

**Sixtieth Legislative Assembly of North Dakota  
In Regular Session Commencing Wednesday, January 3, 2007**

SENATE BILL NO. 2273  
(Senators Erbele, Heitkamp, Wardner)  
(Representatives Dietrich, Gulleson, Kretschmar)

AN ACT to amend and reenact sections 23-11-11, 23-11-20, and 23-11-21 and subsection 23 of section 23-11-24 of the North Dakota Century Code, relating to housing authorities.

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

**SECTION 1. AMENDMENT.** Section 23-11-11 of the North Dakota Century Code is amended and reenacted as follows:

**23-11-11. Powers of authority.** An authority has the following powers and duties:

1. To exercise public and essential governmental functions.
2. To sue and be sued.
3. To have perpetual succession.
4. To make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority.
5. To make, amend, and repeal such bylaws, rules, and regulations, not inconsistent with this chapter, as are necessary to carry into effect the powers and purposes of the authority.
6. To prepare, carry out, acquire, lease, and operate housing projects within its area of operation.
7. To provide for the construction, reconstruction, improvement, alteration, or repair of any housing project, or any part of a housing project, within the authority's area of operation.
8. To arrange or contract for the furnishing by any person or any public or private agency of services, privileges, works, or facilities for, or in connection with, a housing project or the occupants of a housing project.
9. To include, in any contract let in connection with a project, stipulations requiring that the contractor and any subcontractor comply with requirements as to minimum wages and maximum hours of labor and any conditions that the federal government may have attached to the financial aid for the project.
10. To lease or rent any dwellings, houses, accommodations, lands, buildings, structures, or facilities embraced in any housing project and, subject to the limitations contained in this chapter, to establish and revise the rents or charges in the housing project.
11. To own, hold, and improve property.
12. To purchase, lease, obtain options upon, or acquire, by gift, grant, bequest, devise, or otherwise, any property or any interest in property.
13. To acquire real property by the exercise of the power of eminent domain.
14. To sell, lease, exchange, transfer, assign, pledge, or dispose of any property, or any interest in property.

15. To insure, or provide for the insurance of, any property, or any operation of the authority, against any risks or hazards.
16. To procure insurance or guaranties from the federal government of the payment of any debts, or parts of debts, secured by mortgages on any property included in any of the authority's housing projects, whether the debts were incurred by the authority or not.
17. To invest any funds held by the authority in reserves or sinking funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to a savings bank's control.
18. To purchase its bonds at a price not more than the principal amount of the bonds and accrued interest, a bond so purchased is canceled.
19. To investigate, in the authority's area of operation, living, dwelling, and housing conditions and the means and methods of improving the same.
20. To determine, within the authority's area of operation, where slum areas exist or where there is a shortage of decent, safe, and sanitary dwelling accommodations for persons of low or moderate income.
21. To make studies and recommendations relating to the problem of clearing, replanning, and reconstructing the slum areas within the authority's area of operation and the problem of providing dwelling accommodations for the persons of low or moderate income, and to cooperate with the city, county, or state, or any political subdivision in any action taken in connection with these problems.
22. To engage in research, studies, and experimentation on the subject of housing within the authority's area of operation.
23. To conduct examinations and investigations and to hear testimony and take proof under oath at public or private hearings on any matter material for the authority's information.
24. To administer oaths, issue subpoenas requiring the attendance of witnesses or the production of books and papers, and to issue commissions for the examinations of witnesses who are outside of the state or unable to attend before the authority or who are excused from attendance.
25. To make available to appropriate agencies, including those charged with the duty of abating or requiring the correction of nuisances or like conditions, or of demolishing unsafe or unsanitary structures within the authority's area of operation, the authority's findings and recommendations with regard to any building or property where conditions exist which are dangerous to the public health, morals, safety, or welfare.
26. To issue bonds from time to time for any of its corporate purposes.
27. To issue refunding bonds for the purpose of paying or retiring bonds previously issued by the authority.
28. To borrow money or accept grants or other financial assistance from the federal government for, or in aid of, any housing project within the authority's area of operation.
29. To take over or lease or manage any housing project or undertaking constructed or owned by the federal government.
30. To comply with conditions and to enter into mortgages, trust indentures, leases, or agreements as may be necessary, convenient, or desirable to carry out this section.

31. To do any and all things necessary or desirable to secure the financial aid or cooperation of the federal government in the undertaking, construction, maintenance, or operation of any housing project.
32. To exercise all or any part or combination of powers granted.
33. To exercise within the authority's area of operation the authority granted to the industrial commission under section 54-17-07.6.
34. To exercise the power to provide operation and maintenance expenses under subdivision a of subsection 23 of section 23-11-24.
35. To exercise the power to ~~issue~~ pledge the general obligation bonds of the city or county for which the housing authority is created in accordance with ~~chapter 21-03~~ subsection 23 of section 23-11-24.
36. To develop a plan identifying the public purposes of the authority's ownership, conditions that would make the authority's ownership no longer necessary for accomplishing those public purposes, and a plan to divest the authority's ownership interest as soon as economically prudent once those conditions occur and to effectuate the plan.
37. To exercise other powers and duties as may be necessary to carry out the purposes and provisions of this chapter.

