

GOVERNMENTAL FINANCE

CHAPTER 238

SENATE BILL NO. 2217

(Senator Lips)

CITY BONDS FOR HIGHER EDUCATION PROJECTS

AN ACT to create and enact a new subdivision to subsection 2 of section 21-03-06 of the North Dakota Century Code, relating to city bond issues to provide local matching funds for capital construction projects at state higher education institutions.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new subdivision to subsection 2 of section 21-03-06 of the North Dakota Century Code is created and enacted as follows:

To provide required matching funds for a capital construction project at a state institution of higher education located within the city for which an appropriation has been made by the legislative assembly. Bonds issued under this subdivision are deemed to be issued for corporation purposes under subsection 5 of section 40-05-01.

Approved March 7, 1995
Filed March 7, 1995

CHAPTER 239

SENATE BILL NO. 2442

(Senators Langley, Urlacher, Wogsland)
(Representatives Laughlin, Nicholas)

HIGHWAY BOND NOTICES

AN ACT to amend and reenact subsection 3 of section 21-03-07 of the North Dakota Century Code, relating to notice of the issuance of bonds by municipalities for highway projects.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 3 of section 21-03-07 of the 1993 Supplement to the North Dakota Century Code is amended and reenacted as follows:

3. The governing body of any municipality may issue bonds of the municipality for the purpose of providing funds to meet its share of the cost of any federal-aid highway project undertaken under an agreement entered into by the governing body with the United States government, the director of the department of transportation, the board of county commissioners, or any of them, including, but without limitation, the cost of any construction, improvement, financing, planning, and acquisition of right of way of a federal-aid highway routed through the municipality and of any bridges and controlled access facilities thereon and any necessary additional width or capacity of the roadway thereof greater than that required for federal or state highway purposes, and of any necessary relaying of utility mains and conduits, curbs and gutters, and the installation of utility service connections and streetlights; provided, that the portion of the total cost of such project to be paid by the municipality under such agreement, including all items of cost incurred directly by the municipality and all amounts to be paid by it for work done or contracted for by other parties to the agreement, may not exceed a sum equal to thirty percent of the total cost, including engineering and other incidental costs, of all construction and reconstruction work to be done plus fifty percent of the total cost of all right of way to be acquired in connection therewith. The initial resolution authorizing issuance of bonds under this subsection must be published in the official newspaper of the municipality. Within sixty days after publication, an owner of taxable property within the municipality may file with the auditor or chief fiscal officer of the municipality a written protest against adoption of the resolution. A protest must describe the property that is the subject of the protest. If the governing body finds protests have been signed by the owners of taxable property having an assessed valuation equal to five percent or more of the assessed valuation of all taxable property in the municipality, as most recently finally equalized, all further proceedings under the initial resolution are barred. Nothing herein may be deemed to prevent any municipality from appropriating funds for or financing out of taxes, special assessments, or utility revenues any work incidental to any such project, in the manner and to the extent otherwise permitted by law, and the cost of any work so financed may not be included in

computing the portion of the project cost payable by the municipality, within the meaning of this subsection, unless such work is actually called for by the agreement between the municipality and the other governmental agencies involved.

Approved April 17, 1995

Filed April 18, 1995

CHAPTER 240

HOUSE BILL NO. 1189
(Representative Wardner)

STUDENT FINANCIAL INSTITUTIONS

AN ACT to amend and reenact subsection 5 of section 21-04-01 of the North Dakota Century Code, relating to excluding funds deposited in a student financial institution from the definition of public funds.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 5 of section 21-04-01 of the North Dakota Century Code is amended and reenacted as follows:

5. "Public funds" includes all funds derived from taxation, fees, penalties, sale of bonds, or from any other source, which belong to and are the property of a public corporation or of the state, and all sinking funds of such public corporation or of the state, and all funds from whatever source derived and for whatever purpose to be expended of which a public corporation or the state have legal custody. ~~They include the~~ The term includes funds of which any board, bureau, commission, or individual, created or authorized by law, is authorized to have control as the legal custodian for any purpose whatsoever whether such funds were derived from general or special taxation or the assessment of persons or corporations for a specific purpose. The term does not include funds of students or student organizations deposited in a student financial institution approved by and under the control of the school board.

