

HOUSE BILL NO. 1045

Introduced by

Legislative Council

(Judiciary Committee)

1 A BILL for an Act to amend and reenact sections 1-04-09, 4-24-10, 9-10-06, subsection 10 of
2 section 10-04-06, sections 10-06.1-12, 10-06.1-13, 10-19.1-05, subsections 3, 4, and 5 of
3 section 10-19.1-10, sections 10-19.1-11, 10-19.1-23, subsection 4 of section 10-19.1-61,
4 subsections 2 and 3 of section 10-19.1-75.2, subsection 2 of section 10-19.1-99, subsection 4
5 of section 10-19.1-100, subsection 2 of section 10-19.1-101, subsection 4 of section
6 10-19.1-103, subsection 2 of section 10-19.1-106, subsection 1 of section 10-19.1-108,
7 sections 10-19.1-110.1, 10-19.1-112, 10-19.1-113.1, 10-19.1-129, 10-30-05, subsection 1 of
8 section 10-30.1-04, section 10-30.5-04, subsections 2, 3, and 4 of section 10-32-07,
9 subdivision b of subsection 5 of section 10-32-56, subsection 4 of section 10-32-107,
10 subdivision j of subsection 5 of section 10-33-06, subsection 24 of section 10-33-21,
11 subsection 3 of section 11-10.2-01, subdivision b of subsection 3 of section 12.1-32-15, section
12 16.1-01-07, subsection 3 of section 16.1-08.1-01, sections 18-08-12, 20.1-08-04.6,
13 subsection 2 of section 23-06.4-03, subsection 2 of section 23-06.5-10, subsection 12 of
14 section 25-03.1-02, sections 26.1-17-02, 26.1-17-33, subsection 1 of section 26.1-18.1-02,
15 subsection 1 of section 26.1-19-04, sections 26.1-49-03, 28-04-05.1, 29-12-05, 30.1-15-02,
16 30.1-29-26, 32-03-36, 36-01-08.1, 38-08.1-03, subsection 3 of section 38-08.1-03.1, sections
17 40-51.2-05, 40-57.1-05, subsection 4 of section 41-09-16, section 43-07-19, subsection 10 of
18 section 43-17-02, subsection 1 of section 43-17.1-06, subdivision h of subsection 1 of section
19 45-10.1-02, subsection 1 of section 47-15.1-03, subsection 3 of section 50-06-01.8, section
20 51-14-03.2, subsection 5 of section 53-06.2-11, subsection 1 of section 54-40-01, sections
21 57-15-08, 61-04.1-13, 61-04.1-14, 61-21-47, and 61-35-25 of the North Dakota Century Code,
22 relating to technical corrections and improper, inaccurate, redundant, missing, or obsolete
23 references; and to repeal sections 10-19.1-131, 14-02.1-06, 28-32-22, and chapter 61-24.4 of
24 the North Dakota Century Code, relating to obsolete provisions.

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

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

4 **1-04-09. Curing defects in title to real property.** Any corporation organized
5 otherwise than under the laws of this state, having acquired, or attempted to acquire, or to
6 convey legal title by deed or lease to any real property in this state, before complying with the
7 provisions of ~~chapter 10-22 of title 10~~ North Dakota law governing foreign corporations, which
8 prior to July 1, 1959, has complied with ~~said chapter, shall be and hereby~~ those laws is relieved
9 from any disability ~~provided in said chapter or prohibition therein contained, so far as said~~
10 ~~statute relates~~ relating to the acquisition and holding of the property so acquired, or attempted
11 to be acquired, and the title so acquired, or attempted to be acquired, hereby is confirmed.

12 **SECTION 2. AMENDMENT.** Section 4-24-10 of the 1997 Supplement to the North
13 Dakota Century Code is amended and reenacted as follows:

14 **4-24-10. Agricultural commodity promotion groups to report to legislative**
15 **assembly - Report contents.** Between the first and tenth legislative day of each regular
16 legislative session, the North Dakota potato council, the North Dakota oilseed council, the North
17 Dakota dry bean council, the North Dakota barley council, the North Dakota soybean council,
18 the North Dakota corn utilization council, the North Dakota beekeepers association, the North
19 Dakota turkey federation, the North Dakota milk ~~stabilization~~ marketing board, the North Dakota
20 dairy promotion commission, the North Dakota state wheat commission, and the North Dakota
21 beef commission must file a uniform report at a public hearing before the standing agriculture
22 committee of each house of the legislative assembly. The presiding officer of each house of the
23 legislative assembly may direct that the reports be filed with some other standing committee of
24 that house. Each report must contain a summary of the activities of the commodity group
25 during the current biennium, a single-page uniform statement of revenues and expenditures for
26 the next biennium. Each report, except the reports of the North Dakota beekeepers association
27 and the North Dakota turkey federation, must also include a state auditor's report on the
28 commodity group's single-page uniform statement of revenues and expenditures for the
29 previous two fiscal years.

30 **SECTION 3. AMENDMENT.** Section 9-10-06 of the North Dakota Century Code is
31 amended and reenacted as follows:

1 **9-10-06. Willful acts and negligence - Liability.** ~~Everyone~~ A person is responsible
2 not only for the result of ~~his~~ the person's willful acts but also for an injury occasioned to another
3 by ~~his~~ the person's want of ordinary care or skill in the management of ~~his~~ the person's property
4 or ~~person~~ self. The extent of the liability in such cases is defined by sections 32-03-01 to
5 ~~32-03-19, inclusive~~ through 32-03-18.

6 **SECTION 4. AMENDMENT.** Subsection 10 of section 10-04-06 of the 1997
7 Supplement to the North Dakota Century Code is amended and reenacted as follows:

8 10. The sale of capital stock of a corporation or membership interests of a limited
9 liability company may be exempted by the securities commissioner if the
10 corporation or limited liability company is organized under chapter 10-30 or
11 approved by the small business administration as qualifying for loans under section
12 502 of the Small Business Investment Act of 1958, as amended; or the sale of
13 memberships, including dues, in a nonprofit corporation incorporated ~~under~~
14 ~~chapter 10-24~~ in North Dakota may be exempted by the securities commissioner if
15 the corporation is organized and operated for the primary purpose of promoting
16 community development.

17 **SECTION 5. AMENDMENT.** Section 10-06.1-12 of the North Dakota Century Code is
18 amended and reenacted as follows:

19 **10-06.1-12. Corporation or limited liability company allowed to engage in the**
20 **business of farming or ranching - Requirements.** This chapter does not prohibit a domestic
21 corporation or a domestic limited liability company from owning real estate and engaging in the
22 business of farming or ranching, if the corporation ~~or limited liability company~~ meets all the
23 requirements of chapter 10-19.1, ~~10-23~~, or the limited liability company meets all the
24 requirements of chapter 10-32 which are not inconsistent with this chapter. The following
25 requirements also apply:

- 26 1. If a corporation, the corporation must not have more than fifteen shareholders. If a
27 limited liability company, the limited liability company must not have more than
28 fifteen members.
- 29 2. Each shareholder or member must be related to each of the other shareholders or
30 members within one of the following degrees of kinship or affinity: parent, son,
31 daughter, stepson, stepdaughter, grandparent, grandson, granddaughter, brother,

sister, uncle, aunt, nephew, niece, great-grandparent, great-grandchild, first cousin,
or the spouse of a person so related.

3. Each shareholder or member must be an individual or one of the following:

a. A trust for the benefit of an individual or a class of individuals who are related
to every shareholder of the corporation or member of the limited liability
company within the degrees of kinship or affinity specified in this section.

b. An estate of a decedent who was related to every shareholder of the
corporation or member of the limited liability company within the degrees of
kinship or affinity specified in this section.

4. A trust or an estate may not be a shareholder or member if the beneficiaries of the
trust or the estate together with the other shareholders or members are more than
fifteen in number.

5. Each individual who is a shareholder or member must be a citizen of the United
States or a permanent resident alien of the United States.

6. If a corporation, the officers and directors of the corporation must be shareholders
who are actively engaged in operating the farm or ranch and at least one of its
shareholders must be an individual residing on or operating the farm or ranch. If a
limited liability company, the governors and managers of the limited liability
company must be members who are actively engaged in operating the farm or
ranch and at least one of its members must be an individual residing on or
operating the farm or ranch.

7. An annual average of at least sixty-five percent of the gross income of the
corporation or limited liability company over the previous five years, or for each
year of its existence, if less than five years, must have been derived from farming
or ranching operations.

8. The income of the corporation or limited liability company from nonfarm rent,
nonfarm royalties, dividends, interest, and annuities cannot exceed twenty percent
of the gross income of the corporation or limited liability company.

SECTION 6. AMENDMENT. Section 10-06.1-13 of the North Dakota Century Code is
amended and reenacted as follows:

1 **10-06.1-13. Applicability of North Dakota Business Corporation Act.** ~~Chapters~~
2 ~~Chapter~~ 10-19.1 ~~and 10-23~~ ~~are~~ is applicable to farming or ranching corporations, which have
3 the powers and privileges and are subject to the duties, restrictions, and liabilities of other
4 business corporations except when inconsistent with the intent of this chapter. This chapter
5 takes precedence in the event of any conflict with the provisions of ~~chapters~~ chapter 10-19.1
6 ~~and 10-23~~.

