

**FIRST ENGROSSMENT
with Conference Committee Amendments
ENGROSSED SENATE BILL NO. 2020**

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of
2 water resources; to provide an appropriation to the parks and recreation department; to amend
3 and reenact section 61-02-79 of the North Dakota Century Code and section 4 of chapter 20 of
4 the 2021 Session Laws, relating to a Bank of North Dakota line of credit and state water
5 commission discretionary funding; to provide for a transfer; to provide for a report; to provide
6 legislative intent; to provide an exemption; and to declare an emergency.

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

8 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
9 as may be necessary, are appropriated from special funds derived from federal funds and other
10 income, to the department of water resources for the purpose of defraying the expenses of the
11 department of water resources, for the period beginning with the effective date of this Act, and
12 ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
13			
14			
15	Salaries and wages	\$1,656,382	\$22,194,249
16	Operating expenses	16,112,518	59,479,068
17	Capital assets	177,316,513	275,783,950
18	Water supply - grants	191,200,000	316,200,000
19	Rural water supply - grants	(7,600,000)	52,000,000
20	Flood control projects	67,700,000	115,700,000
21	Discretionary funding	9,000,000	9,000,000
22	General water - grants	<u>(2,227,275)</u>	<u>12,000,000</u>
23	Total special funds	\$453,158,138	\$862,357,267
24	Full-time equivalent positions	3.00	93.00

1 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

2 **SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect one-time funding
3 items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the
4 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

5	<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
6	Line of credit - Bank of North Dakota	\$50,000,000	\$100,000,000
7	Basinwide plan implementation	1,100,000	0
8	Discretionary funding	0	9,000,000
9	Equipment for new employees	0	19,320
10	Information technology unification	0	1,532,980
11	Increased motor pool rates	0	118,180
12	Drilling supplies inflation	0	180,000
13	Navigability study	0	180,000
14	Airborne electromagnetic survey data collection	0	750,000
15	Ground water modeling and hydrologic analysis software	0	72,665
16	Potential agency relocation	0	200,000
17	Radar system	0	1,800,000
18	Drilling rig replacement	0	1,800,000
19	Northwest area water supply	0	47,847,238
20	Discretionary water project funding	6,000,000	0
21	Mouse River flood control project	74,500,000	0
22	Water infrastructure projects	<u>75,000,000</u>	<u>0</u>
23	Total special funds	\$206,600,000	\$163,500,383

24 The 2023-25 one-time funding amounts are not a part of the entity's base budget for the
25 2025-27 biennium. The department of water resources shall report to the appropriations
26 committees of the sixty-ninth legislative assembly on the use of this one-time funding for the
27 period beginning with the effective date of this Act, and ending June 30, 2025.

28 **SECTION 3. ADDITIONAL 2021-23 BIENNIUM INCOME - APPROPRIATION.** Any revenue
29 deposited in the resources trust fund during the period beginning with the effective date of this
30 Act, and ending June 30, 2023, in excess of the March 2023 legislative revenue forecast is
31 appropriated to the department of water resources for the purpose of providing water supply

1 grants and rural water supply grants, for the period beginning with the effective date of this Act,
2 and ending June 30, 2025. Any additional amounts must be allocated equally between water
3 supply grants and rural water supply grants.

4 **SECTION 4. APPROPRIATION - WATER PROJECTS STABILIZATION FUND - LOAN**

5 **REPAYMENT - ONE-TIME FUNDING ITEM.** There is appropriated out of any moneys in the
6 water projects stabilization fund in the state treasury, not otherwise appropriated, the sum of
7 \$30,000,000, or so much of the sum as may be necessary, to the department of water
8 resources for the purpose of repayment of loans issued by the Bank of North Dakota to the
9 western area water supply authority for the period beginning with the effective date of this Act,
10 and ending June 30, 2025. This funding is considered a one-time funding item.

11 **SECTION 5. TRANSFER - BANK OF NORTH DAKOTA PROFITS - WATER**

12 **INFRASTRUCTURE REVOLVING LOAN FUND.** The Bank of North Dakota shall transfer
13 \$100,000,000, or so much of the sum as may be necessary, from its current earnings and
14 accumulated profits to the water infrastructure revolving loan fund during the biennium
15 beginning July 1, 2023, and ending June 30, 2025. The moneys must be transferred as
16 requested by the director of the department of water resources, after consultation with the Bank
17 of North Dakota, to provide local cost-share loans for projects approved by the state water
18 commission pursuant to section 6-09-49.2.

