

**FIRST ENGROSSMENT
with Conference Committee Amendments
ENGROSSED HOUSE BILL NO. 1024**

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of
2 environmental quality; and to amend and reenact sections 23.1-10-02 and 23.1-10-05 of the
3 North Dakota Century Code, relating to the environmental quality restoration fund and revenue
4 to the fund.

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

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from special funds derived from federal funds and
9 other income, to the department of environmental quality for the purpose of defraying the
10 expenses of the department of environmental quality, for the biennium beginning July 1, 2023,
11 and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
14 Salaries and wages	\$32,551,817	\$4,381,840	\$36,933,657
15 Operating expenses	10,771,898	5,405,796	16,177,694
16 Capital assets	1,247,172	(78,672)	1,168,500
17 Grants	<u>15,060,118</u>	<u>21,778,000</u>	<u>36,838,118</u>
18 Total all funds	\$59,631,005	\$31,486,964	\$91,117,969
19 Less estimated income	<u>46,969,930</u>	<u>29,858,605</u>	<u>76,828,535</u>
20 Total general fund	\$12,661,075	\$1,628,359	\$14,289,434
21 Full-time equivalent positions	166.00	5.00	171.00

22 **SECTION 2. ONE-TIME FUNDING.** The following amounts reflect the one-time funding
23 items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the
24 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>
1			
2	Laboratory information management system	\$1,000,000	\$0
3	Chemistry laboratory inflation	0	116,800
4	Loan fund administration	0	177,350
5	Drinking water program portal	0	325,000
6	Environmental data systems upgrade	<u>0</u>	<u>1,365,444</u>
7	Total all funds	\$1,000,000	\$1,984,594
8	Less estimated income	<u>0</u>	<u>1,796,794</u>
9	Total general fund	\$1,000,000	\$187,800

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

14 **SECTION 3. APPROPRIATION - FEDERAL FUNDS - LEAD PIPE REMOVAL AND**
15 **CLEAN WATER PROJECT GRANTS.** There is appropriated from federal funds, not otherwise
16 appropriated, the sum of \$25,000,000, or so much of the sum as may be necessary, to the
17 department of environmental quality for the purpose of providing grants to political subdivisions
18 with a population of ten thousand or less for lead pipe removal and other projects eligible for
19 funding from the clean water state revolving loan fund for the biennium beginning July 1, 2023,
20 and ending June 30, 2025. The department shall require a political subdivision grant recipient to
21 provide twenty-five percent matching funds and the department may not award grants in excess
22 of \$5,000,000 to a political subdivision.

23 **SECTION 4. ESTIMATED INCOME - ENVIRONMENT AND RANGELAND PROTECTION**
24 **FUND.** The estimated income line item in section 1 of this Act includes the sum of \$250,000
25 from the environment and rangeland protection fund. This amount includes \$50,000 for a grant
26 to the North Dakota stockmen's association environmental services program.

27 **SECTION 5. ESTIMATED INCOME - PETROLEUM TANK RELEASE COMPENSATION**
28 **FUND.** The estimated income line item in section 1 of this Act includes the sum of \$742,080
29 from the petroleum tank release compensation fund for expenses related to the petroleum tank
30 release program.

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

3 **23.1-10-02. Environmental quality restoration fund - Continuing appropriation.**

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

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

15 **23.1-10-05. Revenue to the fund.**

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

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