

GOVERNMENTAL FINANCE

CHAPTER 213

HOUSE BILL NO. 1134
(Committee on Political Subdivisions)
(At the request of the Bank of North Dakota)

WAIVER OF BID ADVERTISEMENT

AN ACT to amend and reenact subsection 1 of section 21-02-11 of the North Dakota Century Code, relating to waiver of bid advertisement when certificates of indebtedness are to be sold to the Bank of North Dakota.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Subsection 1 of section 21-02-11 of the 1975 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

1. If they are sold to the state board of university and school lands, the Bank of North Dakota, or in case other trust funds administered by public officials are invested in them; or

Approved March 11, 1977

CHAPTER 214

HOUSE BILL NO. 1117
(Strinden)

MUNICIPAL BOND FORMAT

AN ACT to amend and reenact section 21-03-18 of the North Dakota Century Code, relating to the form and content of bonds, their coupons, and number of bonds.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 21-03-18 of the 1975 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

21-03-18. FORM AND CONTENTS OF BONDS.) Every municipal bond shall be a negotiable instrument payable to bearer, or to bearer or the registered owner, with or without interest coupons attached, interest to be payable annually or semiannually at the rate or rates specified in the accepted bid for the purchase of said bonds. Each bond shall specify the time and place for payment of the principal and interest, and shall be numbered consecutively with the other bonds of the same issue, which shall begin with number one and continue upward, or if so directed by the governing body, shall begin with any other number and continue upward. Each bond shall bear upon its face a name indicative of the purpose of the issue specified in said initial resolution and shall contain a certificate or recital of any direct, annual, irrevocable tax which has been levied by the municipality upon all the taxable property therein, together with any other tax or source of revenue which the municipality may be authorized to impose or pledge and any annual or periodic payments or distributions appropriated or allocated by the legislative assembly, sufficient to pay the interest when it falls due, and also to pay and discharge the principal of such bond at maturity, and may contain any other statement of fact not in conflict with said initial resolution. The entire issue may be composed of a bond or bonds of a single denomination or of two or more denominations.

Approved March 5, 1977

CHAPTER 215

SENATE BILL NO. 2452
(Strinden)

MUNICIPAL BOND SALE ADVERTISEMENT

AN ACT to amend and reenact section 21-03-26 of the North Dakota Century Code, relating to certain municipal bonds and the advertisement of the public sale thereof.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 21-03-26 of the 1975 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

* 21-03-26. BONDS - CALL FOR BIDS - HOW ADVERTISED - COPY TO TAX COMMISSIONER - PENALTY.) A notice calling for bids for each proposed issue of municipal bonds shall be published at least once in the official newspaper of the municipality not less than ten days nor more than thirty days before the date specified therein for the receiving of such bids. Such notice may be in any form but shall specify the amount of bonds offered for sale and the date of the maturity thereof. A copy of such notice shall be mailed to the state tax commissioner at Bismarck not less than ten days before the date specified for the opening bids, and the tax commissioner shall keep such notice on file for public inspection. The county auditor, or the auditor or secretary of the municipality advertising such sale, at the same time shall file with the tax commissioner a statement giving the assessed valuation, the area, the population, and the indebtedness thereof. Failure to publish such notice or to send a copy thereof to the tax commissioner shall not impair the validity of such bonds but shall render unenforceable any executory contract entered into for the sale thereof. An auditor or secretary failing to publish or to send such notice shall be subject to a penalty of not more than five hundred dollars, at the discretion of the district court, to be recovered in an action brought by the state's attorney in the name of the state. The penalty, when collected, shall be paid into the general fund of the county.

*NOTE: Section 21-03-26 was also amended by section 2 of Senate Bill No. 2392, chapter 375.

Approved March 23, 1977

CHAPTER 216

SENATE BILL NO. 2375
(Strinden)

VALIDITY OF BOND ISSUANCE AND SPECIAL ASSESSMENT PROCEDURES

AN ACT to amend and reenact sections 21-03-47, 40-22-43, 40-35-04, 40-35-05, and 40-57-07 of the North Dakota Century Code, relating to the limitation of actions regarding the validity of certain bonds, certain taxes, and special assessments and to procedures pertaining to such bonds and special assessments.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 21-03-47 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

21-03-47. LIMITATION OF ACTION.) No action shall be brought or maintained in any court in this state questioning the validity of any bonds issued pursuant to this chapter, or of any tax levied pursuant hereto, unless such action shall have been commenced within thirty days after the adoption of the resolution of the governing body awarding the sale of such bonds.

