

FIRST ENGROSSMENT

ENGROSSED SENATE BILL NO. 2299

Introduced by

Senators Paulson, Castaneda, Luick

Representatives D. Ruby, VanWinkle, Wolff

1 A BILL for an Act to amend and reenact subsection 1 of section 54-10-14, subsection 1 of
2 section 54-10-15, and sections 61-35-09 and 61-35-10 of the North Dakota Century Code,
3 relating to oversight of water districts.

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

5 **SECTION 1. AMENDMENT.** Subsection 1 of section 54-10-14 of the North Dakota Century
6 Code is amended and reenacted as follows:

- 7 1. The state auditor shall audit the following political subdivisions once every two years,
8 except as provided in this section or otherwise by law:
- 9 a. Counties.
 - 10 b. Cities, and when a city is audited, to include any political subdivision that was
11 created by the city and has bonding authority.
 - 12 c. Park districts.
 - 13 d. School districts.
 - 14 e. Firefighters relief associations.
 - 15 f. Airport authorities.
 - 16 g. Public libraries.
 - 17 h. Water resource districts, created under chapter 61-16 and operating under
18 chapter 61-16.1.
 - 19 i. Garrison Diversion Conservancy District.
 - 20 j. Rural fire protection districts.
 - 21 k. Special education districts.
 - 22 l. Area career and technology centers.

- 1 m. Correction centers.
- 2 n. Recreation service districts.
- 3 o. Weed boards.
- 4 p. Irrigation districts.
- 5 q. Rural ambulance service districts.
- 6 r. Southwest water authority.
- 7 s. Regional planning councils.
- 8 t. Soil conservation districts.
- 9 u. Western area water supply authority industrial water sales on an annual basis.
- 10 v. Water districts subject to chapter 61-35.

11 **SECTION 2. AMENDMENT.** Subsection 1 of section 54-10-15 of the North Dakota Century
12 Code is amended and reenacted as follows:

- 13 1. The state auditor, by duly appointed deputy auditors or other authorized agents, shall
14 audit or review the books, records, and financial accounts of any political subdivision
15 when ordered by the legislative audit and fiscal review committee. The state auditor,
16 by duly appointed auditors or other authorized agents, may audit or review the books,
17 records, and financial accounts of any political subdivisions when requested by the
18 governor, requested by the governing board, or upon petition of at least thirty-five
19 percent of the qualified electors of any political subdivision enumerated in section
20 54-10-14 voting for the office of governor at the preceding general election ~~or, in the~~
21 ~~case of~~regarding school districts, upon petition of at least thirty-five percent of the
22 qualified electors voting at the preceding school board election; regarding water
23 districts subject to chapter 61-35, upon a petition of at least ten percent or three
24 hundred participating members, whichever is fewer, or upon the request of the state
25 court administrator with respect to clerk of district court services provided by a county
26 in accordance with chapter 27-05.2. Fees for the audits must be paid in accordance
27 with the provisions of section 54-10-14.

28 **SECTION 3. AMENDMENT.** Section 61-35-09 of the North Dakota Century Code is
29 amended and reenacted as follows:

1 **61-35-09. Bylaws submitted at special meeting.**

2 Within thirty days after election of the original board, proposed bylaws must be submitted
3 for adoption at a special meeting of members of the district, written notice of which must be
4 mailed to each member. Members present at the special meeting may adopt or amend any of
5 the proposed bylaws, and may propose and adopt alternative or additional bylaws by a majority
6 vote. The bylaws may subsequently be amended at any annual or special meeting of the
7 participating members of the district. However, the bylaws of each district must provide:

- 8 1. For an annual meeting of participating members each year after the year of
9 organization of the district and for mailing of written notice of the time and place of
10 each annual meeting to each participating member and publication of the notice in the
11 official newspaper of the county or counties served by the district not less than ten nor
12 more than thirty days before each meeting.
- 13 2. That each participating member of the district is entitled to one vote at all annual and
14 special meetings of the district for each benefit unit to which the member has
15 subscribed.
- 16 3. That each participating member seeking election to the board shall present a petition
17 containing signatures of ten participating members. All petitions must be submitted to
18 the secretary of the board or nominating committee at least forty-five days before the
19 election or by the mail election deadline established under the district's bylaws. Any
20 participating member who submits a petition must be added to the ballot, provided
21 they reside in the appropriate district and qualify to serve as a director under the
22 district's bylaws.

23 **SECTION 4. AMENDMENT.** Section 61-35-10 of the North Dakota Century Code is
24 amended and reenacted as follows:

25 **61-35-10. Directors divided into classes - Terms - Vacancies.**

- 26 1. The initial board of each district shall divide its members by lot into three classes of as
27 nearly equal size as possible. The terms of the directors in the first, second, and third
28 classes expire on dates of the annual meetings in the first, second, and third years,
29 respectively, following the year in which the district is organized, or as soon thereafter
30 as their successors are elected and have qualified.

- 1 2. At the annual meeting in each year after the year in which the district is organized, a
2 director must be elected to succeed each director whose term of office expires on that
3 date, and each director so elected holds office for a term of three years and until a
4 successor is elected and has qualified.
- 5 3. Vacancies must be filled for the unexpired term by appointment by the remaining
6 directors until the next annual meeting of participating members, at which the
7 participating members shall elect a director for the unexpired term.
- 8 4. All elections held under this chapter must be conducted to allow participating members
9 to access all stages of the election process, including voting and vote tabulation in a
10 uniform and nondiscriminatory manner. Each meeting must be arranged in a manner
11 that permits each participating member to plainly observe the election process.