7 **SECTION 7. AMENDMENT.** Section 10-19.1-05 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **10-19.1-05. Retention of two-thirds majority.**

- 10 1. If the articles of a corporation described in section 10-19.1-02 or 10-19.1-03 do not
11 contain a provision specifying the proportion of the voting power of the shares
12 required for approval of amendments to the articles, plans of merger or exchange,
13 or sales of assets, a shareholder or shareholders holding more than one-third of
14 the voting power of all the shares entitled to vote for any or all of the
15 above-mentioned actions ~~may~~, by signed written demand filed in duplicate original
16 with the secretary of state, along with the fees provided in ~~chapter 10-23~~ section
17 10-19.1-147, may amend the articles of the corporation to include a provision
18 requiring the approval of the holders of two-thirds of the voting power of the shares
19 entitled to vote for any or all of the above-mentioned actions for which no required
20 majority was specified, notwithstanding any provisions of section 10-19.1-19,
21 10-19.1-98, or 10-19.1-104 to the contrary. Notice that the demand has been filed
22 must be given by the shareholder to an officer of the corporation, but failure to give
23 the notice does not invalidate the demand.
- 24 2. A shareholder or shareholders holding more than one-third of the voting power of
25 the shares entitled to vote for dissolution of a corporation described in section
26 10-19.1-02 or 10-19.1-03 ~~may~~, by signed written demand filed in duplicate original
27 with the secretary of state, along with the fees provided in ~~chapter 10-23~~ section
28 10-19.1-147, may amend the articles of the corporation to include a provision
29 requiring the approval of the holders of two-thirds of the voting power of all the
30 shares for the authorization of the dissolution of the corporation, notwithstanding
31 the provisions of section 10-19.1-107. Notice that the demand has been filed must

1 be given by the shareholder to an officer of the corporation, but failure to give the
2 notice does not invalidate the demand.

- 3 3. A signed written demand by the shareholders of a corporation pursuant to
4 subsection 1 or 2 is valid only if filed with the secretary of state before July 1, 1986.

5 **SECTION 8. AMENDMENT.** Subsections 3, 4, and 5 of section 10-19.1-10 of the 1997
6 Supplement to the North Dakota Century Code are amended and reenacted as follows:

- 7 3. The following provisions govern a corporation unless modified in the articles:

8 a. A corporation has general business purposes as provided in section
9 10-19.1-08.

10 b. A corporation has perpetual existence and certain powers as provided in
11 section 10-19.1-26.

12 c. The power to adopt, amend, or repeal the bylaws is vested in the board as
13 provided in section 10-19.1-31.

14 d. The affirmative vote of a majority of directors present is required for an action
15 of the board as provided in section 10-19.1-46.

16 e. A written action by the board taken without a meeting must be signed by all
17 directors as provided in section 10-19.1-47.

18 f. The board may authorize the issuance of securities and rights to purchase
19 securities as provided in subsection 1 of section 10-19.1-61.

20 g. All shares are common shares entitled to vote and are of one class and one
21 series as provided in subdivisions a and b of subsection 2 of section
22 10-19.1-61.

23 h. All shares have equal rights and preferences in all matters not otherwise
24 provided for by the board as provided in subdivisions a and b of subsection 2
25 of section 10-19.1-61.

26 i. The par value of shares is fixed at one cent per share for certain purposes
27 and may be fixed by the board for certain other purposes as provided in
28 subdivisions a and b of subsection 2 of section 10-19.1-61.

29 j. The board or the shareholders may issue shares for any consideration or for
30 no consideration to effectuate share dividends or splits and determine the

- 1 value of nonmonetary consideration as provided in subsection 1 of section
2 10-19.1-63.
- 3 k. Shares of a class or series may not be issued to holders of shares of another
4 class or series to effectuate share dividends or splits, unless authorized by a
5 majority of the voting power of the shares of the same class or series as the
6 shares to be issued as provided in subsection 1 of section 10-19.1-63.
- 7 l. A corporation may issue rights to purchase securities whose terms,
8 provisions, and conditions are fixed by the board as provided in section
9 10-19.1-64.
- 10 m. The affirmative vote of the holders of a majority of the voting power of the
11 shares present and entitled to vote at a duly held meeting is required for an
12 action of the shareholders, except where this chapter requires the affirmative
13 vote of a majority of the voting power of all shares entitled to vote as provided
14 in subsection 1 of section 10-19.1-74.
- 15 n. Shares of a corporation acquired by the corporation may be reissued as
16 provided in subsection 1 of section 10-19.1-93.
- 17 o. An exchange need not be approved by shareholders of the acquiring
18 corporation unless the outstanding shares entitled to vote of that corporation
19 will be increased by more than twenty percent immediately after the exchange
20 as provided in subdivision c of subsection 3 of section 10-19.1-98.
- 21 p. An exchange need not be approved by shareholders of the acquiring
22 corporation unless the outstanding participating shares of that corporation will
23 be increased by more than twenty percent immediately after the exchange as
24 provided in subdivision d of subsection 3 of section 10-19.1-98.
- 25 q. Each share has one vote unless otherwise provided in the terms of the share
26 as provided in subsection ~~3~~ 5 of section ~~10-19.1-77~~ 10-19.1-73.2.
- 27 r. The board may effect share dividends, divisions, and combinations under
28 certain circumstances without shareholder approval as provided in section
29 10-19.1-61.1.
- 30 4. The following provisions govern a corporation unless modified either in the articles
31 or in the bylaws:

- a. A director serves for an indefinite term that expires upon the election and qualification of a successor as provided in section 10-19.1-35.
- b. The compensation of directors is fixed by the board as provided in section 10-19.1-37.
- c. The method provided in section 10-19.1-41 or 10-19.1-41.1 must be used for removal of directors.
- d. The method provided in section 10-19.1-42 must be used for filling board vacancies.
- e. If the board fails to select a place for a board meeting, it must be held at the principal executive office as provided in subsection 1 of section 10-19.1-43.
- f. A director may call a board meeting, and the notice of the meeting need not state the purpose of the meeting as provided in subsection 3 of section 10-19.1-43.
- g. A majority of the board is a quorum for a board meeting as provided in section 10-19.1-45.
- h. A committee must consist of one or more persons, who need not be directors, appointed by affirmative vote of a majority of the directors present as provided in subsection 2 of section 10-19.1-48.
- i. The board may establish a special litigation committee as provided in section 10-19.1-48.
- j. Officers may delegate some or all of their duties and powers, if not prohibited by the board from doing so as provided in section 10-19.1-59.
- k. Regular meetings of shareholders need not be held, unless demanded by a shareholder under certain conditions as provided in section 10-19.1-71.
- l. No fewer than ten nor more than fifty days' notice is required for a meeting of shareholders as provided in subsection 3 of section 10-19.1-73.
- m. The number of shares required for a quorum at a shareholders' meeting is a majority of the voting power of the shares entitled to vote at the meeting as provided in section 10-19.1-76.
- n. The board may fix a date up to fifty days before the date of a shareholders' meeting as the date for the determination of the holders of shares entitled to

notice of and entitled to vote at the meeting as provided in subsection 1 of section ~~10-19.1-77~~ 10-19.1-73.2.

- o. Indemnification of certain persons is required as provided in section 10-19.1-91.
- p. The board may authorize, and the corporation may make, distributions not prohibited, limited, or restricted by an agreement as provided in subsection 1 of section 10-19.1-92.

5. The following provisions relating to the management of the business or the regulation of the affairs of a corporation may be included either in the articles or, except for naming members of the first board fixing a greater than majority director or shareholder vote or giving or prescribing the manner of giving voting rights to persons other than shareholders otherwise than pursuant to the articles, or eliminating or limiting a director's personal liability, in the bylaws:

- a. The members of the first board may be named in the articles as provided in subsection 1 of section 10-19.1-32.
- b. A manner for increasing or decreasing the number of directors as provided in section 10-19.1-33.
- c. Additional qualifications for directors may be imposed as provided in section 10-19.1-34.
- d. Directors may be classified as provided in section 10-19.1-38.
- e. The day or date, time, and place of board meetings may be fixed as provided in subsection 1 of section 10-19.1-43.
- f. Absent directors may be permitted to give written consent or opposition to a proposal as provided in section 10-19.1-44.
- g. A larger than majority vote may be required for board action as provided in section 10-19.1-46.
- h. Authority to sign and deliver certain documents may be delegated to an officer or agent of the corporation other than the president as provided in section 10-19.1-53.
- i. Additional officers may be designated as provided in section 10-19.1-52.

- 1 j. Additional powers, rights, duties, and responsibilities may be given to officers
2 as provided in section 10-19.1-53.
- 3 k. A method for filling vacant offices may be specified as provided in
4 subsection 3 of section 10-19.1-58.
- 5 l. A certain officer or agent may be authorized to sign share certificates as
6 provided in subsection 1 of section 10-19.1-66.
- 7 m. The transfer or registration of transfer of securities may be restricted as
8 provided in section 10-19.1-70.
- 9 n. The day or date, time, and place of regular shareholder meetings may be
10 fixed as provided in subsection 3 of section 10-19.1-71.
- 11 o. Certain persons may be authorized to call special meetings of shareholders
12 as provided in subsection 1 of section 10-19.1-72.
- 13 p. Notices of shareholder meetings may be required to contain certain
14 information as provided in subsection 3 of section 10-19.1-73.
- 15 q. A larger than majority vote may be required for shareholder action as provided
16 in section 10-19.1-74.
- 17 r. Voting rights may be granted in or pursuant to the articles to persons who are
18 not shareholders as provided in subsection ~~4 6~~ of section ~~10-19.1-77~~
19 10-19.1-73.2.
- 20 s. Corporate actions giving rise to dissenter rights may be designated as
21 provided in subdivision d of subsection 1 of section 10-19.1-87.
- 22 t. The rights and priorities of persons to receive distributions may be established
23 as provided in section 10-19.1-92.
- 24 u. A director's personal liability to the corporation or its shareholders for
25 monetary damages for breach of fiduciary duty as a director may be
26 eliminated or limited in the articles as provided in section 10-19.1-50.

