of the state, or any
7 agency or institution of the state, or a pledge of the full faith and credit or unlimited taxing
8 resources of the state, or any agency or institution of the state. Notwithstanding any other law,
9 the state, or any agency or institution of the state, may solicit and accept one or more proposals
10 for a lease transaction, including the arrangement thereof, under this section, and accept any
11 proposal that is determined to be in the public interest. The public finance authority, on behalf
12 of the state, or any agency or institution of the state, may do and perform any acts and things
13 authorized by this section, including making, entering, and enforcing all contracts or
14 agreements necessary, convenient, or desirable for the purposes of this section.