

**SENATE BILL NO. 2196**  
**with Conference Committee Amendments**  
**SENATE BILL NO. 2196**

Introduced by

Senators Patten, Beard, Bekkedahl, Kannianen

Representatives J. Olson, Richter

1 A BILL for an Act to create and enact two new sections to chapter 61-40 of the North Dakota  
2 Century Code, relating to the infrastructure revolving loan fund and accrued and unpaid interest  
3 in western area water supply authority loans; to amend and reenact subsection 13 of section  
4 61-40-05, and sections 61-40-09, 61-40-10, and 61-40-11 of the North Dakota Century Code,  
5 relating to the oversight of the western area water supply authority and infrastructure revolving  
6 loan fund payments; and to provide an appropriation.

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

8 **SECTION 1. AMENDMENT.** Subsection 13 of section 61-40-05 of the North Dakota  
9 Century Code is amended and reenacted as follows:

10 13. Accept from any authorized state or federal agency loans or grants for the planning,  
11 construction, acquisition, lease, or other provision of a project, and enter agreements  
12 with the agency respecting the loans or grants. Other than state-guaranteed loans,  
13 additional debt that may form the basis of a claim for territorial or franchise protection  
14 for industrial water sales for oil and gas exploration and production may be acquired  
15 by the authority or member entities only upon approval by the industrialstate water  
16 commission and the emergency commission.

17 **SECTION 2. AMENDMENT.** Section 61-40-09 of the North Dakota Century Code is  
18 amended and reenacted as follows:

19 **61-40-09. Default.**

20 ~~The industrial commission may review the ability of water depot and lateral sales to meet~~  
21 ~~expenses in subdivisions a through d of subsection 1 of section 61-40-10, and if the industrial~~  
22 ~~commission is uncertain of that ability, the industrial commission shall provide written notification~~  
23 ~~to the state water commission and direct the Bank of North Dakota to consider revision of the~~  
24 ~~terms of the loan repayments. If the authority is in default in the payment of the principal of or~~

1 interest on the obligation to the Bank of North Dakota for a loan for which the Bank of North-  
2 Dakota is the source of funds for the loan, the state water commission shall request funding  
3 from the legislative assembly to repay the principal and interest due If the western area water  
4 supply authority defaults on its payment of the principal or interest on the infrastructure  
5 revolving loan provided for in section 5 of this Act, the Bank of North Dakota shall notify the  
6 legislative council, and the state water commission shall provide a payment, subject to budget  
7 section approval, to the Bank of North Dakota in an amount of the default as certified to the  
8 budget section by the Bank of North Dakota.

9 **SECTION 3. AMENDMENT.** Section 61-40-10 of the North Dakota Century Code is  
10 amended and reenacted as follows:

11 **61-40-10. Industrial water depot and lateral sales.**

- 12 1. An accounting of industrial water depot and lateral sales collected and distributed by  
13 the authority must be reported to the ~~industrial~~state water commission on a monthly  
14 basis. Participating member entities shall transfer industrial water depot and lateral  
15 sales to the authority within thirty days of receipt of the revenues. The boards of the  
16 authority and participating member entities must be notified of the sweep of revenues;  
17 however, board approval is not required. Upon the receipt of industrial water depot and  
18 lateral revenues by the authority, the authority shall apply immediately all revenues  
19 each month in the following order:
- 20 a. ~~One hundred fifty thousand dollars per biennium to the industrial commission for~~  
21 ~~one additional full-time equivalent position to implement this section.~~
  - 22 b. Reimburse the authority for industrial water depot capital improvements and the  
23 cost for delivery of potable or nonpotable water sold at industrial water depots  
24 and lateral lines, at a cost no greater than the participating member, or  
25 submember, if applicable, entity rate at the location of the depot or lateral line.
  - 26 e.b. Regular payments on the participating member entity debt as described in the  
27 agreements with the authority as of March 31, 2013, and baseline 2010 industrial  
28 water sales included in and subject to the terms of the authority and participating  
29 member agreements as of March 31, 2013. Baseline 2010 industrial water sales  
30 for the city of Tioga in the year 2013 are limited to the lesser of legally permitted  
31 industrial water sales or the amount in the member agreement.



1        **Western area water supply authority - Bank of North Dakota loan - Transfer.**

2        The Bank of North Dakota shall transfer the outstanding principal balance of the  
3 consolidation loan authorized in section 9 of chapter 19 of the 2017 Session Laws to the  
4 infrastructure revolving loan fund, on August 1, 2023. Any accrued and unpaid interest of the  
5 consolidation loan authorized in section 9 of chapter 19 of the 2017 Session Laws must be  
6 consolidated with the principal balance of the loan transferred to the infrastructure revolving  
7 loan fund. The loan must have an interest rate of two percent and a final maturity date not to  
8 extend beyond July 1, 2053.

9        **SECTION 6.** A new section to chapter 61-40 of the North Dakota Century Code is created  
10 and enacted as follows:

11        **Western area water supply authority accrued and unpaid interest.**

12        All accrued and unpaid interest on the twenty-five million dollar loan from the general fund  
13 to the western area water supply authority authorized in section 3 of chapter 500 of the 2011  
14 Session Laws must be transferred to the general fund. All accrued and unpaid interest on the  
15 ten million dollar, twenty million dollar, and nineteen million five hundred thousand dollar loans  
16 from the resources trust fund to the western area water supply authority must be forgiven.

17        **SECTION 7. APPROPRIATION - DEPARTMENT OF WATER RESOURCES -**

18 **RESOURCES TRUST FUND.** There is appropriated out of any moneys in the resources trust  
19 fund in the state treasury, not otherwise appropriated, the sum of \$2,000,000, or so much of the  
20 sum as may be necessary, to the department of water resources for the purpose of paying  
21 accrued and unpaid interest on the \$25,000,000 loan from the general fund to the western area  
22 water supply authority authorized in section 3 of chapter 500 of the 2011 Session Laws, for the  
23 biennium beginning July 1, 2023, and ending June 30, 2025.