SECTION 2. AMENDMENT.) Section 40-22-43 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

40-22-43. DEFECTS AND IRREGULARITIES IN IMPROVEMENT PROCEEDINGS ARE NOT FATAL.) Defects and irregularities in any proceedings had or to be had under this chapter relating to municipal improvements by the special assessment method, where the proceedings are for a lawful purpose and are unaffected by fraud and do not violate any constitutional limitation or restriction, shall not invalidate such proceedings, and no action shall be commenced or maintained and no defense or counterclaim in any action shall be recognized in the courts of this state founded on any such defects or irregularities in such proceedings, unless commenced within thirty days of the adoption of the resolution of the governing board awarding the sale of warrants to finance the improvement.

SECTION 3. AMENDMENT.) Section 40-35-04 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

40-35-04. RESOLUTION AUTHORIZING UNDERTAKING AND THE ISSUANCE OF REVENUE BONDS.) The acquisition, construction, reconstruction, improvement, betterment, or extension of any undertaking, and the issuance of bonds in anticipation of the collection of the revenues of such undertaking to provide funds to pay the cost thereof, may be authorized by an ordinance or resolution of the governing body adopted at any meeting thereof, after appropriate notice, by the affirmative vote of a majority of its members. The amount of such bonds so authorized, however, shall not exceed the amount authorized by the electors of the municipality as provided in this chapter. Unless otherwise provided in the ordinance or resolution, such ordinance or resolution shall take effect immediately and need not be laid over, published, or posted.

SECTION 4. AMENDMENT.) Section 40-35-05 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

40-35-05. COST OF UNDERTAKING - HOW DETERMINED.) In determining the cost of an undertaking, the governing body may include all cost and estimated cost of the issuance of the revenue bonds, all engineering, inspection, fiscal, and legal expenses, any bond reserves, and the interest which it is estimated will accrue during the construction period and for six months thereafter on money borrowed or which it is estimated will be borrowed pursuant to this chapter.

SECTION 5. AMENDMENT.) Section 40-57-07 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

* 40-57-07. COST OF PROJECT - HOW DETERMINED.) In determining the cost of a project, the governing body may include all cost and estimated cost of the issuance of the revenue bonds, all engineering, inspection, fiscal, and legal expense, any bond reserves, and the interest which it is estimated will accrue during the construction period and for six months thereafter on money borrowed or which it is estimated will be borrowed pursuant to this chapter.

*NOTE: Section 40-57-07 was also amended by section 3 of Senate Bill No. 2463, chapter 392.

Approved March 23, 1977

CHAPTER 217

SENATE BILL NO. 2119
(Fritzell)

STATE INVESTMENT BOARD AUTHORITY

AN ACT to amend and reenact section 21-10-02 of the North Dakota Century Code, relating to the power of the state investment board to enter into lending of securities agreements.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT.) Section 21-10-02 of the 1975 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

21-10-02. BOARD - POWERS AND DUTIES.) The board shall be charged with the investment of the funds enumerated in section 21-10-06. It shall approve general types of securities for investment by these funds and set policies and procedures regulating securities transactions on behalf of the various funds. Representatives of the funds enumerated in section 21-10-06 may make recommendations to the board in regard to investments. The board or its designated agents shall be custodian of securities purchased on behalf of funds under the management of the board. The board may appoint an investment director or advisory service who shall be experienced in the field of investments and shall hold considerable knowledge of the investment of securities enumerated in section 21-10-07. The investment director or advisory service shall serve at the pleasure of the board. The investment director or advisory service may be an individual, corporation, partnership, or any legal entity which meets the qualifications established herein. The board may appoint, in addition to an investment director or advisory service, such personnel as it deems necessary to properly fulfill their responsibility. Existing department facilities for making traditional investments within the state shall continue to function subject however to supervision and management of the board. The board may authorize the investment director to lend securities held by the funds. These securities must be collateralized by direct or guaranteed obligations of the United States government.

Approved March 4, 1977