27 **SECTION 9. AMENDMENT.** Section 10-19.1-11 of the North Dakota Century Code is
28 amended and reenacted as follows:

29 **10-19.1-11. Filing of articles of incorporation.** An original of the articles of
30 incorporation must be filed with the secretary of state. If the secretary of state finds that the
31 articles of incorporation conform to law and that all fees have been paid under ~~chapter 10-23~~

1 section 10-19.1-147, the secretary of state shall issue a certificate of incorporation to the
2 incorporators or their representative.

3 **SECTION 10. AMENDMENT.** Section 10-19.1-23 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **10-19.1-23. Filing articles of amendment.** An original of the articles of amendment
6 must be filed with the secretary of state. If the secretary of state finds that the articles of
7 amendment conform to law and that all fees have been paid as provided in ~~chapter 10-23~~
8 section 10-19.1-147, then the articles of amendment must be recorded in the office of the
9 secretary of state.

10 A corporation that amends its name and is the owner of a trademark or trade name, is a
11 general partner named in a fictitious name certificate, or is a general partner in a limited
12 partnership which is on file with the secretary of state, must change or amend its name in each
13 registration when it files an amendment.

14 **SECTION 11. AMENDMENT.** Subsection 4 of section 10-19.1-61 of the North Dakota
15 Century Code is amended and reenacted as follows:

- 16 4. A statement executed by an officer setting forth the name of the corporation and
17 the text of the resolution and certifying the adoption of the resolution and the date
18 of adoption must be filed with the secretary of state, ~~together~~ with the fees
19 provided in ~~chapter 10-23~~ section 10-19.1-147, before the issuance of any shares
20 for which the resolution creates rights or preferences not set forth in the articles.
21 The resolution is effective when the statement has been filed with the secretary of
22 state unless the statement specifies a later effective date within thirty days of filing
23 the statement with the secretary of state.

24 **SECTION 12. AMENDMENT.** Subsections 2 and 3 of section 10-19.1-75.2 of the 1997
25 Supplement to the North Dakota Century Code are amended and reenacted as follows:

- 26 2. Participation in a conference meeting the requirements of subsection 1 constitutes
27 presence at the meeting in person or by proxy if all the other requirements of
28 section ~~10-19.1-80~~ 10-19.1-76.2 are met.
- 29 3. A shareholder may participate in a regular or special meeting of shareholders not
30 described in subsection 1 by any means of communication through which the
31 shareholder, other participants, and all persons physically present at the meeting

may simultaneously hear each other during the meeting. Participation in a meeting by that means constitutes presence at the meeting in person or by proxy if all the other requirements of section ~~10-19.1-80~~ 10-19.1-76.2 are met.

SECTION 13. AMENDMENT. Subsection 2 of section 10-19.1-99 of the North Dakota Century Code is amended and reenacted as follows:

2. The articles of merger must be signed on behalf of each constituent corporation and filed with the secretary of state, ~~together~~ with the fees provided in ~~chapter 10-23~~ section 10-19.1-147.

SECTION 14. AMENDMENT. Subsection 4 of section 10-19.1-100 of the North Dakota Century Code is amended and reenacted as follows:

4. Within thirty days after a copy of the plan of merger is mailed to shareholders of each subsidiary that is a constituent corporation to the merger, or upon waiver of the mailing by the holders of all outstanding shares of each subsidiary that is a constituent corporation to the merger, the articles of merger must be signed on behalf of the parent and filed with the secretary of state, ~~along~~ with the fees provided in ~~chapter 10-23~~ section 10-19.1-147.

SECTION 15. AMENDMENT. Subsection 2 of section 10-19.1-101 of the North Dakota Century Code is amended and reenacted as follows:

2. If articles of merger have not been filed with the secretary of state and the plan is to be abandoned, or if a plan of exchange is to be abandoned, a resolution abandoning the plan of merger or exchange may be approved by the affirmative vote of a majority of the directors present, subject to the contract rights of any other person under the plan. If articles of merger have been filed with the secretary of state, the board shall file with the secretary of state, ~~together~~ with the fees provided in ~~chapter 10-23~~ section 10-19.1-147, articles of abandonment that contain:
 - a. The name of the constituent corporations;
 - b. The provision of this section under which the plan is abandoned; and
 - c. The text of the resolution approved by the affirmative vote of a majority of the directors present abandoning the plan.

If the certificate of merger has been issued, the board shall surrender the certificate to the secretary of state upon filing the articles of abandonment.

1 **SECTION 16. AMENDMENT.** Subsection 4 of section 10-19.1-103 of the North Dakota
2 Century Code is amended and reenacted as follows:

3 4. If the surviving corporation in a merger will be a foreign corporation and will
4 transact business in this state, it shall comply with the provisions of chapter ~~10-22~~
5 10-19.1 with respect to foreign corporations. In every case the surviving
6 corporation shall file with the secretary of state:

- 7 a. An agreement that it may be served with process in this state in a proceeding
8 for the enforcement of an obligation of a constituent corporation and in a
9 proceeding for the enforcement of the rights of a dissenting shareholder of a
10 constituent corporation against the surviving corporation;
- 11 b. An irrevocable appointment of the secretary of state as its agent to accept
12 service of process in any proceeding, and an address to which process may
13 be forwarded; and
- 14 c. An agreement that it will promptly pay to the dissenting shareholders of each
15 domestic constituent corporation the amount, if any, to which they are entitled
16 under section 10-19.1-87.

17 **SECTION 17. AMENDMENT.** Subsection 2 of section 10-19.1-106 of the North Dakota
18 Century Code is amended and reenacted as follows:

- 19 2. The articles of dissolution must be filed with the secretary of state, ~~together~~ with
20 the fees provided in ~~chapter 10-23~~ section 10-19.1-147.

21 **SECTION 18. AMENDMENT.** Subsection 1 of section 10-19.1-108 of the North Dakota
22 Century Code is amended and reenacted as follows:

- 23 1. If dissolution of the corporation is approved pursuant to subsections 1 and 2 of
24 section 10-19.1-107, the corporation shall file with the secretary of state, ~~together~~
25 with the fees provided in ~~chapter 10-23~~ section 10-19.1-147, a notice of intent to
26 dissolve. The notice must contain:
- 27 a. The name of the corporation;
- 28 b. The date and place of the meeting at which the resolution was approved
29 pursuant to subsections 1 and 2 of section 10-19.1-107; and
- 30 c. A statement that the requisite vote of the shareholders was received or that all
31 shareholders entitled to vote signed a written action.

1 **SECTION 19. AMENDMENT.** Section 10-19.1-110.1 of the 1997 Supplement to the
2 North Dakota Century Code is amended and reenacted as follows:

3 **10-19.1-110.1. Dissolution procedure for corporations that do not give notice to**
4 **creditors and claimants.** When a notice of intent to dissolve has been filed with the secretary
5 of state and the corporation has elected not to give notice to creditors and claimants in the
6 manner provided in section ~~10-19.1-100~~ 10-19.1-110:

7 1. Articles of dissolution for a corporation that has not given notice to creditors and
8 claimants in the manner provided in section 10-19.1-110:

9 a. Must be filed with the secretary of state after:

10 (1) The payment of claims of all known creditors and claimants has been
11 made or provided for; or

12 (2) At least two years have elapsed from the date of filing the notice of
13 intent to dissolve; and

14 b. Must state:

15 (1) If the articles of dissolution are being filed pursuant to paragraph 1 of
16 subdivision a of subsection 1, that all known debts, obligations, and
17 liabilities of the corporation have been paid and discharged or that
18 adequate provision has been made for payment or discharge;

19 (2) That the remaining property, assets, and claims of the corporation have
20 been distributed among its shareholders in accordance with
21 subsection 5 of section 10-19.1-92, or that adequate provision has
22 been made for that distribution; and

23 (3) That there are no pending legal, administrative, or arbitration
24 proceedings by or against the corporation, or that adequate provision
25 has been made for the satisfaction of any judgment, order, or decree
26 that may be entered against it in a pending proceeding.

27 2. With respect to claims against a corporation that does not give notice:

28 a. If a corporation has paid or provided for all known creditors or claimants at the
29 time articles of dissolution are filed, a creditor or claimant who does not file a
30 claim or pursue a remedy, in a legal, administrative, or arbitration proceeding

1 within two years after the date of filing the notice of intent to dissolve is barred
2 from suing on that claim or otherwise realizing upon or enforcing it.

- 3 b. If the corporation has not paid or provided for all known creditors and
4 claimants at the time articles of dissolution are filed, a person who does not
5 file a claim or pursue a remedy in a legal, administrative, or arbitration
6 proceeding within two years after the date of filing the notice of intent to
7 dissolve is barred from suing on that claim or otherwise realizing upon or
8 enforcing it, except as provided in section 10-19.1-124.

9 **SECTION 20. AMENDMENT.** Section 10-19.1-112 of the North Dakota Century Code
10 is amended and reenacted as follows:

11 **10-19.1-112. Revocation of dissolution proceedings.**

- 12 1. Dissolution proceedings commenced pursuant to section 10-19.1-107 may be
13 revoked prior to filing of articles of dissolution.
- 14 2. Written notice must be given to every shareholder entitled to vote at a
15 shareholders' meeting within the time and in the manner provided in section
16 10-19.1-73 for notice of meetings of shareholders and must state that a purpose of
17 the meeting is to consider the advisability of revoking the dissolution proceedings.
18 The proposed revocation must be submitted to the shareholders at the meeting. If
19 the proposed revocation is approved at a meeting by the affirmative vote of the
20 holders of a majority of the voting power of all shares entitled to vote, the
21 dissolution proceedings are revoked.
- 22 3. Revocation of dissolution proceedings is effective when a notice of revocation is
23 filed with the secretary of state, ~~together with the fees provided in chapter 10-23~~
24 section 10-19.1-147. The corporation may thereafter resume business.

