

**SECOND ENGROSSMENT
with Conference Committee Amendments
REENGROSSED SENATE BILL NO. 2089**

Introduced by

Finance and Taxation Committee

(At the request of the Department of Mineral Resources)

1 A BILL for an Act to create and enact section 54-17.6-06.1 of the North Dakota Century Code,
2 relating to clean natural gas capture and emissions reduction; and to designate funding from the
3 oil and gas research fund.

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

5 **SECTION 1.** Section 54-17.6-06.1 of the North Dakota Century Code is created and
6 enacted as follows:

7 **54-17.6-06.1. Clean natural gas capture and emissions reduction program.**

8 1. The clean natural gas capture and emissions reduction program shall provide an
9 incentive for natural gas capture and utilization systems on an oil or gas well site or
10 gathering pipeline facility which collect or utilizes over fifty percent of propane and
11 heavier hydrocarbons from an oil and gas well site for beneficial use by:

12 a. Compressing or liquefying gas for artificial lift, uses as fuel, or for nonpipeline
13 transport to a processing facility;

14 b. Conversion to liquid fuels;

15 c. Conversion to electricity for onsite use or supply to the electrical grid;

16 d. Conversion to computational power;

17 e. Collection of tank vapors for beneficial use or transport to a processing facility;

18 f. Temporary gas injection into producing wells in lieu of flaring or shutting in wells;
19 or

20 g. Other value-added processes as approved by the industrial commission.

21 2. The commission is granted all the powers necessary and appropriate to effectuate the
22 provisions of this section.

23 3. The commission:

- 1 a. May make grants or loans or provide other forms of financial assistance as
2 necessary or appropriate to qualified entities for activities under subsection 1;
3 b. Shall keep accurate records of all financial transactions performed under this
4 section;
5 c. May accept donations, grants, federal funds, contributions, and gifts from any
6 public or private source and deposit such in the oil and gas research fund;
7 d. May make and explore orders, rules, and policies necessary to effectuate the
8 purpose of this section; and
9 e. Shall consult with the council in matters of policy affecting the administration of
10 the clean natural gas capture and emissions reduction program.

11 **SECTION 2. OIL AND GAS RESEARCH FUND - CLEAN NATURAL GAS CAPTURE AND**
12 **EMISSIONS REDUCTION PROGRAM - ONE-TIME FUNDING.** Pursuant to the continuing
13 appropriation under section 57-51.1-07.3, the industrial commission shall use up to \$3,000,000
14 from the oil and gas research fund for the clean natural gas capture and emissions reduction
15 program under section 54-17.6-06.1 for the biennium beginning July 1, 2023, and ending
16 June 30, 2025. The designation under this section is considered a one-time funding item.