

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO SECOND ENGROSSMENT

REENGROSSED HOUSE BILL NO. 1577

Introduced by

Representatives Mitskog, Kempenich, Kiefert, Martinson, Nelson, Stemen

Senators Kessel, Weber

1 A BILL for an Act to create and enact a new section to chapter 23.1-07 and a new subsection to
2 section 23.1-07-06 of the North Dakota Century Code, relating to a wastewater infrastructure
3 grant program and the duties of the department of environmental quality; ~~and to authorize a~~
4 Bank of North Dakota line of credit; to provide an appropriation; to provide for a legislative
5 management study; and to declare an emergency.

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

7 **SECTION 1.** A new section to chapter 23.1-07 of the North Dakota Century Code is created
8 and enacted as follows:

9 **Wastewater infrastructure grant program.**

- 10 1. The department shall award wastewater infrastructure grants to eligible entities
11 identified in subsection 2 to upgrade, replace, or construct infrastructure for a
12 wastewater collection system, wastewater disposal system, or wastewater treatment
13 plant.
- 14 2. Cities, counties, townships, water resource districts, recreation service districts, and
15 water districts operating wastewater systems in the state may receive a grant under
16 this section for an eligible project, subject to the availability of funds.
- 17 3. In awarding wastewater infrastructure grants to eligible entities, the department shall
18 prioritize eligible entities that:
- 19 a. Have experienced a reduction in previously approved federal funds or federal
20 assistance related to wastewater infrastructure projects; and

1 b. Are prepared to begin the wastewater infrastructure project upon receipt of the
2 grants.

3 4. An eligible wastewater system must be in compliance with current wastewater
4 regulations unless the project will return the system to compliance. Eligible projects
5 may not include operations and maintenance costs.

6 4.5. The department may not award a grant in excess of sixty percent of the total cost of a
7 project and shall ensure no community receives a grant for more than one project per
8 biennium.

9 **SECTION 2.** A new subsection to section 23.1-07-06 of the North Dakota Century Code is
10 created and enacted as follows:

11 Administer the wastewater infrastructure grant program.

12 **SECTION 3. LEGISLATIVE MANAGEMENT STUDY - WASTEWATER PROJECT FUND.**

13 During the 2025-26 interim, the legislative management shall consider studying the feasibility
14 and desirability of establishing a wastewater project fund to provide grants for upgrading,
15 constructing, or replacing wastewater infrastructure. The study must include input from cities,
16 counties, townships, and water resource districts. The legislative management shall report its
17 findings and recommendations, together with any legislation required to implement the
18 recommendations, to the seventieth legislative assembly.

19 **SECTION 4. APPROPRIATION - DEPARTMENT OF ENVIRONMENTAL QUALITY -**

20 **WASTEWATER INFRASTRUCTURE GRANTS - ~~STRATEGIC INVESTMENT AND~~**

21 **~~IMPROVEMENTS FUND~~BANK OF NORTH DAKOTA LINE OF CREDIT - ONE-TIME**

22 **FUNDING.** ~~There is appropriated out of any moneys in the strategic investment and~~
23 ~~improvements fund in the state treasury, not otherwise appropriated, the sum of \$25,000,000, or~~
24 ~~so much of the sum as may be necessary, to the department of environmental quality for the~~
25 ~~purpose of providing wastewater infrastructure grants, for the biennium beginning July 1, 2025,~~
26 ~~and ending June 30, 2027. No more than \$12,500,000 may be awarded for a project. Of the~~
27 ~~funding appropriated in this section, at least \$12,500,000 must be awarded to cities with a~~
28 ~~population less than twelve thousand five hundred, based on the most recent federal decennial~~
29 ~~census. If less than \$12,500,000 has been awarded to cities with a population less than twelve~~
30 ~~thousand five hundred by April 1, 2027, the department may award the remaining funds to other~~
31 ~~eligible projects.~~

1 1. The department of environmental quality may borrow up to \$9,700,000 through a line
2 of credit from the Bank of North Dakota, which is appropriated to the department of
3 environmental quality for the purpose of providing wastewater infrastructure grants
4 during the biennium beginning July 1, 2025, and ending June 30, 2027. The interest
5 rate associated with the line of credit may not exceed the prevailing interest rate
6 charged to North Dakota governmental entities. The department of environmental
7 quality shall request a deficiency appropriation from the seventieth legislative
8 assembly to repay the line of credit.

9 2. Of the total appropriated in this section, the department of environmental quality shall
10 provide grants of \$7,800,000 and \$1,900,000 to entities with eligible wastewater
11 infrastructure projects under section 1 of this Act. If an entity awarded funding under
12 this section receives federal funding for the same wastewater infrastructure project,
13 the entity shall remit the federal funding to the department of environmental quality for
14 the repayment of the line of credit.

15 3. The ~~funding provided~~ appropriation in this section is considered a one-time funding
16 item.

17 **SECTION 5. EMERGENCY.** This Act is declared to be an emergency measure.