25 **SECTION 21. AMENDMENT.** Section 10-19.1-113.1 is amended and reenacted as
26 follows:

27 **10-19.1-113.1. Filing of articles of dissolution - Effective date of dissolution -**
28 **Certificate.**

- 29 1. An original of the articles of dissolution must be filed with the secretary of state. If
30 the secretary of state finds that the articles of dissolution conform to law and that

all fees have been paid under ~~chapter 10-23~~ section 10-19.1-147, the secretary of state shall issue a certificate of dissolution.

2. When the certificate of dissolution has been issued by the secretary of state, the corporation is dissolved.

3. The secretary of state shall issue to the dissolved corporation, or its legal representative, a certificate of dissolution that contains:

- a. The name of the corporation;
- b. The date the articles of dissolution were filed with the secretary of state; and
- c. A statement that the corporation was dissolved.

SECTION 22. AMENDMENT. Section 10-19.1-129 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

10-19.1-129. Service of process on corporation and nonresident directors.

1. The registered agent must be an agent of the corporation and any nonresident director upon whom any process, notice, or demand required or permitted by law to be served on the corporation or director may be served. Acceptance of a directorship includes the appointment of the secretary of state as an agent for personal service of legal process, notice, or demand.
2. A process, notice, or demand required or permitted by law to be served upon a corporation may be served either upon the registered agent of the corporation, or upon an officer of the corporation, or upon the secretary of state as provided in this section.
3. If neither the corporation's registered agent nor an officer of the corporation can be found at the registered office, or if a corporation fails to maintain a registered agent in this state and an officer of the corporation cannot be found at the registered office, then the secretary of state is the agent of the corporation upon whom the process, notice, or demand may be served. The return of the sheriff, or the affidavit of a person who is not a party, that no registered agent or officer can be found at the registered office must be provided to the secretary of state. Service on the secretary of state of any process, notice, or demand is deemed personal service upon the corporation and must be made by filing with the secretary of state an original and two copies of the process, notice, or demand, ~~along~~ with the fees

provided in ~~chapter 10-23~~ section 10-19.1-147. The secretary of state shall immediately forward, by registered mail, addressed to the corporation at its registered office, a copy of the process, notice, or demand. Service on the secretary of state is returnable in not less than thirty days notwithstanding a shorter period specified in the process, notice, or demand.

4. Process, notice, or demand may be served on a dissolved corporation as provided in this subsection. The court shall determine if service is proper. If a corporation has voluntarily dissolved or a court has entered a decree of dissolution, service may be made according to subsection 2 so long as claims are not finally barred under section 10-19.1-124. If a corporation has been involuntarily dissolved ~~pursuant to section 10-23-02.2~~, service may be made according to subsection 2.
5. A record of all processes, notices, and demands served upon the secretary of state under this section, including the date of service and the action taken with reference to it must be maintained in the office of the secretary of state.
6. Nothing in this section limits the right to serve any process, notice, or demand required or permitted by law to be served upon a corporation in any other manner permitted by law.

SECTION 23. AMENDMENT. Section 10-30-05 of the North Dakota Century Code is amended and reenacted as follows:

10-30-05. Business Corporation Act to apply. The provisions of ~~chapters~~ chapter 10-19.1, ~~10-22, and 10-23~~ apply to state development corporations as they may be applicable and not inconsistent with this chapter.

SECTION 24. AMENDMENT. Subsection 1 of section 10-30.1-04 of the North Dakota Century Code is amended and reenacted as follows:

1. To carry out the purposes of this chapter, venture capital corporations may be formed under ~~chapters~~ chapter 10-19.1 ~~through 10-23~~ if a corporation; or under chapter 10-32 if a limited liability company. The articles of incorporation or articles of organization of a venture capital corporation must comply with subsections 2 through 9.

SECTION 25. AMENDMENT. Section 10-30.5-04 of the North Dakota Century Code is amended and reenacted as follows:

1 **10-30.5-04. Powers.** The corporation must be organized as a nonprofit corporation
2 ~~under chapter 10-24.~~ In addition to the powers in chapter ~~10-24~~ 10-33, the corporation may:

- 3 1. Cooperate and contract with any private or public entity.
- 4 2. Receive appropriations from the legislative assembly and other public moneys as
5 well as contributions from other private or public contributors.

6 **SECTION 26. AMENDMENT.** Subsections 2, 3, and 4 of section 10-32-07 of the 1997
7 Supplement to the North Dakota Century Code are amended and reenacted as follows:

- 8 2. The following provisions govern a limited liability company unless modified in the
9 articles of organization or a member central agreement under section 10-32-50:
 - 10 a. A limited liability company has general business purposes as provided in
11 section 10-32-04;
 - 12 b. A limited liability company has certain powers as provided in section
13 10-32-23;
 - 14 c. The power to adopt, amend, or repeal the operating agreement is vested in
15 the board of governors as provided in section 10-32-68;
 - 16 d. A limited liability company must allow cumulative voting for governors as
17 provided in section 10-32-76;
 - 18 e. The affirmative vote of a majority of governors present is required for an
19 action of the board of governors as provided in section 10-32-83;
 - 20 f. A written action by the board of governors taken without a meeting must be
21 signed by all governors as provided in section 10-32-84;
 - 22 g. The board may accept contributions, make contribution agreements, and
23 make contribution allowance agreements as provided in subsection 1 of
24 section 10-32-56 and sections 10-32-58 and 10-32-59;
 - 25 h. All membership interests are ordinary membership interests entitled to vote
26 and are of one class with no series as provided in subdivisions a and b of
27 subsection 5 of section 10-32-56;
 - 28 i. All membership interests have equal rights and preferences in all matters not
29 otherwise provided for by the board of governors as provided in subdivision b
30 of subsection 5 of section 10-32-56;

- 1 j. The restatement of value of previous contributions is to be determined
2 according to a specified process as provided in subsections 3 and 4 of section
3 10-32-57;
- 4 k. A member has certain preemptive rights, unless otherwise provided by the
5 board of governors as provided in section 10-32-37;
- 6 l. The affirmative vote of the owners of a majority of the voting power of the
7 membership interests present and entitled to vote at a duly held meeting is
8 required for an action of the members, except where this chapter requires the
9 affirmative vote of a majority of the voting power of all membership interests
10 entitled to vote as provided in subsection 1 of section 10-32-43;
- 11 m. The voting power of each membership interest is in proportion to the value
12 reflected in the required records of the contributions of the members as
13 provided in section ~~10-32-45~~ 10-32-40.1;
- 14 n. Members share in distributions in proportion to the value reflected in the
15 required records of the contributions of members as provided in section
16 10-32-60;
- 17 o. Members share profits and losses in proportion to the value reflected in the
18 required records of the contributions of members as provided in section
19 10-32-36;
- 20 p. A written action by the members taken without a meeting must be signed by
21 all members as provided in section 10-32-43;
- 22 q. Members have no right to receive distributions in kind and the limited liability
23 company has only limited rights to make distributions in kind as provided in
24 section 10-32-62;
- 25 r. A member is not subject to expulsion as provided in subsection 2 of section
26 10-32-30;
- 27 s. Unanimous consent is required for the transfer of governance rights to a
28 person not already a member as provided in subsection 2 of section 10-32-32;
- 29 t. Unanimous consent is required to avoid dissolution as provided in
30 subdivision e of subsection 1 of section 10-32-109; and

1 u. A limited liability company dissolves upon an occurrence of an event that
2 terminates the continued membership of any member as provided in
3 subsection 1 of section 10-32-109.

4 3. The following provisions govern a limited liability company unless modified either in
5 the articles of organization, a member central agreement under section 10-32-50,
6 or in the operating agreement:

7 a. Governors serve for an indefinite term that expires at the next regular meeting
8 of members as provided in section 10-32-72;

9 b. The compensation of governors is fixed by the board of governors as provided
10 in section 10-32-74;

11 c. A certain method must be used for removal of governors as provided in
12 section 10-32-78;

13 d. A certain method must be used for filling board of governor vacancies as
14 provided in section 10-32-79;

15 e. If the board of governors fails to select a place for a board meeting, it must be
16 held at the principal executive office as provided in subsection 1 of section
17 10-32-80;

18 f. The notice of a board of governors meeting need not state the purpose of the
19 meeting as provided in subsection 3 of section 10-32-80;

20 g. A majority of the board of governors is a quorum for a board meeting as
21 provided in section 10-32-82;

22 h. A committee consists of one or more individuals, who need not be governors,
23 appointed by affirmative vote of a majority of the governors present as
24 provided in subsection 2 of section 10-32-85;

25 i. The board may establish a special litigation committee as provided in section
26 10-32-85;

27 j. The president and treasurer have specified duties, until the board of
28 governors determines otherwise as provided in section 10-32-89;

29 k. Managers may delegate some or all of their duties and powers, if not
30 prohibited by the board of governors from doing so as provided in section
31 10-32-95;

- 1 l. Regular meetings of members need not be held, unless demanded by a
- 2 member under certain conditions as provided in section 10-32-38;
- 3 m. In all instances where a specific minimum notice period has not otherwise
- 4 been fixed by law, not less than ten days' notice is required for a meeting of
- 5 members as provided in subsection 2 of section 10-32-40;
- 6 n. For a quorum at a members' meeting there is required a majority of the voting
- 7 power of the membership interests entitled to vote at the meeting as provided
- 8 in section 10-32-44;
- 9 o. The board of governors may fix a date up to fifty days before the date of a
- 10 members' meeting as the date for the determination of the members entitled
- 11 to notice of and entitled to vote at the meeting as provided in ~~subsection 1 of~~
- 12 ~~section 10-32-45~~ section 10-32-40.1;
- 13 p. Indemnification of certain persons is required as provided in section 10-32-99;
- 14 q. The board of governors may authorize, and the limited liability company may
- 15 make, distributions not prohibited, limited, or restricted by an agreement as
- 16 provided in subsection 1 of section 10-32-64; and
- 17 r. Members have no right to interim distributions except as provided through the
- 18 operating agreement or an act of the board of governors as provided in
- 19 section 10-32-61.
- 20 4. The following provisions relating to the management of the business or the
- 21 regulation of the affairs of a limited liability company may be included either in the
- 22 articles of organization, a member central agreement under section 10-32-50, or,
- 23 except for naming persons to serve as the first board of governors, fixing a greater
- 24 than majority governor or member vote, establishing the rights and priorities for
- 25 distributions and the rights to share in profits and losses, or giving or prescribing
- 26 the manner of giving voting rights to persons other than members otherwise than
- 27 pursuant to the articles of organization, or eliminating or limiting a governor's
- 28 personal liability, in the operating agreement:
- 29 a. The persons to serve as the first board of governors may be named in the
- 30 articles of organization as provided in subsection 1 of section 10-32-69;

