

Proposed Amendments to HB 1537

1 **SECTION 1. AMENDMENT.** Section 6-09.4-22 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **6-09.4-22. Protection of service during term of loan.**

4 1. The ~~water~~ service provided or made available by a political subdivision through the
5 construction or acquisition of an improvement, or the revenues therefrom, financed in
6 whole or in part with a loan to the political subdivision from the public finance authority
7 or any other state agency or enterprise, may not be curtailed or limited by inclusion of
8 all or any part of the area served by the political subdivision within the boundaries of
9 any other political subdivision, or by the granting of any private franchise for similar
10 service within the area served by the political subdivision, during the term of the loan.

11 The political subdivision providing the service may not be required to obtain or secure
12 any franchise, license, or permit as a condition of continuing to serve the area if it is
13 included within the boundaries of another political subdivision during the term of the
14 loan. ~~As used in this section, "water service" means service provided under chapter-~~

15 ~~61-28.1.~~

16 2. Under the circumstances described in subsection 1, nothing prevents the two political
1 subdivisions, from negotiating an agreement for the right or obligation to provide the
service in question, ~~provided that any agreement is invalid and unenforceable~~ voidable
only at the option of the public finance authority or other state agency or enterprise during
the term of the loan ~~if~~ unless:

- a. The public finance authority or other state agency or enterprise is ~~not~~ a party to the
agreement; ~~or and unless-~~
- b. ~~‡The agreement does not contain~~s adequate safeguards to ensure the security and timely
payment of any outstanding bonds of the public finance authority issued to fund the loan.

2 ~~3. Only the public finance authority or other state agency providing the financing~~
3 ~~described in subsection 1 may enforce the provisions of this section. This section~~ An
agreement not complying with the provisions of subdivisions a and b of subdivision 2 of
this section does not create or provide a cause of action or claim to a political
subdivision.

4 ~~**SECTION 2. RETROACTIVE APPLICATION.** This Act applies retroactively to July 31,~~

