

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1574

Introduced by

Representatives S. Olson, Henderson

Senators Clemens, Magrum, Weston

1 | A BILL for an Act to create and enact a new section to chapter ~~38-22~~11-11 of the North Dakota
2 | Century Code, relating to a prohibition on direct air carbon dioxide capture projects; to amend
3 | and reenact section ~~38-08-21~~38-22-03 of the North Dakota Century Code, relating to the
4 | authority of the industrial commission; to provide for application; and to provide an expiration
5 | date.

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

7 | **~~SECTION 1. AMENDMENT.~~** ~~Section 38-08-21 of the North Dakota Century Code is~~
8 | ~~amended and reenacted as follows:~~

9 | ~~— 38-08-21. Regulation of carbon dioxide and nitrogen gas.~~

10 | ~~— 1. The commission is vested with the authority and duty to regulate the exploration,~~
11 | ~~development, and production of carbon dioxide, coal bed methane gas, helium gas,~~
12 | ~~and nitrogen gas within the state, in the same manner, insofar as is practicable, as~~
13 | ~~it the commission regulates oil or gas as defined in this chapter.~~

14 | ~~— 2. The commission may not approve or authorize a direct air carbon dioxide capture~~
15 | ~~project as defined under section 2 of this Act.~~

16 | ~~— SECTION 2. A new section to chapter 38-22 of the North Dakota Century Code is created~~
17 | ~~and enacted as follows:~~

18 | ~~— Direct air carbon dioxide capture projects – Prohibition.~~

19 | ~~— A person may not construct, implement, or operate a direct air carbon dioxide capture~~
20 | ~~project in this state. As used in this section, "direct air carbon dioxide capture" means the~~

~~process of removing carbon dioxide directly from the atmosphere by using scrubbers and
chemical processes for underground storage or use in products.~~

SECTION 1. A new section to chapter 11-11 of the North Dakota Century Code is created and enacted as follows:

Development of direct air carbon dioxide capture facility - Prohibition.

1. A board of county commissioners, including a board in a home rule county, may not procure, authorize, or approve a development agreement, building plan, or proposal relating to county development with a person seeking to construct, implement, or operate a facility conducting direct air carbon dioxide capture within a county of this state.

2. As used in this section, "direct air carbon dioxide capture" means the process of removing carbon dioxide directly from the atmosphere by using scrubbers and chemical processes for underground storage.

SECTION 2. AMENDMENT. Section 38-22-03 of the North Dakota Century Code is amended and reenacted as follows:

38-22-03. Commission authority.

The commission has authority:

1. Over all persons and property necessary to administer and enforce this chapter and its objectives.
2. To regulate activities relating to a storage facility, including construction, operation, and closure.
3. To enter, at a reasonable time and manner, a storage facility to inspect equipment and facilities; to observe, monitor, and investigate operations; and to inspect records required to be maintained at the facility.
4. To require that storage operators provide assurance, including bonds, that money is available to fulfill the storage operator's duties.
5. To exercise continuing jurisdiction over storage operators and storage facilities, including the authority, after notice and hearing, to amend provisions in a permit and to revoke a permit.
6. To dissolve or change the boundaries of any commission-established oil or gas field or unit that is within or near a storage reservoir's boundaries.

1 7. To permit storage facilities from all sources of carbon dioxide except facilities receiving
2 carbon dioxide from a direct air carbon dioxide capture process, as defined under
3 section 1 of this Act.

4 8. To grant, for good cause, exceptions to this chapter's requirements and implementing
5 rules.

6 **SECTION 3. APPLICATION.** The prohibition under section ~~2~~1 of this Act does not apply to
7 an operator of a direct air carbon dioxide capture project in possession of necessary local,
8 state, and federal permits and approvals before the effective date of this Act.

9 **SECTION 4. EXPIRATION DATE.** This Act is effective through July 31, 2027, and after that
10 date is ineffective.