

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

HOUSE BILL NO. 1024
(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of environmental quality; to amend and reenact sections 23.1-10-02 and 23.1-10-05 of the North Dakota Century Code, relating to the environmental quality restoration fund and revenue to the fund; and to provide for an exemption.

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 out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of environmental quality for the purpose of defraying the expenses of the department of environmental quality, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$32,551,817	\$4,553,049	\$37,104,866
Operating expenses	10,771,898	6,475,528	17,247,426
Capital assets	1,247,172	(78,672)	1,168,500
Grants	<u>15,060,118</u>	<u>22,138,000</u>	<u>37,198,118</u>
Total all funds	\$59,631,005	\$33,087,905	\$92,718,910
Less estimated income	<u>46,969,930</u>	<u>29,966,956</u>	<u>76,936,886</u>
Total general fund	\$12,661,075	\$3,120,949	\$15,782,024
Full-time equivalent positions	166.00	7.00	173.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY. The following amounts reflect the 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>
Laboratory information management system	\$1,000,000	\$0
Chemistry laboratory inflation	0	116,800
Loan fund administration	0	177,350
Drinking water program portal	0	325,000
Environmental data systems upgrade	<u>0</u>	<u>1,365,444</u>
Total all funds	\$1,000,000	\$1,984,594
Less estimated income	<u>0</u>	<u>1,796,794</u>
Total general fund	\$1,000,000	\$187,800

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The department of environmental quality shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

SECTION 3. APPROPRIATION - FEDERAL FUNDS - LEAD PIPE REMOVAL AND CLEAN WATER PROJECT GRANTS - ONE-TIME FUNDING. There is appropriated from federal funds, not otherwise appropriated, the sum of \$25,000,000, or so much of the sum as may be necessary, to the department of environmental quality for the purpose of providing grants to political subdivisions with a population of ten thousand or less for lead pipe removal and other projects eligible for funding from the clean water state revolving loan fund for the biennium beginning July 1, 2023, and ending June 30,

2025. The department shall require a political subdivision grant recipient to provide twenty-five percent matching funds and the department may not award grants in excess of \$5,000,000 to a political subdivision. The funding provided in this section is considered a one-time funding item.

SECTION 4. ESTIMATED INCOME - ENVIRONMENT AND RANGELAND PROTECTION FUND.

The estimated income line item in section 1 of this Act includes the sum of \$250,000 from the environment and rangeland protection fund. This amount includes \$50,000 for a grant to the North Dakota stockmen's association environmental services program.

SECTION 5. ESTIMATED INCOME - PETROLEUM TANK RELEASE COMPENSATION FUND.

The estimated income line item in section 1 of this Act includes the sum of \$723,595 from the petroleum tank release compensation fund for expenses related to the petroleum tank release program.

SECTION 6. AMENDMENT. Section 23.1-10-02 of the North Dakota Century Code is amended and reenacted as follows:

23.1-10-02. Environmental quality restoration fund - Continuing appropriation.

There is established an environmental quality restoration fund into which the funds recovered in this chapter may be deposited. The fund is to be administered by the department of environmental quality and may be used by the department for costs of environmental assessment, removal, corrective action, or monitoring as determined on a case-by-case basis. All moneys placed in the fund under this section and section 23.1-10-05 are appropriated to the department on a continuing basis. If, on the first day of July in any year, the amount of uncommitted or unrestricted money in the environmental quality restoration fund is more than five million dollars, the amount in excess of five million dollars must be transferred to the general fund.

SECTION 7. AMENDMENT. Section 23.1-10-05 of the North Dakota Century Code is amended and reenacted as follows:

23.1-10-05. Revenue to the fund.

Revenue from the following sources must be deposited in the state treasury and credited to the fund:

1. ~~If the balance of the fund is less than five million dollars, moneys~~Moneys recovered by the department in an action or administrative proceeding based on violation of the state's environmental statutes, including actions for administrative expense recoveries, civil penalties, compensatory damages; and money paid pursuant to any agreement, stipulation, or settlement. This section does not limit the department's ability to agree to a supplemental environmental project as part of a settlement.
2. Moneys donated to the department for the purposes of this chapter.
3. Transfers from the abandoned oil and gas well plugging and site reclamation fund under subdivision f of subsection 2 of section 38-08-04.5.
4. Moneys received from a federal agency for the purpose of this section.
5. Any other moneys as may be deposited in the fund for use in carrying out the purposes of this chapter.

SECTION 8. EXEMPTION - LABORATORY INFORMATION MANAGEMENT SYSTEM. The sum of \$1,000,000, appropriated from the general fund for the laboratory information management system in section 1 of chapter 52 of the 2021 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for the laboratory information management system during the biennium beginning July 1, 2023, and ending June 30, 2025.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-eighth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1024.

House Vote: Yeas 85 Nays 8 Absent 1

Senate Vote: Yeas 46 Nays 1 Absent 0

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