- b. A manner for increasing or decreasing the number of governors may be provided as provided in section 10-32-70;
- c. Additional qualifications for governors may be imposed as provided in section 10-32-71;
- d. Governors may be classified as provided in section 10-32-75;
- e. The date, time, and place of board of governors meetings may be fixed as provided in subsection 1 of section 10-32-80;
- f. Absent governors may be permitted to give written consent or opposition to a proposal as provided in section 10-32-81;
- g. A larger than majority vote may be required for board of governor action as provided in section 10-32-83;
- h. Authority to sign and deliver certain documents may be delegated to a manager or agent of the limited liability company other than the president as provided in section 10-32-89;
- i. Additional managers may be designated as provided in section 10-32-88;
- j. Additional powers, rights, duties, and responsibilities may be given to managers as provided in section 10-32-89;
- k. A method for filling vacant offices may be specified as provided in subsection 3 of section 10-32-94;
- l. The date, time, and place of regular member meetings may be fixed as provided in subsection 3 of section 10-32-38;
- m. Certain persons may be authorized to call special meetings of members as provided in subsection 1 of section 10-32-39;
- n. Notices of member meetings may be required to contain certain information as provided in subsection 3 of section 10-32-40;
- o. A larger than majority vote may be required for member action as provided in section 10-32-42;
- p. Voting rights may be granted in or pursuant to the articles of organization to persons who are not members as provided in ~~subsection 3 of section 10-32-45~~ 10-32-40.1;

- 1 q. Limited liability company actions giving rise to dissenter rights may be
2 designated as provided in subdivision d of subsection 1 of section 10-32-55;
3 and
4 r. A governor's personal liability to the limited liability company or its members
5 for monetary damages for breach of fiduciary duty as a governor may be
6 eliminated or limited in the articles as provided in subsection 4 of section
7 10-32-86.

8 **SECTION 27. AMENDMENT.** Subdivision b of subsection 5 of section 10-32-56 of the
9 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- 10 b. Be ordinary membership interests entitled to vote as provided in section
11 ~~10-32-45~~ 10-32-40.1, and have equal rights and preferences in all matters not
12 otherwise provided for by the board of governors unless and to the extent that
13 the articles of organization have fixed the relative rights and preferences of
14 different classes and series; and

15 **SECTION 28. AMENDMENT.** Subsection 4 of section 10-32-107 of the 1997
16 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- 17 4. If the surviving organization in a merger will be a foreign corporation or foreign
18 limited liability company and will transact business in this state, it shall comply, as
19 the case may be, with the provisions of chapter ~~10-22~~ 10-19.1 with respect to
20 foreign corporations or with the provisions of this chapter with respect to foreign
21 limited liability companies. In every case the surviving foreign corporation or
22 foreign limited liability company shall file with the secretary of state:
23 a. An agreement that it may be served with process in this state in a proceeding
24 for the enforcement of an obligation of a constituent organization and in a
25 proceeding for the enforcement of the rights of a dissenting owner of an
26 ownership interest of a constituent organization against the surviving foreign
27 corporation or foreign limited liability company;
28 b. An irrevocable appointment of the secretary of state as its agent to accept
29 service of process in any proceeding, and an address to which process may
30 be forwarded; and

- 1 c. An agreement that it will promptly pay to the dissenting owners of ownership
2 interests of each constituent domestic limited liability company and constituent
3 domestic corporation the amount, if any, to which they are entitled under
4 section 10-19.1-88 or 10-32-55, as the case may be.

5 **SECTION 29. AMENDMENT.** Subdivision j of subsection 5 of section 10-33-06 of the
6 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- 7 j. A corporation may issue membership certificates, or preferred or common
8 shares as the board deems appropriate as provided in section ~~10-31-58~~
9 10-33-58.

10 **SECTION 30. AMENDMENT.** Subsection 24 of section 10-33-21 of the 1997
11 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- 12 24. Except where the trust instrument prescribes otherwise, a corporation may invest
13 trust property or its proceeds in accordance with ~~section 59-02-08~~ sections
14 59-02-08.1 through 59-02-08.11.

15 **SECTION 31. AMENDMENT.** Subsection 3 of section 11-10.2-01 of the North Dakota
16 Century Code is amended and reenacted as follows:

- 17 3. This option is available in addition to, or in lieu of, other county structural options
18 authorized under this title, unless a specific mandate for combining or separating
19 particular county offices is otherwise provided by law. ~~The office of county judge is~~
20 ~~excluded from the application of this chapter.~~

21 **SECTION 32. AMENDMENT.** Subdivision b of subsection 3 of section 12.1-32-15 of
22 the North Dakota Century Code is amended and reenacted as follows:

- 23 b. Has pled guilty or nolo contendere to, or been found guilty of, an offense in a
24 court of another state or the federal government equivalent to those offenses
25 set forth in subdivisions a and e f of subsection 1; or

26 **SECTION 33. AMENDMENT.** Section 16.1-01-07 of the North Dakota Century Code is
27 amended and reenacted as follows:

28 **16.1-01-07. Constitutional amendments and other questions to be advertised -**

29 **Notification by secretary of state - Manner of publishing.** Whenever a proposed
30 constitutional amendment or other question is to be submitted to the people of the state for
31 popular vote, the secretary of state shall, not less than fifty-five days before the election, certify

1 the amendment or other question to each county auditor and each auditor shall cause notice
2 thereof to be included in the notice required by section 16.1-13-05. Questions to be submitted
3 to the people of a particular county must be advertised in the same manner.

4 The secretary of state shall, at the same time the secretary of state certifies notice to the
5 county auditors of the submission of a constitutional amendment or other question, certify the
6 ballot form for such questions. The ballot form must conform to the provisions of section
7 16.1-06-09 and must be used by all county auditors in preparing ballots for submission to the
8 electorate of each county and in the preparation of sample ballots. ~~Sample ballots must~~
9 ~~conform in form and style to samples of such ballots contained in the legal publications~~
10 ~~handbook prepared under subsection 5 of section 46-01-02.~~ Any requirements in this title that
11 a sample ballot be published will be met by the publication of either the paper ballot or the ballot
12 as it will appear to persons using a voting machine, depending upon the method of voting used
13 in the area involved. Absentee voter ballots may not be considered in determining which
14 method of voting is used in an area. If both paper ballots and voting machines are used in an
15 area, both forms must be published as sample ballots to meet publication and notice
16 requirements. For two consecutive weeks before the sample ballot is published, an analysis of
17 any constitutional amendment, initiated measure, or referred measure, written by the secretary
18 of state after consultation with the attorney general, must be published in columns to enable the
19 electors to become familiar with the effect of the proposed constitutional amendment or initiated
20 or referred measure.

21 **SECTION 34. AMENDMENT.** Subsection 3 of section 16.1-08.1-01 of the North
22 Dakota Century Code is amended and reenacted as follows:

- 23 3. "Contribution" means a gift, subscription, loan, advance, or deposit of money,
24 made for the purpose of influencing the nomination for election, or election, of any
25 person to public office or aiding or opposing the circulation or passage of a
26 statewide initiative or referendum petition or measure. Contribution also means a
27 contract, promise, or agreement, express or implied, whether or not legally
28 enforceable, to make a contribution for any of the above purposes, and includes
29 funds received by a political committee which are transferred to that committee
30 from another political committee or other source. This definition does not include:

- a. A loan of money from a bank or other lending institution made in the regular course of business.
- b. Time spent by volunteer campaign or political party workers.
- c. Money spent by a candidate on the candidate's own behalf.
- d. Any money received from a district or state committee of a political party, as established pursuant to sections ~~16.1-03-06~~ 16.1-03-07 and 16.1-03-08, except for contributions reported pursuant to section 16.1-08.1-03.

SECTION 35. AMENDMENT. Section 18-08-12 of the North Dakota Century Code is amended and reenacted as follows:

18-08-12. Annual fire inspection of state buildings and institutions. An annual fire inspection shall be performed at each state institution and building. The state fire marshal shall ~~annually~~ inspect annually the state penitentiary ~~and, the James River correctional center, the Missouri River correctional center, the North Dakota youth correctional center, and the state hospital, and san haven.~~ The annual inspection of all other state institutions and buildings ~~shall~~ must be made by the fire department of the city or fire protection district in which the institution or building is located, at the direction of the officer in charge of the institution or building, who shall prepare a report based upon the findings of the fire inspection. The report, which ~~shall~~ must contain specifications of any violations, ~~shall~~ must be submitted to the responsible board, agency, or commission and a copy of the report ~~shall~~ must be submitted to the state fire marshal. If the report indicates that any violations can be corrected within the current budget of the responsible board, agency, or commission, action to correct the violations, unless good cause can be demonstrated to the attorney general, ~~shall~~ must be initiated within thirty days of receipt of the report by the responsible board, agency, or commission. For purposes of this section, a "fire inspection" is a procedure performed in accordance with standards set forth in the uniform building code, the code of the building officials and code administrators, or the code of the national fire protection association.

