

**FIRST ENGROSSMENT
with Senate Amendments**

Fifty-eighth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1015

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the state industrial
2 commission and the agencies under the management of the industrial commission; to provide a
3 continuing appropriation; to provide an exemption; to authorize transfers; to amend and reenact
4 sections 15-05-07, 15-05-16, and 23-20.2-03, subsections 2 and 4 of section 23-25-02,
5 sections 23-29-07.6, 23-29-07.7, and 23-33-10, subdivision k of subsection 1 of section
6 38-08-04, sections 38-08-04.2, 38-12-02, 38-12-03, 38-12.1-01, 38-12.1-02, and 38-12.1-04,
7 subsection 1 of section 38-12.1-05, subsections 12 and 24 of section 38-14.1-03, subsection 2
8 of section 38-14.1-21, sections 38-15-03, 38-19-03, 38-19-04, 54-17.3-02, 54-17.3-03,
9 54-17.3-04, 54-17.3-05, 54-17.3-06, 54-17.3-07, and 54-17.4-01, subsection 14 of section
10 54-17.4-02, sections 54-17.4-06, 54-17.4-07, 54-17.4-09, 54-17.4-10, 54-17.4-11, and
11 54-17.4-12, and subsection 1 of section 61-28-03 of the North Dakota Century Code, relating to
12 the state geologist; to repeal section 54-17.4-05 of the North Dakota Century Code, relating to
13 the state geologist; to provide an effective date; and to declare an emergency.

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

15 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the
16 funds as may be necessary, are appropriated out of any moneys in the general fund in the state
17 treasury, not otherwise appropriated, and from special funds derived from federal funds and
18 other income, to the state industrial commission and agencies under its control for the purpose
19 of defraying the expenses of their various divisions, for the biennium beginning July 1, 2003,
20 and ending June 30, 2005, as follows:

21 Subdivision 1.

22	INDUSTRIAL COMMISSION	
23	Salaries and wages	\$5,871,834
24	Operating expenses	1,916,559

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1	Capital assets	68,300
2	Grants	16,270,000
3	Bond payments	<u>19,830,990</u>
4	Total all funds	\$43,957,683
5	Less estimated income	<u>37,295,870</u>
6	Total general fund appropriation	\$6,661,813
7	Subdivision 2.	
8	BANK OF NORTH DAKOTA - OPERATIONS	
9	Salaries and wages	\$16,527,614
10	Operating expenses	11,014,932
11	Capital assets	825,000
12	Contingencies	<u>1,500,000</u>
13	Total appropriation from Bank of North Dakota fund	\$29,867,546
14	Subdivision 3.	
15	BANK OF NORTH DAKOTA - ECONOMIC DEVELOPMENT	
16	Partnership in assisting community expansion fund	\$5,700,000
17	Agriculture partnership in assisting community expansion fund	1,425,000
18	Beginning farmer	<u>950,000</u>
19	Total general fund appropriation	\$8,075,000
20	Subdivision 4.	
21	MILL AND ELEVATOR ASSOCIATION	
22	Salaries and wages	\$16,690,956
23	Operating expenses	13,014,426
24	Contingencies	250,000
25	Agriculture promotion	<u>50,000</u>
26	Total appropriation from mill and elevator fund	\$30,005,382
27	Subdivision 5.	
28	HOUSING FINANCE AGENCY	
29	Salaries and wages	\$3,929,907
30	Operating expenses	2,415,560
31	Grants	27,168,380

1	HFA contingencies	<u>100,000</u>
2	Total appropriation from housing finance agency fund	\$33,613,847
3	Grand total general fund appropriation H.B. 1015	\$14,736,813
4	Grand total special funds appropriation H.B. 1015	\$130,782,645
5	Grand total all funds appropriation H.B. 1015	\$145,519,458

6 **SECTION 2. APPROPRIATION.** In addition to the amount appropriated to the housing
7 finance agency in subdivision 5 of section 1 of this Act, there is appropriated any additional
8 income or unanticipated income from federal or other funds which may become available to the
9 agency, for the biennium beginning July 1, 2003, and ending June 30, 2005.

