

## **CHAPTER 40-33.3 MUNICIPAL PIPELINE AUTHORITIES**

**40-33.3-01. Creation of authority - Membership.** Any two or more cities each of which is over forty thousand population may form a municipal pipeline authority by executing an agreement authorized by a resolution of the governing body of each city and approved by not less than a majority of the qualified electors voting on the question at any regular or special election in each of those cities. Any city may become a member of an existing municipal pipeline authority, without regard to population, upon executing an agreement with the authority.

**40-33.3-02. Agreement requirements.** The agreement to form a municipal pipeline authority shall state:

1. That the authority is created and incorporated under this chapter as a municipal corporation and a political subdivision of the state.
2. The name of the authority, which is to include the words "municipal pipeline authority".
3. The names of the cities which have approved the agreement.
4. The qualifications of member cities, any limitations upon their number, and any conditions of membership.
5. The location of the registered office of the authority.
6. Any other provision for regulating the business of the municipal pipeline authority or the conduct of its affairs which may be agreed upon by the member cities, consistent with this chapter.

**40-33.3-03. Agreement filed with secretary of state - Certificate of incorporation.** The agreement and a certified copy of the resolution of the governing body of each city shall be filed for record with the secretary of state. If the agreement conforms to the requirements of section 40-33.3-02, the secretary of state shall record it and issue and record a certificate of incorporation. The certificate shall state the name of the municipal pipeline authority and the fact and date of incorporation. Upon the issuance of the certificate of incorporation, the authority shall exist as a municipal corporation and a political subdivision of the state. The certificate of incorporation is conclusive evidence of incorporation.

**40-33.3-04. Amendment of agreement.** The agreement may be amended at any meeting of the representatives of the member cities for which notice, stating the purpose, is given to each representative of each member city and unless the agreement provides otherwise, is effective when ratified by resolutions of the governing bodies of a majority of the member cities and approved by a majority of the qualified electors voting on the question at any regular or special election in each of those member cities constituting the majority. Each amendment and the resolutions of the governing bodies approving it shall be filed for record with the secretary of state.

**40-33.3-05. Payment of expenses of city representatives.** Each member city may appropriate money for the payment of expenses of the formation of the municipal pipeline authority and of its representatives in exercising functions as members of the authority.

**40-33.3-06. Powers of authority.** A municipal pipeline authority is a municipal corporation and a political subdivision of the state and has all of the powers provided by this section. The representatives of the member cities, as the board of directors of the authority, shall exercise the powers of the authority unless otherwise provided by the agreement. An authority:

1. May plan, acquire, construct, reconstruct, operate, maintain, repair, extend, or improve one or more facilities for the transmission or distribution of liquids or of natural or synthetic gas or may acquire any interest in or any right to capacity of a project and may act as agent or designate one or more of the other persons participating in a project to act as its agent, in connection with the planning, acquisition, construction, reconstruction, operation, maintenance, repair, extension, or improvement of the project.
2. May cooperate with other persons in the development of sources and supplies of liquids or of natural or synthetic gas.
3. May apply to any public agency for consents, authorizations, or approvals required for any project within its powers and take all actions necessary to comply with the conditions thereof.
4. May acquire, own, hire, use, operate, lease as lessor or lessee, and dispose of property and interests in property, and make improvements to property.
5. May acquire all property that it deems necessary for carrying out the purposes of this chapter, whether in fee simple absolute or a lesser interest, by condemnation and the exercise of the power of eminent domain in accordance with chapter 32-15. A municipal pipeline authority may not exercise the power of eminent domain with respect to any property owned by any person as part of a system, whether existing, under construction, or being planned, of facilities for the transmission or distribution of liquids or of natural or synthetic gas.
6. May establish, levy, and collect or may authorize, by contract, franchise, lease, or otherwise, the establishment, levying, or collection of, rents, rates, and other charges for the services afforded by the authority and the use of any property or facility owned or controlled by the authority.
7. May contract with any person for the construction of any project or for the sale, transmission, or distribution of liquids or of natural or synthetic gas by any project, or for any interest therein or any right to capacity thereof, upon such terms as the authority determines. If a payment bond is secured as provided in chapter 48-01.2, no lien may be filed under chapter 35-27.
8. May purchase, sell, exchange, or transmit liquids or natural or synthetic gas within and outside the state and within or outside the United States, in such amounts as it determines to be necessary and appropriate to make the most effective use of its powers and to meet its responsibilities, and may enter into agreements with any person with respect to that purchase, sale, exchange, or transmission, on such terms and for such period of time as the board of directors determines.
9. May mortgage, pledge, and grant a security interest in any or all of its property or revenues to secure the repayment of moneys loaned to it or advanced to it by the public finance authority as the result of a bond issue under chapter 6-09.4.
10. May procure insurance against any losses in connection with its property, operations, or assets in such amounts and from such insurers as it deems desirable.
11. May acquire, hold, use, and dispose of income, revenues, funds, and money.
12. Subject to any agreement, may invest money not required for immediate use, including proceeds from the sale of any bonds, in such obligations, securities, and other investments as the authority deems prudent, notwithstanding the provisions of any other law relating to the investment of public funds.

13. May contract for and accept any gifts or grants or loans of funds or property or financial or other aid in any form from any person, and may comply, subject to this chapter, with the terms and conditions thereof.
14. Shall pay to each taxing authority within whose taxing jurisdiction its property is situated, in lieu of taxes on its property, the amount of the taxes which would be payable if its property were owned by a private person. For this purpose, the property of a municipal pipeline authority is to be valued in the same manner and by the same procedure as the property of private utility companies.
15. May sue and be sued, complain, and defend in its name.
16. May perform any act authorized by this chapter through or by means of its officers, agents, or employees or by contract with any person.
17. May issue revenue bonds, in anticipation of the collection of revenues from a facility authorized by this chapter, to finance the planning, acquisition, construction, reconstruction, operation, maintenance, repair, extension, or improvement of a facility. Such bonds shall be payable in not more than thirty years from the date of issuance. The authority shall determine the denomination, date, time, and manner of payment of the bonds.