SECTION 36. AMENDMENT. Section 20.1-08-04.6 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

20.1-08-04.6. Governor's proclamation concerning the hunting of elk - Rocky mountain elk foundation raffle. The governor may by proclamation provide for a season to hunt elk in a manner, number, places, and times as the governor prescribes. Licenses to hunt

1 elk must be issued by lottery, except as provided under subsection 7 of section 20.1-03-11, with
2 only residents eligible to apply; however, the governor may by proclamation make available to
3 the rocky mountain elk foundation a license to hunt elk in a manner, places, and times as the
4 governor prescribes. The rocky mountain elk foundation shall hold a raffle under rules adopted
5 by the commissioner with only residents eligible to participate. No more than ten percent of the
6 gross proceeds of the raffle may be used to promote the raffle and all net proceeds must be
7 used for elk management and related projects in North Dakota as described under rocky
8 mountain elk foundation policies and objectives. The rocky mountain elk foundation shall
9 submit reports concerning the raffle as the commissioner requires. Except for landowners who
10 receive special elk depredation management licenses issued to landowners ~~of~~ under
11 subsection 7 of section 20.1-03-11 and persons who receive a special elk depredation
12 management license issued by lottery under this section, a person may only receive one
13 license to hunt elk issued by lottery and one nontransferable license to hunt elk through the
14 rocky mountain elk foundation raffle in a lifetime.

15 **SECTION 37. AMENDMENT.** Subsection 2 of section 23-06.4-03 of the 1997
16 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- 17 2. If the declarant is a resident of a long-term care facility, as defined in section
18 50-10.1-01, at the time the declaration is executed, one of the two witnesses to the
19 declaration must be a recognized member of the clergy, an attorney licensed to
20 practice in this state, or a person as may be designated by the department of
21 human services or the ~~county~~ district court for the county in which the facility is
22 located.

23 **SECTION 38. AMENDMENT.** Subsection 2 of section 23-06.5-10 of the 1997
24 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- 25 2. A durable power of attorney for health care is not effective if, at the time of
26 execution, the principal is a resident of a long-term care facility unless a recognized
27 member of the clergy, an attorney licensed to practice in this state, or a person as
28 may be designated by the department of human services or the ~~county~~ district
29 court for the county in which the facility is located, signs a statement affirming that
30 the person has explained the nature and effect of the durable power of attorney for
31 health care to the principal or unless the principal acknowledges in writing that the

principal has read the explanation prefacing the statutory form in section 23-06.5-17 or a similar written explanation of the nature and effect of a durable power of attorney for health care. It is the intent of this subsection to recognize that some residents of long-term care facilities are insulated from a voluntary decisionmaking role, by virtue of the custodial nature of their care, so as to require special assurance that they are capable of willingly and voluntarily executing a durable power of attorney for health care.

SECTION 39. AMENDMENT. Subsection 12 of section 25-03.1-02 of the North Dakota Century Code is amended and reenacted as follows:

12. "Private treatment facility" means any facility established under ~~chapters~~ chapter 10-19.1, 10-22, and 10-24 or 10-33 and licensed under chapter 23-16 or 23-17.1.

SECTION 40. AMENDMENT. Section 26.1-17-02 of the North Dakota Century Code is amended and reenacted as follows:

26.1-17-02. Nonprofit health service corporations authorized. A health service corporation must be organized under this chapter and, to the extent applicable, under chapter ~~10-24~~ 10-33 for the purposes of establishing and putting into effect a health service plan whereby one or more kinds of health service is provided to subscribers under a contract entitling each subscriber to certain specified health service. Any corporation subject to this chapter is not subject to the laws of this state relating to insurance and insurance companies, except as specifically provided in such laws. This chapter applies only to corporations organized pursuant to its provisions, except as specifically provided otherwise.

SECTION 41. AMENDMENT. Section 26.1-17-33 of the North Dakota Century Code is amended and reenacted as follows:

26.1-17-33. Liquidation - Dissolution - Merger - Consolidation. Any involuntary liquidation and dissolution of a health service corporation is governed by chapter 26.1-07. Any voluntary liquidation and dissolution is governed by chapter ~~10-26~~ 10-33. Any merger or consolidation of a health service corporation is subject to the approval of the commissioner in accordance with the procedures set forth in chapter 26.1-07, but the consolidation or merger must be accomplished under chapter ~~10-25~~ 10-33.

SECTION 42. AMENDMENT. Subsection 1 of section 26.1-18.1-02 of the North Dakota Century Code is amended and reenacted as follows:

- 1 1. Notwithstanding any law of this state to the contrary, any person may apply to the
2 commissioner for a certificate of authority to establish and operate a health
3 maintenance organization in compliance with this chapter. No person may
4 establish or operate a health maintenance organization in this state, without
5 obtaining a certificate of authority under this chapter. A foreign corporation may
6 qualify under this chapter, subject to ~~its registration to do business in this state~~
7 obtaining a certificate of authority as a foreign corporation under section ~~10-22-01~~
8 10-19.1-136 and compliance with all provisions of this chapter and other applicable
9 state laws.

10 **SECTION 43. AMENDMENT.** Subsection 1 of section 26.1-19-04 of the North Dakota
11 Century Code is amended and reenacted as follows:

- 12 1. Notwithstanding any law of this state to the contrary, any person may apply to the
13 commissioner for and obtain a certificate of authority to establish and operate a
14 prepaid legal services organization in compliance with this chapter. A person may
15 not establish or operate a prepaid legal services organization in this state, or sell,
16 offer to sell, or solicit offers to purchase or receive advance or periodic
17 considerations in conjunction with a prepaid legal services plan without obtaining a
18 certificate of authority under this chapter. A foreign corporation may similarly apply
19 for a certificate of authority under this chapter, subject to ~~its registration to do~~
20 ~~business in this state~~ obtaining a certificate of authority as a foreign corporation
21 under ~~chapter 10-22~~ section 10-19.1-136.

22 **SECTION 44. AMENDMENT.** Section 26.1-49-03 of the North Dakota Century Code is
23 amended and reenacted as follows:

24 **26.1-49-03. Powers.** In addition to the powers granted a cooperative under chapter
25 10-15, a health provider cooperative has the powers granted a nonprofit corporation under
26 chapter ~~10-24~~ 10-33. The power granted under chapter 10-15 controls over any inconsistent
27 power granted by chapter ~~10-24~~ 10-33.

28 **SECTION 45. AMENDMENT.** Section 28-04-05.1 of the 1997 Supplement to the North
29 Dakota Century Code is amended and reenacted as follows:

30 **28-04-05.1. Venue of trials.** Notwithstanding any other provision of this chapter, if the
31 county seats of adjoining counties are less than ten miles [16.10 kilometers] apart and are

located in the same judicial district, the district court ~~or county court~~ may hold any trial or hearing in either county. In the case of a jury trial, the jury panel must be composed of residents of the county of venue as would otherwise be determined under this chapter even if the case is not tried in that county.

SECTION 46. AMENDMENT. Section 29-12-05 of the North Dakota Century Code is amended and reenacted as follows:

29-12-05. Bench warrant, misdemeanor, infraction, or bailable felony. If an offense is a misdemeanor, an infraction, or a bailable felony, the bench warrant issued must be in a form similar to form ~~10~~ 12 as contained in the appendix to the North Dakota Rules of Criminal Procedure, but must add to the body thereof a direction to the following effect, "or if ~~he~~ the person requires it, that you take ~~him~~ the person before any magistrate of that county or in the county in which you arrest ~~him~~ the person, that ~~he~~ the person may give bail to answer the information (or indictment)".

SECTION 47. AMENDMENT. Section 30.1-15-02 of the North Dakota Century Code is amended and reenacted as follows:

30.1-15-02. (3-402) Formal testacy or appointment proceedings - Petition - Contents.

1. Petitions for formal probate of a will, or for adjudication of intestacy with or without request for appointment of a personal representative, must be directed to the court, request a judicial order after notice and hearing, and contain further statements as indicated in this section. A petition for formal probate of a will:
 - a. Requests an order as to the testacy of the decedent in relation to a particular instrument which may or may not have been informally probated and determining the heirs.
 - b. Contains the statements required for informal applications as stated in ~~the five subdivisions under~~ paragraphs 1 through 6 of subdivision a of subsection 1 of section 30.1-14-01 and the statements required by ~~subdivisions b and c of~~ subdivision b of subsection ~~2~~ 1 of section 30.1-14-01.
 - c. States whether the original of the last will of the decedent is in the possession of the court or accompanies the petition.

If the original will is neither in the possession of the court nor accompanies the petition and no authenticated copy of a will probated in another jurisdiction accompanies the petition, the petition also must state the contents of the will, and indicate that it is lost, destroyed, or otherwise unavailable.

2. A petition for adjudication of intestacy and appointment of an administrator in intestacy must request a judicial finding and order that the decedent left no will and determining the heirs, contain the statements required by ~~subsections 1 and 4 subdivisions a and d of subsection 1~~ of section 30.1-14-01 and indicate whether supervised administration is sought. A petition may request an order determining intestacy and heirs without requesting the appointment of an administrator, in which case the statements required by ~~subdivision b of subsection 4 paragraph 2 of subdivision d of subsection 1~~ of section 30.1-14-01 may be omitted.

SECTION 48. AMENDMENT. Section 30.1-29-26 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

30.1-29-26. (5-426) Enlargement or limitation of powers of conservator. Subject to the restrictions in subdivision d of subsection 2 of section 30.1-29-08, the court may confer on a conservator at the time of appointment or later, in addition to the powers conferred on the conservator by sections 30.1-29-24 and 30.1-29-25, any power which the court itself could exercise under ~~subsections 2 and 3~~ subdivisions b and c of subsection 2 of section 30.1-29-08. The court may, at the time of appointment or later, limit the powers of a conservator otherwise conferred by sections 30.1-29-24 and 30.1-29-25, or previously conferred by the court, and may at any time relieve the conservator of any limitation. If the court limits any power conferred on the conservator by sections 30.1-29-24 and 30.1-29-25, the limitation shall be endorsed upon the conservator's letters of appointment.