10 **SECTION 3. APPROPRIATION - EMERGENCY COMMISSION APPROVAL.** In
11 addition to the amount appropriated to the industrial commission in subdivision 1 of section 1 of
12 this Act, there is appropriated, with the approval of the emergency commission, funds that may
13 become available to the commission from bonds authorized by law to be issued by the
14 industrial commission under chapters 4-36 and 54-17.2 and section 54-17-25, for the biennium
15 beginning July 1, 2003, and ending June 30, 2005.

16 **SECTION 4. TRANSFER.** The sum of \$66,407, or so much of the sum as may be
17 necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of
18 this Act, is from the North Dakota mill and elevator association. The moneys must be
19 transferred during the biennium beginning July 1, 2003, and ending June 30, 2005, upon order
20 of the industrial commission.

21 **SECTION 5. TRANSFER.** The sum of \$86,656, or so much of the sum as may be
22 necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of
23 this Act, is from the accumulated and undivided profits of the Bank of North Dakota. The
24 moneys must be transferred during the biennium beginning July 1, 2003, and ending June 30,
25 2005, upon order of the industrial commission.

26 **SECTION 6. TRANSFER.** The sum of \$57,760, or so much of the sum as may be
27 necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of
28 this Act, is from the housing finance agency fund. The moneys must be transferred during the
29 biennium beginning July 1, 2003, and ending June 30, 2005, upon order of the industrial
30 commission.

1 **SECTION 7. TRANSFER.** The sum of \$20,248, or so much of the sum as may be
2 necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of
3 this Act, is from the revenues of the municipal bond bank. The available moneys must be
4 transferred during the biennium beginning July 1, 2003, and ending June 30, 2005, upon order
5 of the industrial commission.

6 **SECTION 8. INCOME AUTHORIZATION - STUDENT LOAN TRUST.** There is
7 authorized the receipt of fees by the industrial commission in the sum of \$76,655, or so much of
8 the sum as is owed, included in the special funds appropriation line item in subdivision 1 of
9 section 1 of this Act, from the student loan trust for administrative services rendered by the
10 industrial commission to the extent permitted by sections 54-17-24 and 54-17-25. The fees
11 must be received during the biennium beginning July 1, 2003, and ending June 30, 2005, upon
12 order of the industrial commission.

13 **SECTION 9. TRANSFER - INDUSTRIAL COMMISSION REPORT.** The industrial
14 commission shall transfer to the general fund in the state treasury, the sum of \$5,000,000 from
15 the North Dakota mill and elevator association. The moneys must be transferred in amounts
16 and at such times as requested by the director of the office of management and budget during
17 the biennium beginning July 1, 2003, and ending June 30, 2005. The cumulative transfers
18 during the 2003-05 biennium may not exceed the mill and elevator association's estimated net
19 income for the 2003-05 biennium as projected by the industrial commission. The industrial
20 commission shall report to the fifty-ninth legislative assembly regarding the mill and elevator
21 association's net income to date and estimated net income for the remainder of the 2003-05
22 biennium.

23 **SECTION 10. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING**
24 **PROGRAM - APPROPRIATION - LIGNITE MARKETING FEASIBILITY STUDY.** The amount
25 of \$1,300,000, or so much of the amount as may be necessary, included in the grants and
26 special funds appropriation line items in subdivision 1 of section 1 of this Act, is appropriated
27 from the lignite research fund for the purpose of contracting for independent, nonmatching
28 lignite marketing feasibility study or studies that determine those focused priority areas where
29 near-term, market-driven projects, activities, or processes will generate matching private
30 industry investment and have the most potential of preserving existing lignite production and
31 jobs or that will lead to increased development of lignite and its products and create new jobs

1 and economic growth for the general welfare of this state. Moneys appropriated pursuant to
2 this section may also be used for the purpose of contracting for nonmatching studies and
3 activities in support of the Lignite Vision 21 project; for nonmatching externality studies and
4 activities in externality proceedings; or other marketing or environmental activities that assist
5 with marketing of lignite-based electricity and lignite-based byproducts. Moneys not needed for
6 the purposes stated herein are available to the commission for funding projects, processes, or
7 activities under the lignite research, development, and marketing program.