Approved March 24, 1995
Filed March 27, 1995

CHAPTER 241**HOUSE BILL NO. 1079**

(Industry, Business and Labor Committee)

(At the request of the State Auditor)

**SECURITY CUSTODIAN APPROVAL BY STATE
AUDITOR**

AN ACT to amend and reenact section 21-04-09 of the North Dakota Century Code, relating to approval of custodians for safekeeping securities pledged in place of depository bonds.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

¹⁴⁰ **SECTION 1. AMENDMENT.** Section 21-04-09 of the North Dakota Century Code is amended and reenacted as follows:

21-04-09. Pledge of security in place of depository bond. The board of any public corporation may accept from any financial institution, as security for repayment of deposits, a pledge of securities in lieu of a personal or surety bond. When securities are so pledged to the board of any public corporation, such board shall require security in the amount of one hundred ten dollars for every one hundred dollars of public deposits. Securities which are eligible for such pledge are bills, notes, or bonds issued by the United States government, its agencies or instrumentalities, all bonds and notes guaranteed by the United States government, federal land bank bonds, bonds, notes, warrants, certificates of indebtedness, insured certificates of deposit, shares of investment companies registered under the Investment Companies Act of 1940, and all other forms of securities issued by the state of North Dakota, its boards, agencies, or instrumentalities, or by any county, city, township, school district, park district, or other political subdivision of the state of North Dakota, whether payable from special revenues or supported by the full faith and credit of the issuing body, and bonds issued by any other state of the United States or such other securities approved by the banking board. Such securities may be delivered to and held for safekeeping by any financial institution, other than the depository, which the depository and the public corporation may agree upon; ~~which financial institution prior thereto has been approved as a custodian for such purpose by the state auditor.~~ Whenever any such securities are so deposited for safekeeping with any custodian, such custodian shall issue a receipt therefor jointly to the depository and the public corporation.

Any financial institution pledging such securities, at any time it deems it advisable or desirable, and without the consent of the board of the public corporation, may substitute other eligible securities for all or any part of the securities so pledged. The securities so substituted must, at the time of such substitution, have a market value at least equal to the market value of the securities released and delivered to the depository.

¹⁴⁰ Section 21-04-09 was also amended by section 2 of Senate Bill No. 2314, chapter 93.

In the event of such substitution the holder or custodian of the pledged securities shall, on the same day, forward by registered or certified mail to the public corporation and the depository financial institution a receipt specifically describing and identifying both the securities so substituted and those released and returned to the depository financial institution.

No pledge of security or bond may be required for any funds deposited with a financial institution to the extent that such deposits are insured by the federal deposit insurance corporation or the federal savings and loan insurance corporation or the national credit union association.

Approved March 1, 1995
Filed March 2, 1995

CHAPTER 242

HOUSE BILL NO. 1246
(Representative Martinson)

POLITICAL SUBDIVISION INVESTMENTS

AN ACT to amend and reenact section 21-06-07 of the North Dakota Century Code, relating to investment of funds by political subdivisions.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

¹⁴¹ SECTION 1. AMENDMENT. Section 21-06-07 of the North Dakota Century Code is amended and reenacted as follows:

~~21-06-07. Political subdivisions may invest surpluses funds. From and after the passage and approval of this section, it is lawful for counties~~

1. Counties, cities, school districts, park districts, and townships in this state to may invest surpluses moneys in their general fund, or surpluses balances in any special or temporary fund, in bonds:
 - a. Bonds, treasury bills and notes, or other securities which that are a direct obligation of, or an obligation insured or guaranteed by, the treasury of the United States or of an instrumentality thereof; provided, however, that bonds, or its agencies, instrumentalities, or organizations created by an Act of Congress.
 - b. Securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are of a type listed above.
 - c. Certificates of deposit fully insured by the federal deposit insurance corporation or by the state.
 - d. Obligations of the state.
2. Bonds, treasury bills and notes or other securities so purchased must be taken into consideration in making levies for the ensuing year, and when funds are needed for current expenses, the governing board and authorities of such municipalities shall be authorized to may convert said those obligations into cash.

Approved April 11, 1995
Filed April 12, 1995

¹⁴¹ Section 21-06-07 was also amended by section 3 of Senate Bill No. 2314, chapter 93.