SECTION 49. AMENDMENT. Section 32-03-36 of the North Dakota Century Code is amended and reenacted as follows:

32-03-36. Recovery not more than gained by performance. Notwithstanding the provisions of this chapter, no person can recover a greater amount in damages for the breach of an obligation than the person could have gained by the full performance thereof on both sides, except in the cases wherein exemplary damages or penal damages are authorized, and in the ~~cases~~ case specified in ~~sections 32-03-19, 32-03-26, and section 36-21-13.~~

1 **SECTION 50. AMENDMENT.** Section 36-01-08.1 of the 1997 Supplement to the North
2 Dakota Century Code is amended and reenacted as follows:

3 **36-01-08.1. ~~Captive wildlife~~ Nontraditional livestock license - Fee.** The board of
4 animal health may require a license for ~~captive wildlife~~ nontraditional livestock maintained
5 within this state. The annual fee for a license for a bird species required to be licensed is five
6 dollars. The maximum amount of annual fees for bird species licenses to be paid by a person
7 holding more than one bird species license is twenty-five dollars. The annual fee for a license
8 for any other species required to be licensed is ten dollars. The maximum amount of annual
9 fees for nonbird species licenses to be paid by a person holding more than one nonbird species
10 license is seventy-five dollars.

11 **SECTION 51. AMENDMENT.** Section 38-08.1-03 of the North Dakota Century Code is
12 amended and reenacted as follows:

13 **38-08.1-03. Deemed doing business within state - Resident agent.** A person must
14 be deemed doing business within this state when engaged in geophysical exploration within the
15 boundaries of this state, and shall, if not already qualified to do business within the state under
16 chapter ~~10-22~~ 10-19.1, prior to such exploration, file with the secretary of state an authorization
17 designating an agent for the service of process.

18 **SECTION 52. AMENDMENT.** Subsection 3 of section 38-08.1-03.1 of the 1997
19 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- 20 3. Upon filing the bond required by this section and presenting a certificate of
21 authority to transact business in this state issued ~~pursuant to chapter 10-22~~ under
22 section 10-19.1-136, a certificate of incorporation issued ~~pursuant to~~ under chapter
23 10-19.1, or some other certificate issued by the secretary of state showing the
24 name of the person designated as resident agent for service of process, the
25 commission shall issue to the person desiring to engage in geophysical exploration
26 or plugging operations or any subcontractor of that person a certificate showing
27 that the bond has been filed and showing the name and address of the surety
28 company and the name of the person designated resident agent for service of
29 process.

30 **SECTION 53. AMENDMENT.** Section 40-51.2-05 of the 1997 Supplement to the North
31 Dakota Century Code is amended and reenacted as follows:

40-51.2-05. Notice - Petition of owners and electors - Mediation.

1. The governing body may not take final action on a petition presented by owners and qualified electors until the petitioners have given notice of presentation of the petition by one publication in the official newspaper of the city as provided by section 40-01-09 and the governing body has mailed a notice of the time and place of consideration of the petition to the owner of each parcel of real property within the area described in the petition at the person's last known mailing address. The notice is not required to be sent to any owner of real property who signed a petition pursuant to section 40-51.2-03 or 40-51.2-04. If the land area petitioned to be annexed to the city lies within the extraterritorial zoning or subdivision regulation authority of another city, the governing body of the city must also mail the notice of the time and place of consideration of the petition to the governing body of the other city.
2. If the land area petitioned to be annexed to the city lies within the extraterritorial zoning or subdivision regulation authority of another city and written consent to annex the land area is not received from the governing body of the other city, the annexing city may either stop its pursuit of the annexation or submit the matter to a committee for mediation as provided in section 40-51.2-07.1. If mediation does not resolve the matter, the office of administrative hearings may be petitioned to hear the matter in accordance with sections 40-51.2-08, 40-51.2-09, ~~40-51.2-10~~, 40-51.2-11, 40-51.2-12, 40-51.2-13, 40-51.2-14, 40-51.2-15, 40-51.2-16, and 40-51.2-17.

SECTION 54. AMENDMENT. Section 40-57.1-05 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

40-57.1-05. Reapplication for tax exemption - Discretion of board of equalization.

The municipality or the state board of equalization, ~~in its discretion~~, upon the presentation of additional facts and circumstances which were not presented or discovered at the time of the original application for tax exemption under the provisions of this chapter, may accept reapplications from project operators at any time if the project operators first publish notice of application for tax exemption as required by this chapter.

1 **SECTION 55. AMENDMENT.** Subsection 4 of section 41-09-16 of the 1997
2 Supplement to the North Dakota Century Code is amended and reenacted as follows:

3 4. A transaction, although subject to this chapter, is also subject to chapters ~~13-03~~
4 13-03.1, 35-05, 49-09, and 51-13, and in the case of conflict between the
5 provisions of this chapter and any such statute, the provisions of such statute
6 control. Failure to comply with any applicable statute has only the effect which is
7 specified therein.

8 **SECTION 56. AMENDMENT.** Section 43-07-19 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **43-07-19. Nonresident contractors - Agent for service of process.** Every applicant
11 for a contractor's license who is not a resident of the state of North Dakota shall furnish to the
12 secretary of state ~~of the state of North Dakota~~ a written appointment by which such applicant
13 appoints the secretary of state ~~of the state of North Dakota~~ as his the applicant's true and lawful
14 agent upon whom may be served all lawful process in any action or proceeding against such
15 nonresident contractor. Such appointment in writing shall be evidence of said contractor's
16 consent that any such process against ~~him~~ the contractor which is so served upon the
17 secretary of state shall be of the same legal force and effect as if served upon ~~him~~ the
18 contractor personally within this state. Registered foreign corporations entitled to do business
19 in this state according to chapter ~~10-22~~ 10-19.1 and registered foreign limited liability
20 companies entitled to do business in the state according to chapter 10-32 and having a current
21 registered agent and registered address on file in the corporate division of the secretary of
22 state's office need not appoint the secretary of state as agent for service of process under ~~the~~
23 ~~provisions of~~ this section. Within ten days after service of the summons upon the secretary of
24 state, notice of such service ~~together~~ with the summons and complaint in the action shall be
25 sent to the defendant contractor at ~~his~~ the defendant contractor's last known address by
26 registered or certified mail with return receipt requested and proof of such mailing shall be
27 attached to the summons. The secretary of state shall keep a record of all process served
28 upon ~~him~~ the secretary of state under ~~the provisions of~~ this section. ~~Such record shall show,~~
29 showing the day and hour of service. Whenever service of process ~~shall have been~~ was made
30 ~~as provided in~~ under this section, the court, before entering a default judgment, or at any stage
31 of the proceeding, may order such continuance as may be necessary to afford the defendant

contractor reasonable opportunity to defend any action pending against ~~him~~ the defendant
contractor.

SECTION 57. AMENDMENT. Subsection 10 of section 43-17-02 of the 1997
Supplement to the North Dakota Century Code is amended and reenacted as follows:

10. Any person rendering services as a ~~physician's trained~~ physician assistant, if such
service is rendered under the supervision, control, and responsibility of a licensed
physician ~~and provided that the~~. However, sections 43-17-02.1 and 43-17-02.2 do
apply to physician assistants. The state board of medical examiners shall
prescribe rules ~~and regulations~~ governing the conduct, activities, and supervision
of ~~physicians' trained~~ physician assistants. ~~Physicians' trained~~ Physician
assistants may not be authorized to perform any services which must be performed
by persons licensed pursuant to chapters 43-12.1, 43-13, 43-15, and 43-28 or
services otherwise regulated by licensing laws, notwithstanding the fact that
medical doctors need not be licensed specifically to perform the services
contemplated under such chapters or licensing laws.

SECTION 58. AMENDMENT. Subsection 1 of section 43-17.1-06 of the 1997
Supplement to the North Dakota Century Code is amended and reenacted as follows:

1. Subpoena witnesses and physician and hospital records relating to the practice of
any physician under investigation. The confidentiality of the records by any other
statute or law does not affect the validity of the commission's subpoena nor the
admissibility of the records ~~and in~~ board proceedings; however, the proceedings
and records of a committee that are exempt from subpoena, discovery, or
introduction into evidence under chapter 23-34 are not subject to this subsection.

SECTION 59. AMENDMENT. Subdivision h of subsection 1 of section 45-10.1-02 of
the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

h. May not be the same as, or deceptively similar to:

- (1) The name, whether foreign and authorized to do business in this state,
or domestic, unless there is filed with the articles a document in
compliance with subsection ~~2 of this section~~ 3, of:
- (a) Another limited partnership;
- (b) A corporation;

- (c) A limited liability company; or
- (d) A limited liability partnership; ~~or~~
- (2) A name the right to which is, at the time of organization, reserved in the manner provided in section 10-19.1-14, 10-32-11, 10-33-11, 45-10.1-03, or 45-22-05;
- (3) A fictitious name registered in the manner provided in chapter 45-11; or
- (4) A trade name registered in the manner provided in chapter 47-25.

