

Sixty-eighth  
Legislative Assembly  
of North Dakota

ENGROSSED 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 sections 54-17.6-06.1 and 54-17.6-06.2 of the North  
2 Dakota Century Code, relating to clean natural gas capture and emissions reduction; to provide  
3 an appropriation; and to provide a continuing appropriation.

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 onsite natural gas capture and utilization systems which collect or utilizes  
10 over fifty percent of propane and heavier hydrocarbons from an oil and gas well site  
11 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 chapter.

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                   chapter;  
5           c. May accept donations, grants, federal funds, contributions, and gifts from any  
6                   public or private source and deposit such in the natural gas capture and  
7                   utilization incentive fund;  
8           d. May make and explore orders, rules, and policies necessary to effectuate the  
9                   purpose of this chapter; and  
10          e. Shall consult with the council in matters of policy affecting the administration of  
11                   the clean natural gas capture and emissions reduction program.

12           **SECTION 2.** Section 54-17.6-06.2 of the North Dakota Century Code is created and  
13 enacted as follows:

14           **54-17.6-06.2. Clean natural gas capture and emissions reduction fund - Continuing**  
15 **appropriation.**

16           The clean natural gas capture and emissions reduction fund is hereby created as a special  
17 fund in the state treasury. All funds in the clean natural gas capture and emissions reduction  
18 fund are appropriated to the industrial commission on a continuing basis to effectuate the  
19 purposes of this chapter. All interest earned by the fund must be credited to the fund.

20           **SECTION 3. APPROPRIATION - CLEAN NATURAL GAS CAPTURE AND EMISSIONS**  
21 **REDUCTION FUND.** There is appropriated out of any moneys in the general fund in the state  
22 treasury, not otherwise appropriated, the sum of \$15,000,000, or so much of the sum as may be  
23 necessary, to the clean natural gas capture and emissions reduction fund for the purpose of  
24 providing grants under section 54-17.6-06.1, for the biennium beginning July 1, 2023, and  
25 ending June 30, 2025.