

N.D.A.G. Letter to Melby (Jan. 19, 1987)

January 19, 1987

Honorable Arthur Melby
State Representative
State of North Dakota
Bismarck, ND 58505

Dear Representative Melby:

This is in response to your December 15, 1986, letter. In that letter you inquired whether a water resource district has "the authority to sell bonds to raise funds without approval by the Board of County Commissioners?" You also inquired whether the same rules applied to joint water resource districts.

N.D.C.C. § 61-16.1-16 authorizes a water resource district to issue revenue bonds not exceeding an aggregate of ten million dollars. The bonds are not "a general obligation of any county and shall not be secured by property taxes." N.D.C.C. § 61-16.1-16 (1985). Consequently, the county does not "stand behind" these bonds and the water resource district does not need the county commissioners' permission to issue these revenue bonds.

With regard to joint water resource boards, they may also issue revenue bonds if their joint powers agreement authorizes them to since they are authorized by statute to "exercise any power" a county board may exercise. N.D.C.C. § 61-16.1-11(1).

If you have any further questions regarding this matter, please feel free to contact Rosellen Sand or Charles Carvell at the State Water Commission.

Sincerely,

Nicholas J. Spaeth

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