

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

HOUSE BILL NO. 1577
(Representatives Mitskog, Kempenich, Kiefert, Martinson, Nelson, Stemen)
(Senators Kessel, Weber)

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

Wastewater infrastructure grant program.

1. The department shall award wastewater infrastructure grants to eligible entities identified in subsection 2 to upgrade, replace, or construct infrastructure for a wastewater collection system, wastewater disposal system, or wastewater treatment plant.
2. Cities, counties, townships, water resource districts, recreation service districts, and water districts operating wastewater systems in the state may receive a grant under this section for an eligible project, subject to the availability of funds.
3. In awarding wastewater infrastructure grants to eligible entities, the department shall prioritize eligible entities that:
 - a. Have experienced a reduction in previously approved federal funds or federal assistance related to wastewater infrastructure projects; and
 - b. Are prepared to begin the wastewater infrastructure project upon receipt of the grants.
4. An eligible wastewater system must be in compliance with current wastewater regulations unless the project will return the system to compliance. Eligible projects may not include operations and maintenance costs.
5. The department may not award a grant in excess of sixty percent of the total cost of a project and shall ensure no community receives a grant for more than one project per biennium.

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

Administer the wastewater infrastructure grant program.

SECTION 3. LEGISLATIVE MANAGEMENT STUDY - WASTEWATER PROJECT FUND. During the 2025-26 interim, the legislative management shall study the feasibility and desirability of establishing a wastewater project fund to provide grants for upgrading, constructing, or replacing wastewater infrastructure. The study must include input from cities, counties, townships, and water resource districts. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.

SECTION 4. APPROPRIATION - DEPARTMENT OF ENVIRONMENTAL QUALITY - WASTEWATER INFRASTRUCTURE GRANTS - BANK OF NORTH DAKOTA LINE OF CREDIT - ONE-TIME FUNDING.

1. The department of environmental quality may borrow up to \$9,700,000 through a line of credit from the Bank of North Dakota, which is appropriated to the department of environmental quality for the purpose of providing wastewater infrastructure grants during the biennium beginning July 1, 2025, and ending June 30, 2027. The interest rate associated with the line of credit may not exceed the prevailing interest rate charged to North Dakota governmental entities. The department of environmental quality shall request a deficiency appropriation from the seventieth legislative assembly to repay the line of credit.
2. Of the total appropriated in this section, the department of environmental quality shall provide grants of \$7,800,000 and \$1,900,000 to entities with eligible wastewater infrastructure projects under section 1 of this Act. If an entity awarded funding under this section receives federal funding for the same wastewater infrastructure project, the entity shall remit the federal funding to the department of environmental quality for the repayment of the line of credit.
3. The appropriation in this section is considered a one-time funding item.

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. 1577 and that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote: Yeas 74 Nays 16 Absent 4

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 42 Nays 4 Absent 1

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