

GOVERNMENTAL FINANCE

CHAPTER 181

SENATE BILL NO. 2222

(Senators Schaible, Armstrong, Cook)
(Representatives Kading, Rohr, Schmidt)

AN ACT to amend and reenact section 21-02-06 of the North Dakota Century Code, relating to uncollected taxes.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 21-02-06 of the North Dakota Century Code is amended and reenacted as follows:

21-02-06. Certifying amount of uncollected taxes.

The county auditor, upon request of the officers of a political subdivision, shall certify to them the amount of uncollected taxes remaining upon the tax lists to the credit of the political subdivision on the last day of the preceding month, and annually shall certify such information to the clerk of each township on February fifteenth, to the auditor of each city on September tenth, and to the business manager of each school district on ~~June~~ July tenth. The county auditor also shall certify to the clerk, auditor, business manager, or secretary, or equivalent officer, of each political subdivision, at the time of making the monthly apportionment of funds, the amount of cash collections apportioned for that month to the political subdivision and the amount derived from levies of each tax year.

Approved March 13, 2017

Filed March 13, 2017

CHAPTER 182

SENATE BILL NO. 2296

(Senators Burckhard, Kannianen, Dotzenrod)
(Representatives Hatlestad, Magrum, Toman)

AN ACT to amend and reenact section 21-04-09 of the North Dakota Century Code, relating to pledge of security in place of depository bond; and to repeal section 21-04-11 of the North Dakota Century Code, relating to records of securities.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

21-04-09. Pledge of security in place of depository bond.

~~The board of any public corporation~~treasurer of a public corporation and every other individual legally charged with the custody of public funds may accept from any financial institution, as security for repayment of deposits, a pledge of securities in lieu of a personal or surety bond. When securities are so pledged to the board of any public corporation, ~~the board~~ treasurer or other individual legally charged with the custody of public funds shall require security in the amount of one hundred ten dollars for every one hundred dollars of public deposits. Securities that are eligible for the pledge are bills, notes, or bonds issued by the United States government, its agencies or instrumentalities, all bonds and notes guaranteed by the United States government, irrevocable standby letters of credit issued by federal home loan banks of a rating of AA or better by Moody's Investors Service, Inc. or Standard & Poor's Corporation, federal land bank bonds, bonds, notes, warrants, certificates of indebtedness, insured certificates of deposit, shares of investment companies registered under the Investment Companies Act of 1940, letters of credit issued by the Bank of North Dakota, and all other forms of securities issued by the state of North Dakota, its boards, agencies, or instrumentalities, or by any county, city, township, school district, park district, or other political subdivision of the state of North Dakota, whether payable from special revenues or supported by the full faith and credit of the issuing body, and bonds issued by any other state of the United States or ~~such~~ other securities approved by the banking board. The securities and ~~securities~~ sold under agreements to repurchase as described in section 21-06-07 must be delivered to and held for safekeeping by any financial institution, other than the depository, which the depository and the public corporation may agree upon. Whenever any securities are so deposited for safekeeping with ~~any~~ a custodian, the custodian shall issue a joint receipt ~~therefor jointly~~ to the depository and the public corporation.

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

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

A depository financial institution may fulfill the pledge of securities requirements of this section by maintaining a security pledge schedule that establishes the following:

1. The names of all public bodies maintaining deposits with the financial institution.
2. The amount of each deposit maintained by each public body.
3. The amount of federal deposit insurance corporation insurance applied to each account.
4. The net deposits exceeding federal deposit insurance corporation coverage for each account.
5. The amount of net deposit exceeding federal deposit insurance corporation deposit insurance multiplied by one hundred ten percent for each account.
6. The amount of securities needed to be pledged to fulfill the requirements of this section.
7. The total number of qualified securities pledged by the financial institution under the requirements of this section.

A financial institution is in compliance with this section as long as the security pledge schedule discloses the total qualified securities pledged in excess of the total pledges needed for a total amount of deposits maintained by all the public bodies with the financial institution as verified by the custodian of the securities every three months and copies thereof are provided to the custodian of the securities and to each of the public corporations maintaining deposits with the financial institution.

No pledge of security or bond may be required for any funds deposited with a financial institution directly or by a financial institution's participation as a member of a deposit placement service to the extent that the deposits are insured or guaranteed by the federal deposit insurance corporation or the national credit union administration as determined by the commissioner of financial institutions or an insurance company that is qualified to offer excess deposit insurance in this state and which has a rating of A- or better by A.M. Best Company Inc., or the equivalent rating by another recognized rating organization as determined by the insurance commissioner.

SECTION 2. REPEAL. Section 21-04-11 of the North Dakota Century Code is repealed.

Approved March 24, 2017

Filed March 24, 2017

CHAPTER 183

HOUSE BILL NO. 1191

(Representatives Klemin, B. Anderson, Pyle)
(Senators Bekkedahl, Kreun)

AN ACT to amend and reenact section 21-13-02 of the North Dakota Century Code, relating to loans for political subdivisions.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 21-13-02 of the North Dakota Century Code is amended and reenacted as follows:

21-13-02. Political subdivision authority to enter agreement for bank or credit union loans.

A political subdivision may borrow against its anticipated revenue, from a bank or credit union located in this state. A bank or credit union loan and terms must be authorized by resolution of the governing body for the political subdivision. The resolution must identify the revenue to be used to repay the loan and any collateral that will secure repayment of the loan. The loan agreement must be signed on behalf of the political subdivision by the president, chairman, or equivalent officer; and also by the political subdivision's auditor; business manager; and secretary, or equivalent officer of the political subdivision.

Approved March 13, 2017

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