19 **SECTION 6. WATER PROJECTS STABILIZATION FUND - TRANSFERS.** Notwithstanding
20 subsections 1 and 2 of section 57-51.1-07, any oil extraction tax revenues deposited in the
21 resources trust fund that exceed the amount included in the March 2023 legislative revenue
22 forecast during the period beginning July 1, 2023, and ending June 30, 2025, must be
23 transferred at least quarterly by the office of management and budget from the resources trust
24 fund to the water projects stabilization fund for the period beginning with the effective date of
25 this Act, and ending June 30, 2025.

26 **SECTION 7. APPROPRIATION - PARKS AND RECREATION DEPARTMENT -**

27 **SOVEREIGN LANDS RECREATION USE GRANTS - ONE-TIME FUNDING.** There is
28 appropriated from special funds derived from a grant from the state water commission, not
29 otherwise appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, to
30 the parks and recreation department for the purpose of providing grants for developing
31 recreation opportunities on sovereign lands in the state, for the period beginning with the

1 effective date of this Act, and ending June 30, 2025. An eligible grant recipient must identify \$1
2 of matching funds for each \$1 awarded pursuant to this section. This funding is considered to
3 be a one-time funding item.

4 **SECTION 8. SOVEREIGN LANDS RECREATION USE GRANT.** The water supply - grants
5 line item in section 1 of this Act includes \$2,000,000 from the resources trust fund which the
6 state water commission shall provide as a grant to the parks and recreation department for
7 developing recreation opportunities on sovereign lands in the state, for the period beginning
8 with the effective date of this Act, and ending June 30, 2025.

9 **SECTION 9. DEPARTMENT OF WATER RESOURCES DISCRETIONARY FUNDING.** The
10 discretionary funding appropriated to the department of water resources in section 1 of this Act
11 may be used as necessary, except for salaries and wages, for the period beginning with the
12 effective date of this Act, and ending June 30, 2025.

13 **SECTION 10. ESTIMATED INCOME - WATER PROJECTS STABILIZATION FUND.** The
14 total special funds line item in section 1 of this Act includes \$123,380,315 from the water
15 projects stabilization fund for water supply grants for the period beginning with the effective date
16 of this Act, and ending June 30, 2025.

17 **SECTION 11. AMENDMENT.** Section 61-02-79 of the North Dakota Century Code is
18 amended and reenacted as follows:

19 **61-02-79. Bank of North Dakota - Line of credit.**

20 The Bank of North Dakota shall extend a line of credit not to exceed fiftyone hundred million
21 dollars at a ~~rate of one and one-half percent over the three month London interbank offered~~
22 ~~rate, but may not exceed three percent to the state water commission~~ the prevailing interest rate
23 charged to North Dakota government entities. The ~~state water commission~~ department of water
24 resources shall repay the line of credit from funds available in the resources trust fund, ~~water~~
25 ~~development trust fund~~, or other funds, as appropriated by the legislative assembly. The ~~state~~
26 ~~water commission~~ department of water resources may access the line of credit, as necessary, to
27 ~~provide funding as authorized by the legislative assembly~~ up to fifty million dollars for the
28 northwest area water supply project and up to fifty million dollars for the southwest pipeline
29 project during the biennium beginning July 1, ~~2021-2023~~, and ending June 30, ~~2023~~ 2025.

30 **SECTION 12. AMENDMENT.** Section 4 of chapter 20 of the 2021 Session Laws is
31 amended and reenacted as follows:

1 **SECTION 4. APPROPRIATION - RESOURCES TRUST FUND - STATE**

2 **WATER COMMISSION DISCRETIONARY FUNDING.** There is appropriated out of
3 any moneys in the resources trust fund in the state treasury, not otherwise
4 appropriated, the sum of \$6,000,000, or so much of the sum as may be necessary, to
5 ~~the state water commission for the purpose of providing discretionary funds for water~~
6 ~~project grants~~department of water resources to be used as necessary except for
7 salaries and wages, for the biennium beginning July 1, 2021, and ending June 30,
8 2023. This funding is considered to be a one-time funding item.

9 **SECTION 13. STATE WATER COMMISSION - RED RIVER WATER SUPPLY PROJECT**

10 **FUNDING - LEGISLATIVE INTENT.** Excluding the funding provided for Red River water supply
11 projects prior to the 2023-25 biennium, the state water commission may not approve state
12 funding for the Red River water supply project in excess of a total of \$953,000,000 without
13 legislative approval. It is the intent of the sixty-eighth legislative assembly that of the
14 \$953,000,000, \$180,000,000 is provided from the resources trust fund for the period beginning
15 with the effective date of this Act, and ending June 30, 2025.