SECTION 60. AMENDMENT. Subsection 1 of section 47-15.1-03 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- 1. A lessor shall include in a consumer rental purchase agreement:
 - a. The total number, total amount, and timing of all payments necessary to acquire ownership of the property.
 - b. A statement that the consumer does not own the property until the consumer has made the total payments necessary to acquire ownership.
 - c. A statement that the consumer is responsible for the fair market value of the property at the time it is lost, stolen, damaged, or destroyed, if that is the intent of the lessor.
 - d. A description of the leased property sufficient to identify the property to the consumer and the lessor, including any identification numbers, if applicable, in a statement indicating whether the property is new or used. A statement indicating that the property is used when in fact it is new is not a violation of this chapter.
 - e. A statement of the cash price of the property. If the agreement includes a lease of two or more items as a set, in one agreement, a statement of the aggregate cash price of all the items is sufficient.
 - f. The total of initial payments paid or required to be paid at or before consummation of the agreement or delivery of the property, whichever is later.
 - g. A statement that the total amount of a payment does not include other charges such as late payment penalties; default, pick-up, or reinstatement fees; and other fees which must be separately disclosed in the contract.

- h. A statement clearly summarizing the terms of the consumer's option to purchase, including a statement that the consumer has the right to exercise any early purchase options and the price or formula or method for determining the price at which the property may be purchased at any given time.
- i. A statement identifying the party responsible for maintaining or servicing the property while the property is being leased, together with a description of that responsibility, and a statement that if any part of the manufacturer's express warranty covers the leased property at the time the consumer acquires ownership of the property, the warranty is transferred to the consumer, if allowed by the terms of the warranty.
- j. The date of the transaction, the identification of the lessor and consumer, and the address where the property will be primarily located during the possession of the consumer under the ~~commercial~~ consumer rental purchase agreement.
- k. A statement that the consumer may terminate the agreement at any time without penalty by voluntarily surrendering or returning the property in good repair, ordinary wear and tear excepted, along with any payment of any past due rent.
- l. Notice of the right to reinstate an agreement as provided in this chapter.
- m. A statement that the lessor is required by law to provide the consumer a written receipt, upon request by the consumer at the lessor's place of business, for each payment made by cash or money order.

SECTION 61. AMENDMENT. Subsection 3 of section 50-06-01.8 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

3. The training, education, employment, and management program established under this section must provide for uniform and consistent treatment of income and assets in determining eligibility; provide for the creation of a uniform method of budgeting and computing benefits, a consistent certification period for the receipt of benefits, and uniform reporting requirements; provide for necessary child care to allow a participant to meet educational and employment goals; and provide for universal employment and training to assist individuals in becoming self-sufficient. The training, education, employment, and management program may be

administered notwithstanding the requirements of section 50-01.2-03, ~~section 50-03-07~~, subsections 17 and 19 of section 50-06-05.1, chapter 50-09, and section 50-11.1-11.1, relating to the administration of the temporary assistance for needy families, fuel assistance, and food stamp programs. The training, education, employment, and management program may require any participant to cooperate with child support enforcement efforts.

SECTION 62. AMENDMENT. Section 51-14-03.2 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

51-14-03.2. Application of other provisions. Credit extended by a seller or holder of a revolving charge agreement to a buyer is not subject to chapter ~~13-03~~, 13-03.1; or 47-14.

SECTION 63. AMENDMENT. Subsection 5 of section 53-06.2-11 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

5. A licensee may not use any of the portion deducted for expenses under subsections 1 and 2 for expenses not directly incurred by the licensee in conducting parimutuel racing under the certificate system. After paying qualifying expenses, the licensee shall use the remainder of the amount so withheld only for eligible uses allowed to charitable gambling organizations under subsection ~~6 2~~ of section ~~53-06.1-01~~ 53-06.1-11.

SECTION 64. AMENDMENT. Subsection 1 of section 54-40-01 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

1. Two or more governmental units or municipal corporations having in common any portion of their territory or boundary, by agreement entered into through action of their governing bodies, may jointly or cooperatively exercise their respective separate powers, or any power common to the contracting parties or any similar powers, including those which are the same except for the territorial limits within which they may be exercised for the purpose of acquiring, constructing, and maintaining any building for their joint use. The term "governmental unit" as used in this section includes ~~and means~~ every city, county, ~~town~~, park district, school district, states and United States governments and departments of each thereof, and all other political subdivisions even though not specifically named or referred to herein.

SECTION 65. AMENDMENT. Section 57-15-08 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

57-15-08. ~~Tax~~ General fund levy limitations in cities. The aggregate amount levied for general city purposes may not exceed an amount produced by a levy of thirty-eight mills on the taxable valuation of property in the city; ~~provided, that in cities.~~ Cities with a population of over five thousand ~~they be permitted to~~ may levy an additional one-half of one mill for each additional one thousand population in excess of five thousand, ~~and provided, further, that the~~ up to a maximum levy for general city purposes ~~may not exceed of~~ forty mills, ~~except that a.~~ A city, when authorized by a majority vote of the electors of the city voting on the question ~~upon the submission of such question~~ at a regularly scheduled or special election called for such purpose pursuant to a resolution approved by the governing body of ~~such~~ the city, may increase the maximum mill levy for general city purposes by not more than ten mills, ~~and that in a city supporting a band or public library an additional levy, not to exceed one mill on the taxable valuation of property in such city, may be made for a band, and an additional levy not to exceed four mills on the taxable valuation of property in such city may be made for a public library.~~

SECTION 66. AMENDMENT. Section 61-04.1-13 of the North Dakota Century Code is amended and reenacted as follows:

61-04.1-13. Operator deemed to be doing business within state - Resident agent.
A person shall be deemed doing business within this state when engaged in weather modification operations within the boundaries of this state, and shall, if not already qualified to do business within this state under chapter ~~10-22~~ 10-19.1, prior to conducting such operations, file with the secretary of state an authorization designating an agent for the service of process.

SECTION 67. AMENDMENT. Section 61-04.1-14 of the North Dakota Century Code is amended and reenacted as follows:

61-04.1-14. Issuance of license - Fee. The board shall provide, by rule, the procedure and criteria for the issuance of a license. The board, in accordance with its rules, shall issue a weather modification license to each applicant who:

1. Pays a license fee of fifty dollars.
2. Demonstrates competence to engage in weather modification operations, to the satisfaction of the board.

3. Designates an agent for the service of process pursuant to section 61-04.1-13 or chapter ~~10-22~~ 10-19.1.

Each license issued by the board shall be nontransferable and shall expire on December thirty-first of the year of issuance. A license shall be revocable for cause at any time prior to such date if, after holding a hearing upon due notice, the board shall determine that cause for revocation exists. License fees collected by the board shall be paid into the general fund in the state treasury.

SECTION 68. AMENDMENT. Section 61-21-47 of the North Dakota Century Code is amended and reenacted as follows:

61-21-47. Expenditures in excess of maximum levy. If the cost of maintenance, cleaning out, and repairing any drain shall exceed the amount produced by the maximum levy of one dollar and fifty cents per acre [.40 hectare] in any year, ~~together~~ with the amount accumulated in the drainage fund, the board may proceed with such cleaning out and make an additional levy only upon petition of at least sixty-one percent of the affected landowners. The percentage of the affected landowners signing such petition shall be determined in accordance with the weighted voting provisions in section 61-21-16.

SECTION 69. AMENDMENT. Section 61-35-25 of the North Dakota Century Code is amended and reenacted as follows:

61-35-25. Alternate operation by nonprofit corporation or cooperative. A nonprofit corporation or cooperative association established under title 10 for the specific purpose of operating a rural water system may petition the state engineer to organize a district, in the manner provided by section 61-35-02. The signatures of the corporation's or cooperative's officers on the petition and a resolution adopted by the members in the manner provided in section 10-15-37 for amendments to articles or in the manner provided in ~~subsections 1 and 2 of section 10-26-01~~ chapter 10-33 for dissolution, as the case may be, approving the petition suffice in lieu of signatures of owners of fifty percent of the real property in the proposed district, if the petition presenter provides evidence satisfactory to the state engineer that a sufficient number of members of the proposed district will subscribe or have subscribed to benefit units to make its operation feasible. The procedure for hearing and determination of disposition of the petition is as provided by this chapter. In any district organized upon the petition of a nonprofit corporation or cooperative association, the following procedures apply:

- 1 1. After final approval of the petition by the state engineer, the secretary of the
- 2 corporation or cooperative shall file a notice with the corporation or cooperative in
- 3 accordance with title 10.
- 4 2. Upon filing of the notice, the nonprofit corporation or cooperative ceases to exist as
- 5 a title 10 entity and all assets and liabilities of the nonprofit corporation or
- 6 cooperative become the assets and liabilities of the newly organized district without
- 7 any further meetings, voting, notice to creditors, or other actions by the members of
- 8 the board.
- 9 3. The officers and board of directors of the corporation or cooperative are the officers
- 10 and board of the district.
- 11 4. The applicable laws of the state and the articles of incorporation and bylaws of the
- 12 corporation or cooperative control the initial size and initial term of office of officers
- 13 and the board, in lieu of sections 61-35-08 through 61-35-11.
- 14 5. The district shall bring its operation and structure into compliance with the
- 15 requirements of section 61-35-08 regarding the number and qualification of
- 16 directors, section 61-35-09 regarding new bylaws, section 61-35-10 regarding
- 17 dividing its directors into classes, and section 61-35-11 regarding board meetings
- 18 at the first annual meeting of the participating members and board. The new
- 19 district has all the rights and all the property of the original corporation or
- 20 cooperative and is responsible for all its obligations. Title to any property is vested
- 21 in the new district with no reversion or impairment of ownership rights caused by
- 22 the conversion to a district. A water supply agreement entered by a nonprofit
- 23 corporation or cooperative association is binding for its term on a successor district
- 24 organized by the nonprofit corporation or cooperative association, unless otherwise
- 25 agreed in writing by all parties to the agreement. The right of any creditor may not
- 26 be impaired by this section without the creditor's consent.

27 **SECTION 70. REPEAL.** Sections 10-19.1-131, 14-02.1-06, 28-32-22, and chapter
28 61-24.4 of the North Dakota Century Code are repealed.