§ 15-1739. Revocation of license.

1. The department may by resolution terminate and revoke any license, issued pursuant to the provisions of title 17 of this article for the following reasons:

a. Failure of the licensee to commence, advance or complete construction of the project works within the time fixed therefor, unless the time be extended by the department; or

b. Failure of the licensee to pay, at the time or times provided in the license, the charge or rental provided for in the license or fixed pursuant to law; or

c. Failure of the licensee promptly to comply with any of the terms, conditions or provisions of title 17 of this article or of the license, or with any direction, order, rule or regulation given or made by the department or otherwise, pursuant to the license or provisions of law.

2. No action terminating or revoking a license shall be taken until the licensee is afforded an opportunity to appear before the department and be heard with respect thereto. Ten days' notice of the time and place of the meeting of the department at which the action will be considered shall be given to the licensee.

3. In case the department revokes a license as herein provided because of the failure of the licensee in good faith to commence actual construction of the project works or any specified part thereof within the required time, the licensee shall not recover any damages or compensation from the state because of such revocation.

4. If the license is terminated or revoked, the state may elect to take any and all interest of the licensee in and to state property covered by the license including all works and structures thereon.

5. In such event the department may, subject to the making of adequate appropriation therefor, provide by written agreement for the payment to

the licensee of the amount of the enhancement in value, if any, of the state property which is covered by the license resulting from any improvements of the same made or effected by the licensee, not exceeding, however, the reconstruction cost, which recovery in the case of termination and revocation pursuant to paragraph a of subdivision 1 of this section shall not include or be affected by any organization or other expenditures preliminary to actual construction work, and in the case of termination and revocation pursuant to paragraphs b and c of subdivision 1 of this section shall be less a deduction equal to that portion, if any, of the aggregate income from the project over and above actual and reasonable expenses of operation, including repairs, which shall exceed an amount equal to eight per centum per annum, to the time that the state property is taken over by the state, of the actual and reasonable cost to the licensee of the lands and interests in lands, the actual and reasonable cost to the licensee of the ways, means and works and the allowance made for organization and development expenses. If the amount involved does not exceed the indebtedness which may be lawfully incurred for such purposes without an appropriation, such agreement may provide for the payment thereof before an appropriation is made.

6. In the event that the licensee and the department are unable to agree upon the amount of damages payable to the licensee as above provided, and the same does not exceed the indebtedness which may be lawfully incurred, for such purpose without an appropriation being made therefor, the licensee may recover from the state in the Court of Claims the amount of enhanced value, if any, of the licensed property owned by the state, resulting from any and all existing improvements of the same made or effected by the licensee, not exceeding, however, the reconstruction cost, less depreciation thereof as limited above to proceedings pursuant to the provisions of paragraph a of subdivision 1, or less deduction as stated above for proceedings pursuant to paragraphs b and c of subdivision 1. If the amount of damages shall exceed the amount of such lawful indebtedness, the revocation shall not take effect until an adequate appropriation has been made therefor and in such case damages may be in like manner recovered in the Court of Claims.

7. The Attorney General at the request of the department may institute

appropriate actions or proceedings in the Supreme Court in any judicial district of the state or in any court of competent jurisdiction to carry into effect the resolution of the department revoking any license and to remove from state property covered by the license, any licensee whose license has been revoked.