16 **SECTION 14. STATE WATER COMMISSION - MOUSE RIVER FLOOD CONTROL**

17 **PROJECT FUNDING - LEGISLATIVE INTENT.** Excluding the funding provided for Mouse River
18 flood control projects prior to the 2023-25 biennium, the state water commission may not
19 approve state funding for the Mouse River flood control project in excess of a total of
20 \$380,500,000 without legislative approval. It is the intent of the sixty-eighth legislative assembly
21 that of the \$380,500,000, \$76,100,000 is provided from the resources trust fund for the period
22 beginning with the effective date of this Act, and ending June 30, 2025.

23 **SECTION 15. SOUTHWEST PIPELINE PROJECT FUNDING - LEGISLATIVE INTENT.** It

24 is the intent of the sixty-eighth legislative assembly that the sixty-ninth legislative assembly
25 appropriate \$40,000,000 from the resources trust fund for the southwest pipeline project water
26 treatment plant for the biennium beginning July 1, 2025, and ending June 30, 2027.

27 **SECTION 16. LEGISLATIVE INTENT - STATE WATER COMMISSION - CITY OF**

28 **BISMARCK WATER TREATMENT PLANT.** Excluding the funding provided for the city of
29 Bismarck water treatment plant prior to the 2023-25 biennium, it is the intent of the sixty-eighth
30 legislative assembly that up to \$50,000,000 of funding appropriated in the water supply - grants

1 line item in section 1 of this Act be made available during the 2023-25 biennium for the city of
2 Bismarck water treatment plant.

3 **SECTION 17. LEGISLATIVE INTENT - CITY OF MEDORA WATER SUPPLY PROJECT.** It
4 is the intent of the sixty-eighth legislative assembly that the city of Medora request funding from
5 the state water commission for water storage, water main replacement, and water supply
6 expansion projects after all agreements for the construction of the Theodore Roosevelt
7 presidential library have been finalized between the library, the library foundation, and the city of
8 Medora.

9 **SECTION 18. MISSOURI RIVER SYSTEM - LEGISLATIVE INTENT.** It is the intent of the
10 sixty-eighth legislative assembly that the department of water resources support efforts that
11 protect and develop beneficial use of Missouri River system water and other available water
12 supply sources.

13 **SECTION 19. DEPARTMENT OF WATER RESOURCES - GARRISON DIVERSION**
14 **CONSERVANCY DISTRICT - LEGISLATIVE INTENT - REPORT.** It is the intent of the
15 sixty-eighth legislative assembly that the department of water resources, in coordination with
16 the Garrison Diversion Conservancy District, research and identify options for the use of the
17 Missouri River intake constructed near Washburn. The department of water resources shall
18 report its findings and recommendations to the legislative management by October 1, 2024.

19 **SECTION 20. EXEMPTION - LINE ITEM TRANSFERS.** Notwithstanding section 54-16-04,
20 the office of management and budget shall transfer up to \$9,900,000 between the operating
21 expenses and capital assets line items in section 1 of this Act, during the period beginning with
22 the effective date of this Act, and ending June 30, 2025, as requested by the director of the
23 department of water resources. The director of the department of water resources shall notify
24 the legislative council of any transfers made pursuant to this section.

25 **SECTION 21. EXEMPTION - GRANTS - APPLICATION - WATER-RELATED PROJECTS -**
26 **CARRYOVER AUTHORITY.** Section 54-44.1-11 does not apply to \$367,000,000 for grants or
27 water-related projects included in the capital assets, water supply - grants, rural water supply -
28 grants, flood control projects, and general water - grants line items in section 1 of chapter 20 of
29 the 2021 Session Laws, sections 5 and 6 of chapter 20 of the 2021 Session Laws, section 9 of
30 chapter 80 of the 2021 Session Laws, and subdivision 3 of section 1 of chapter 550 of the 2021
31 Special Session Session Laws. Any unexpended obligated and unobligated funds from these

1 appropriations may be continued into the 2023-25 biennium. Any funds continued may be
2 expended only for the purpose for which it was originally appropriated. The department of water
3 resources may seek emergency commission and budget section approval under section
4 54-16-04.2 to increase carryover spending authority of funds appropriated in the 2021-23
5 biennium into the 2023-25 biennium.

6 **SECTION 22. EMERGENCY.** This Act and Senate Bill No. 2196, as approved by the sixty-
7 eighth legislative assembly, are declared to be an emergency measure.