

## PROPOSED AMENDMENTS TO

### 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; and to declare an emergency.

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.

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

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

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

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

3       **61-35-09. Bylaws submitted at special meeting.**

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

- 10       1. For an annual meeting of participating members each year after the year of  
11       organization of the district and for mailing of written notice of the time and place of  
12       each annual meeting to each participating member and publication of the notice in the  
13       official newspaper of the county or counties served by the district not less than ten nor  
14       more than thirty days before each meeting.
- 15       2. That each participating member of the district is entitled to one vote at all annual and  
16       special meetings of the district for each benefit unit to which the member has  
17       subscribed.
- 18       3. ~~That each participating member of the district may nominate an individual to be a~~  
19       ~~candidate at a special election to fill a vacancy or at a regularly scheduled election at~~  
20       ~~an annual meeting to elect a successor director. A nomination for a candidate may be~~  
21       ~~made beginning thirty days before the election up to the date of election. A nomination~~  
22       ~~also may be made at the annual or special meeting before the commencement of the~~  
23       ~~election~~seeking election to the board at any annual or special meeting shall present a  
24       petition containing signatures of three participating members. All petitions must be  
25       submitted to the secretary of the board or nominating committee at least five days  
26       before the election. Any participating member who submits a petition must be added to  
27       the ballot, provided they reside in the appropriate district.

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

1       **61-35-10. Directors divided into classes - Terms - Vacancies.**

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

7       2. At the annual meeting in each year after the year in which the district is organized, a  
8       director must be elected to succeed each director whose term of office expires on that  
9       date, and each director so elected holds office for a term of three years and until a  
10      successor is elected and has qualified. ~~The county auditor of the county in which the~~  
11      ~~majority of the district is located shall oversee the election under this subsection.~~

12      3. Vacancies must be filled for the unexpired term by appointment by the remaining  
13      directors ~~through a special election administered by the county auditor of the county in~~  
14      ~~which the majority of the district is located~~ until the next annual meeting of participating  
15      members, at which the participating members shall elect a director for the unexpired  
16      term.

17      4. ~~Except as otherwise provided by law, all~~ All elections held under this chapter must be  
18      conducted ~~and the votes must be canvassed in the same manner as in the election of~~  
19      ~~county officers~~ to allow participating members to access all stages of the election  
20      process, including voting, vote tabulation, and certification of results in a uniform and  
21      nondiscriminatory manner. Each meeting must be arranged in a manner that permits  
22      each participating member to plainly observe and engage in the election process.

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