

**Sixty-ninth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 7, 2025**

HOUSE BILL NO. 1400
(Representatives Brandenburg, Grueneich, Headland, Kempenich, Pyle, Schreiber-Beck)
(Senators Conley, Erbele, Kessel, Wanzek, Weber)

AN ACT to create and enact a new section to chapter 4.1-01 of the North Dakota Century Code, relating to conservation easements and leaseholds; and to amend and reenact sections 4.1-01-21, 4.1-01-21.1, and 49-22-09.2 of the North Dakota Century Code, relating to the federal environmental law impact review fund, the environmental impact mitigation fund, and mitigating environmental impacts; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 4.1-01-21 of the North Dakota Century Code is amended and reenacted as follows:

4.1-01-21. Federal environmental law impact review fund - Continuing appropriation - Investments.

1. The federal environmental law impact review fund consists of:
 - a. Any moneys appropriated or transferred for the purposes set forth in section 4.1-01-19; ~~and~~
 - b. Any gifts, grants, and donations forwarded to the commissioner for the purposes set forth in section 4.1-01-19; and
 - c. Any interest or investment earnings upon moneys in the fund.
2. All moneys in the federal environmental law impact review fund are appropriated to the commissioner on a continuing basis for the purposes set forth in section 4.1-01-19. The state treasurer may invest moneys in the fund in accordance with section 21-10-07.

SECTION 2. AMENDMENT. Section 4.1-01-21.1 of the North Dakota Century Code is amended and reenacted as follows:

4.1-01-21.1. Environmental impact mitigation fund - Report to legislative management - Continuing appropriation - Investments.

1. There is created in the state treasury the environmental impact mitigation fund. The fund consists of all moneys deposited in the fund under section 49-22-09.2 and all interest or investment earnings upon moneys in the fund. All moneys in the fund are appropriated to the commissioner on a continuing basis for disbursement by the commissioner in accordance with this section. The state treasurer may invest moneys in the fund in accordance with section 21-10-07.
2. Moneys in the fund may be used only for:
 - a. Consultation with environmental scientists or engineers, industry specialists, or others for relevant services to analyze or implement mitigation required from the impact of development; ~~and~~
 - b. Creation, restoration, or mitigation of similar habitat affected by the construction or operation of an energy conversion or transmission facility. Mitigation of adverse impacts from development under this section shall be conducted in the following order of priority:

- (1) The area immediately impacted by the development;
- (2) The county impacted by the development;
- (3) The region impacted by the development; and
- (4) Other areas within the state; and

c. Purchasing and maintaining easements or leaseholds.

3. The commissioner is not subject to chapter 54-44.4 when contracting for services under this chapter.
4. In consultation with the federal environmental law impact review committee, the commissioner shall adopt rules pursuant to chapter 28-32 to implement the provisions of this section.
5. Easements or leaseholds purchased by a person to mitigate adverse environmental effects of the construction or operation of an energy conversion or transmission facility under chapter 49-22 must be limited to the operational life of the facility as defined under chapter 49-22. Any payment made to mitigate adverse environmental effects of the construction or operation of an energy conversion or transmission facility under ~~chapter 49-22~~section 49-22-09.2 must be made to the commissioner who shall deposit the payment into the environmental impact mitigation fund. Prior to the public service commission issuing a permit or certificate to an applicant under chapter 49-22, the commissioner shall notify the public service commission of mitigation efforts under this section to create, restore, or mitigate similar habitat affected by the construction or operation of an energy conversion or transmission facility.
6. The commissioner shall provide a biennial report of environmental impact mitigation fund disbursements to the legislative management.
7. For purposes of this section, the environmental impact mitigation fund is not subject to subsection 2 of section 4.1-01-18.

SECTION 3. A new section to chapter 4.1-01 of the North Dakota Century Code is created and enacted as follows:

Conservation easement or leasehold.

The commissioner may purchase and hold an easement or leasehold in the name of the state to administer this title. The commissioner shall terminate any easement or leasehold if the easement or leasehold is no longer necessary.

SECTION 4. AMENDMENT. Section 49-22-09.2 of the North Dakota Century Code is amended and reenacted as follows:

49-22-09.2. Mitigating environmental impacts - Energy conversion facilities - Transmission facilities.

1. If an applicant elects to provide a payment to mitigate the environmental impact of the construction or operation of ~~ana wind~~ energy conversion or ~~transmission~~ facility, the payment must be made to the agriculture commissioner who shall deposit the payment into the environmental impact mitigation fund under section 4.1-01-21.1.
2. Excluding a wind energy conversion facility, if an applicant elects to provide a payment to mitigate the environmental impact of the construction or operation of an energy conversion facility, the payment may be made to the agriculture commissioner who shall deposit the payment into the environmental impact mitigation fund under section 4.1-01-21.1.

3. If an applicant elects to provide a payment to mitigate the environmental impact of the construction or operation of a transmission facility, the payment may be made to the agriculture commissioner who shall deposit the payment into the environmental impact mitigation fund under section 4.1-01-21.1.
4. Nothing in this section shall be construed to limit an applicant from conducting mitigation activities.

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

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-ninth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1400 and that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote: Yeas 92 Nays 1 Absent 0

Speaker of the House

Chief Clerk of the House

This certifies that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote: Yeas 43 Nays 1 Absent 3

President of the Senate

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2025.

Approved at _____ M. on _____, 2025.

Governor

Filed in this office this _____ day of _____, 2025,
at _____ o'clock _____ M.

Secretary of State