

**Sixty-eighth Legislative Assembly of North Dakota  
In Regular Session Commencing Tuesday, January 3, 2023**

SENATE BILL NO. 2020  
(Appropriations Committee)

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

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

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

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$20,537,867	\$1,656,382	\$22,194,249
Operating expenses	43,366,550	16,112,518	59,479,068
Capital assets	98,467,437	177,316,513	275,783,950
Water supply - grants	125,000,000	191,200,000	316,200,000
Rural water supply - grants	59,600,000	(7,600,000)	52,000,000
Flood control projects	48,000,000	67,700,000	115,700,000
Discretionary funding	0	9,000,000	9,000,000
General water - grants	<u>14,227,275</u>	<u>(2,227,275)</u>	<u>12,000,000</u>
Total special funds	\$409,199,129	\$453,158,138	\$862,357,267
Full-time equivalent positions	90.00	3.00	93.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Line of credit - Bank of North Dakota	\$50,000,000	\$100,000,000
Basinwide plan implementation	1,100,000	0
Discretionary funding	0	9,000,000
Equipment for new employees	0	19,320
Information technology unification	0	1,532,980
Increased motor pool rates	0	118,180
Drilling supplies inflation	0	180,000
Navigability study	0	180,000
Airborne electromagnetic survey data collection	0	750,000
Ground water modeling and hydrologic analysis software	0	72,665
Potential agency relocation	0	200,000
Radar system	0	1,800,000
Drilling rig replacement	0	1,800,000
Northwest area water supply	0	47,847,238
Discretionary water project funding	6,000,000	0
Mouse River flood control project	74,500,000	0

Water infrastructure projects	75,000,000	0
Total special funds	\$206,600,000	\$163,500,383

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

**SECTION 3. ADDITIONAL 2021-23 BIENNIUM INCOME - APPROPRIATION.** Any revenue deposited in the resources trust fund during the period beginning with the effective date of this Act, and ending June 30, 2023, in excess of the March 2023 legislative revenue forecast is appropriated to the department of water resources for the purpose of providing water supply grants and rural water supply grants, for the period beginning with the effective date of this Act, and ending June 30, 2025. Any additional amounts must be allocated equally between water supply grants and rural water supply grants.

**SECTION 4. APPROPRIATION - WATER PROJECTS STABILIZATION FUND - LOAN REPAYMENT - ONE-TIME FUNDING ITEM.** There is appropriated out of any moneys in the water projects stabilization fund in the state treasury, not otherwise appropriated, the sum of \$30,000,000, or so much of the sum as may be necessary, to the department of water resources for the purpose of repayment of loans issued by the Bank of North Dakota to the western area water supply authority for the period beginning with the effective date of this Act, and ending June 30, 2025. This funding is considered a one-time funding item.

**SECTION 5. TRANSFER - BANK OF NORTH DAKOTA PROFITS - WATER INFRASTRUCTURE REVOLVING LOAN FUND.** The Bank of North Dakota shall transfer \$100,000,000, or so much of the sum as may be necessary, from its current earnings and accumulated profits to the water infrastructure revolving loan fund during the biennium beginning July 1, 2023, and ending June 30, 2025. The moneys must be transferred as requested by the director of the department of water resources, after consultation with the Bank of North Dakota, to provide local cost-share loans for projects approved by the state water commission pursuant to section 6-09-49.2.

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

**SECTION 7. APPROPRIATION - PARKS AND RECREATION DEPARTMENT - SOVEREIGN LANDS RECREATION USE GRANTS - ONE-TIME FUNDING.** There is appropriated from special funds derived from a grant from the state water commission, not otherwise appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, to the parks and recreation department for the purpose of providing grants for developing recreation opportunities on sovereign lands in the state, for the period beginning with the effective date of this Act, and ending June 30, 2025. An eligible grant recipient must identify \$1 of matching funds for each \$1 awarded pursuant to this section. This funding is considered to be a one-time funding item.

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

**SECTION 9. DEPARTMENT OF WATER RESOURCES DISCRETIONARY FUNDING.** The discretionary funding appropriated to the department of water resources in section 1 of this Act may be

used as necessary, except for salaries and wages, for the period beginning with the effective date of this Act, and ending June 30, 2025.