An authority, in exercising the powers specified in subsections 23, 24, and 25, may act through one or more of the commissioners or through other persons designated by the authority. Provisions of law with respect to the acquisition, operation, or disposition of property by other public bodies are not applicable to an authority unless there is specific provision to that effect by the legislative assembly. The construction of a housing project is a public improvement for which an authority is subject to the competitive bidding requirements of chapter 48-01.1.

**SECTION 2. AMENDMENT.** Section 23-11-20 of the North Dakota Century Code is amended and reenacted as follows:

**23-11-20. Bonds - Types which may be issued.**

1. An authority may issue any type of bond as the authority determines necessary for the purpose of financing housing for persons of low or moderate income, including a bond on which the interest and principal are payable:
  - a. Exclusively from the income and revenues of the housing project financed with the proceeds of the bond or with the proceeds together with a grant from the federal government in aid of the project;
  - b. Exclusively from the income and revenues of certain designated housing projects whether the projects are financed in whole or in part with the proceeds of the bond; or
  - c. From the authority's revenues generally.
2. The bonds and other obligations of the authority are not payable out of any funds or properties other than those of the authority or funds of the city or county which has pledged its general obligation pursuant to subsection 23 of section 23-11-24. These bonds, however, may be secured additionally by a pledge of any loan, grant, or contribution, or part of the same, from the federal government or other source of a pledge of any income or revenues or by a mortgage on any housing project, projects, or other property of the authority.

**SECTION 3. AMENDMENT.** Section 23-11-21 of the North Dakota Century Code is amended and reenacted as follows:

**23-11-21. Bonds - Liability - Tax exempt.** Neither the commissioners of an authority nor any person executing bonds of the authority is liable personally on the bonds by reason of the issuance of the bonds, ~~nor is any city, county, or state, or political subdivision, liable on the bonds.~~ The bonds and other obligations of an authority are not a debt of the city, county, or state, nor of any political subdivision, ~~and must so state on the face of the bond. The bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction unless a city or county pledges its general obligation to the payment of the bonds under subsection 23 of section 23-11-24.~~ The bond obligations are declared to be issued for an essential public and governmental purpose and to be public instrumentalities and the bonds, together with the interest on the bonds and income from the bonds are exempt from taxation. The tax exemption provisions of this chapter are considered part of the contract for the security of the bond obligations authorized by this chapter and do not need to be restated in the bond obligations.

**SECTION 4. AMENDMENT.** Subsection 23 of section 23-11-24 of the North Dakota Century Code is amended and reenacted as follows:

23. To make covenants and to do any acts and things as may be necessary, convenient, or desirable in order to secure the authority's bonds, or, in the absolute discretion of the authority, as will tend to make the bonds more marketable notwithstanding that the covenants, acts, or things are not enumerated, including:
  - a. To the payment of the principal of and interest on bond obligations, when due, there may be pledged as a first charge and lien the gross revenues of the housing project financed in whole or in part by the obligations, and the governing city or county may covenant to provide additional funds for the benefit of that housing project to the extent that the gross revenues in excess of those debt service requirements are not also sufficient from time to time to pay the reasonable operating and maintenance expenses of that housing project.
  - b. ~~The governing body of an authority may pledge the general obligation of the city or county for which the authority was created as additional security for bonds provided that the authority finds that the pledged revenues will equal or exceed one hundred ten percent of the principal and interest due on the bonds for each year, the maturity of the bonds does not exceed thirty-five years, and the principal amount of the issue must be and the general obligation pledge are approved by the governing body of the city or county in which the housing project is located and whose general obligation is pledged. Public hearings~~ A public hearing must be held on issuance of the obligations ~~and the pledge of the general obligation~~ by the city or county in which the housing project is located. ~~The hearings~~ hearing must be held at least fifteen days, but not more than one hundred twenty days, before the sale of the obligations.

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President of the Senate

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Speaker of the House

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Secretary of the Senate

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Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixtieth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2273.

Senate Vote:    Yeas    42        Nays    3        Absent    2

House Vote:    Yeas    78        Nays    15       Absent    1

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Secretary of the Senate

Received by the Governor at \_\_\_\_\_ M. on \_\_\_\_\_, 2007.

Approved at \_\_\_\_\_ M. on \_\_\_\_\_, 2007.

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Governor

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 2007,  
at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

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Secretary of State