

HOUSE BILL NO. 1115

Introduced by

Finance and Taxation Committee

(At the request of the Industrial Commission)

1 A BILL for an Act to create and enact two new sections to chapter 54-18 of the North Dakota
2 Century Code, relating to the issuance of bonds by the industrial commission for the mill and
3 elevator association.

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

5 **SECTION 1.** Two new sections to chapter 54-18 of the North Dakota Century Code are
6 created and enacted as follows:

7 **Bonds of association.** In order to fund the association's buildings and enterprises,
8 related structures, parking facilities, equipment, improvements, real and personal property, and
9 any other appurtenances, fixtures, or facilities necessary or convenient for the use or
10 disposition of the association's buildings and enterprises, the industrial commission is
11 authorized to issue, sell, and refund revenue bonds or evidences of indebtedness of the state.
12 The principal and interest on the bonds are payable only from revenues generated from
13 earnings of the association. The bonds may not constitute a debt of the state of North Dakota
14 and must contain a statement to that effect on their face. The bonds may be sold at public or
15 private sale, must mature not more than twenty years from their date or dates, and must contain
16 such terms, conditions, and provisions as the industrial commission determines. The industrial
17 commission may capitalize from bond proceeds all expenses incidental to the issuance of the
18 bonds including any reserves for the payment of bonds, costs of issuance, interest during
19 construction, and costs of any credit enhancement for the bonds including the costs of any
20 letter of credit, bond insurance, surety bond, or liquidity facility. Bonds may not be issued under
21 this section until the legislative assembly by law has authorized the specific project and
22 declared the project to be in the public interest. The bonds and any interest thereon are not
23 subject to taxation by the state or by any political subdivision of the state. Bonds issued under
24 this section may be acquired and held by banks and by savings and loan associations of the

1 state as well as by all public trust funds and fiduciaries. The industrial commission may make
2 and enter into and enforce all contracts or agreements necessary, convenient, or desirable for
3 the purposes of the commission or pertaining to any purchase or sale of the bonds or to the
4 performance of its duties and the execution or carrying out of any of its powers under this
5 section.

6 **Mill association renovation project.** The industrial commission is authorized to
7 arrange for the funding of a mill association renovation project which is hereby declared to be in
8 the public interest through the issuance of evidences of indebtedness during the biennium
9 beginning July 1, 1999, and ending June 30, 2001, with the construction costs not exceeding
10 nineteen million five hundred thousand dollars. The authority of the commission to issue
11 evidences of indebtedness ends June 30, 2001, but the industrial commission may continue to
12 exercise all other powers granted to it under this Act and to comply with any covenants entered
13 into before that date.