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

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

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

The Bank of North Dakota shall extend a line of credit not to exceed fiftyone hundred million dollars at a rate of one and one-half percent over the three month London interbank offered rate, but may not exceed three percent to the state water commissionthe prevailing interest rate charged to North Dakota government entities. The state water commissiondepartment of water resources shall repay the line of credit from funds available in the resources trust fund, water development trust fund, or other funds, as appropriated by the legislative assembly. The state water commissiondepartment of water resources may access the line of credit, as necessary, to provide funding as authorized by the legislative assemblyup to fifty million dollars for the northwest area water supply project and up to fifty million dollars for the southwest pipeline project during the biennium beginning July 1, 20242023, and ending June 30, 20232025.

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

**SECTION 4. APPROPRIATION - RESOURCES TRUST FUND - STATE WATER COMMISSION DISCRETIONARY FUNDING.** There is appropriated out of any moneys in the resources trust fund in the state treasury, not otherwise appropriated, the sum of \$6,000,000, or so much of the sum as may be necessary, to the state water commissionfor the purpose of providing discretionary funds for water project grantsdepartment of water resources to be used as necessary except for salaries and wages, for the biennium beginning July 1, 2021, and ending June 30, 2023. This funding is considered to be a one-time funding item.

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

**SECTION 14. STATE WATER COMMISSION - MOUSE RIVER FLOOD CONTROL PROJECT FUNDING - LEGISLATIVE INTENT.** Excluding the funding provided for Mouse River flood control projects prior to the 2023-25 biennium, the state water commission may not approve state funding for the Mouse River flood control project in excess of a total of \$380,500,000 without legislative approval. It is the intent of the sixty-eighth legislative assembly that of the \$380,500,000, \$76,100,000 is provided from the resources trust fund for the period beginning with the effective date of this Act, and ending June 30, 2025.

**SECTION 15. SOUTHWEST PIPELINE PROJECT FUNDING - LEGISLATIVE INTENT.** It is the intent of the sixty-eighth legislative assembly that the sixty-ninth legislative assembly appropriate \$40,000,000 from the resources trust fund for the southwest pipeline project water treatment plant for the biennium beginning July 1, 2025, and ending June 30, 2027.

**SECTION 16. LEGISLATIVE INTENT - STATE WATER COMMISSION - CITY OF BISMARCK WATER TREATMENT PLANT.** Excluding the funding provided for the city of Bismarck water treatment

plant prior to the 2023-25 biennium, it is the intent of the sixty-eighth legislative assembly that up to \$50,000,000 of funding appropriated in the water supply - grants line item in section 1 of this Act be made available during the 2023-25 biennium for the city of Bismarck water treatment plant.

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

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

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

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

**SECTION 21. EXEMPTION - GRANTS - APPLICATION - WATER-RELATED PROJECTS - CARRYOVER AUTHORITY.** Section 54-44.1-11 does not apply to \$367,000,000 for grants or water-related projects included in the capital assets, water supply - grants, rural water supply - grants, flood control projects, and general water - grants line items in section 1 of chapter 20 of the 2021 Session Laws, sections 5 and 6 of chapter 20 of the 2021 Session Laws, section 9 of chapter 80 of the 2021 Session Laws, and subdivision 3 of section 1 of chapter 550 of the 2021 Special Session Session Laws. Any unexpended obligated and unobligated funds from these appropriations may be continued into the 2023-25 biennium. Any funds continued may be expended only for the purpose for which it was originally appropriated. The department of water resources may seek emergency commission and budget section approval under section 54-16-04.2 to increase carryover spending authority of funds appropriated in the 2021-23 biennium into the 2023-25 biennium.

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

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-eighth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2020 and that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote:        Yeas 46                      Nays 0                      Absent 1

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Secretary of the Senate

This certifies that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote:        Yeas 88                      Nays 4                      Absent 2

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
Chief Clerk of the House

Received by the Governor at \_\_\_\_\_ M. on \_\_\_\_\_, 2023.

Approved at \_\_\_\_\_ M. on \_\_\_\_\_, 2023.

\_\_\_\_\_  
Governor

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 2023,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State