

**HOUSE BILL NO. 1416**

Introduced by

Representatives Froseth, Rust, Onstad

Senators Andrist, Erbele, Dotzenrod

1 A BILL for an Act to amend and reenact subsection 13 of section 23-11-01, section 23-11-21,  
2 subsection 23 of section 23-11-24, and section 23-11-29 of the North Dakota Century Code,  
3 relating to housing authorities and bonded indebtedness; and to declare an emergency.

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

5 **SECTION 1. AMENDMENT.** Subsection 13 of section 23-11-01 of the North Dakota Century  
6 Code is amended and reenacted as follows:

7 13. "Persons of moderate income" means individuals or families whose income is not  
8 adequate without governmental assistance, as determined by the local housing  
9 authority undertaking the housing project, to cause private enterprise to provide a  
10 substantial supply of decent, safe, and sanitary housing at rents or prices within their  
11 financial means.

12 **SECTION 2. AMENDMENT.** Section 23-11-21 of the North Dakota Century Code is  
13 amended and reenacted as follows:

14 **23-11-21. Bonds - Liability - Tax exempt.**

15 Neither the commissioners of an authority nor any person executing bonds of the authority  
16 is liable personally on the bonds by reason of the issuance of the bonds. The bonds and other  
17 obligations of an authority ~~are not a debt~~ do not constitute an indebtedness of the city, county, or  
18 ~~state, nor of any political subdivision, unless a city or county pledges its general obligation to~~  
19 ~~the payment of the bonds under subsection 23 of section 23-11-24~~ governing body within the  
20 meaning of any constitutional or statutory debt limitation or restriction. The bond obligations are  
21 declared to be issued for an essential public and governmental purpose and to be public  
22 instrumentalities and the bonds, together with the interest on the bonds and income from the  
23 bonds are exempt from taxation. The tax exemption provisions of this chapter are considered

1 part of the contract for the security of the bond obligations authorized by this chapter and do not  
2 need to be restated in the bond obligations.

3 **SECTION 3. AMENDMENT.** Subsection 23 of section 23-11-24 of the North Dakota Century  
4 Code is amended and reenacted as follows:

5 23. To make covenants and to do any acts and things as may be necessary, convenient,  
6 or desirable in order to secure the authority's bonds, or, in the absolute discretion of  
7 the authority, as will tend to make the bonds more marketable notwithstanding that the  
8 covenants, acts, or things are not enumerated, including:

- 9 a. To the payment of the principal of and interest on bond obligations, when due,  
10 there may be pledged as a first charge and lien the gross revenues of the  
11 housing project financed in whole or in part by the obligations, and the governing  
12 city or county may covenant to provide additional funds for the benefit of that  
13 housing project to the extent that the gross revenues in excess of those debt  
14 service requirements are not also sufficient from time to time to pay the  
15 reasonable operating and maintenance expenses of that housing project.
- 16 b. The governing body of an authority may pledge the general obligation of the city  
17 or county for which the authority was created as additional security for bonds  
18 provided that the authority finds that the pledged revenues will equal or exceed  
19 one hundred ten percent of the principal and interest due on the bonds for each  
20 year, the maturity of the bonds does not exceed thirty-five years, and the principal  
21 amount of the issue and the general obligation pledge are approved by the  
22 governing body of the city or county in which the housing project is located and  
23 whose general obligation is pledged. A public hearing must be held on issuance  
24 of the obligations and the pledge of the general obligation by the city or county in  
25 which the housing project is located. The hearing must be held at least fifteen  
26 days, but not more than one hundred twenty days, before the sale of the  
27 obligations. The general obligation pledge by a city or county does not constitute  
28 indebtedness within the meaning of any constitutional or statutory provision.

29 **SECTION 4. AMENDMENT.** Section 23-11-29 of the North Dakota Century Code is  
30 amended and reenacted as follows:

1       **23-11-29. Tax exemptions and payments in lieu of taxes.**

2       The property of an authority used for low-income housing, including an authority created  
3       under Indian laws recognized by the federal government, is declared to be public property used  
4       for essential public and governmental purposes and is exempt from all taxes and special  
5       assessments of the state or any political subdivision. In lieu of taxes or special assessments, an  
6       authority may agree to make payments to the state or any political subdivision for  
7       improvements, services, and facilities furnished by the state or political subdivision for the  
8       benefits of a housing project. The payments may not exceed the estimated cost of the  
9       improvements, services, or facilities to be so furnished. Notwithstanding any other provision of  
10      law, the property of an authority used for low and moderate income housing is declared to be  
11      public property used for essential public and governmental purposes and is exempt from all  
12      taxes of the state or any political subdivision except special assessments unless specifically  
13      exempted from the special assessment by the political subdivision.

14      **SECTION 5. EMERGENCY.** This Act is declared to be an emergency measure.