8 **SECTION 11. LEGISLATIVE INTENT - LEASE PAYMENTS.** The amount of
9 \$19,830,990 included in subdivision 1 of section 1 of this Act in the bond payments line item
10 must be paid from the following funding sources during the biennium beginning July 1, 2003,
11 and ending June 30, 2005:

12 Higher education institutions	\$12,790,689
13 Department of corrections and rehabilitation -	
14 State penitentiary	2,117,009
15 Department of corrections and rehabilitation -	
16 Youth correctional center	554,598
17 State department of health	387,673
18 Job service North Dakota	553,594
19 Department of human services - Southeast human service center	589,075
20 Department of human services - State hospital	547,608
21 Department of human services - Developmental center at	
22 westwood park, Grafton	627,582
23 Adjutant general	60,987
24 Veterans' home improvement fund	<u>235,050</u>
25 Total	\$18,463,865
26 University system energy conservation projects	<u>\$1,367,125</u>
27 Total	\$19,830,990

28 **SECTION 12. APPROPRIATION - TRANSFER.** The funds appropriated by
29 subdivision 3 of section 1 of this Act must be transferred by the Bank of North Dakota to the
30 partnership in assisting community expansion fund established by section 6-09.14-02; the
31 agriculture partnership in assisting community expansion fund established by section

1 6-09.13-04; and the beginning farmer loan fund established by section 6-09-15.5 in the
2 amounts set out in that subdivision. The Bank of North Dakota may not be construed to be a
3 general fund agency because of the appropriation made by subdivision 3 of section 1 of this
4 Act.

5 **SECTION 13. EXEMPTION.** The Bank of North Dakota contingencies appropriation
6 contained in subdivision 2 of section 1 of chapter 40 of the 2001 Session Laws is not subject to
7 the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are
8 available for the continued development and implementation of systems that provide the Bank
9 of North Dakota and student loans of North Dakota customers with the ability to perform
10 business activity electronically during the biennium beginning July 1, 2003, and ending
11 June 30, 2005.

12 **SECTION 14. AMENDMENT.** Section 15-05-07 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **15-05-07. Board to ascertain and keep schedule of all lands on which coal exists.**

15 The board of university and school lands, with the assistance of the ~~state geologist~~ director of
16 oil and gas, shall ascertain and determine the quantity and description of all lands under its
17 control on which coal exists and shall compile and keep a statement and schedule of all such
18 lands.

19 **SECTION 15. AMENDMENT.** Section 15-05-16 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **15-05-16. Reports - ~~State geologist~~ Director of oil and gas - State department of**

22 **health.** The ~~state geologist~~ director of oil and gas or the state department of health, on the
23 request of the board of university and school lands, shall visit any land leased under section
24 15-05-09 and shall make a report of the visit to the board. The ~~state geologist~~ director of oil
25 and gas or the state department of health may not receive a fee for making the examination
26 and report but must be paid necessary expenses incurred in connection therewith.

27 **SECTION 16. AMENDMENT.** Section 23-20.2-03 of the North Dakota Century Code is
28 amended and reenacted as follows:

29 **23-20.2-03. Jurisdiction of the industrial commission.** The commission has
30 jurisdiction and authority and is charged with the responsibility to enforce the provisions of this
31 chapter. This chapter does not apply to any activity regulated under chapters 23-29, 38-08,

1 38-12, 61-28, and 61-28.1. The commission acting through the ~~office of the state geologist~~
2 director of oil and gas has the authority:

3 1. To require:

- 4 a. Identification of ownership of all facilities and equipment used for the
5 underground storage and retrieval of material and waste disposal.
- 6 b. The making and filing of all logs and reports on facility location, drilling,
7 boring, excavating, and construction and the filing, free of charge, of samples,
8 core chips, and complete cores, when requested, in the office of the ~~state~~
9 geologist director of oil and gas.
- 10 c. The drilling, boring, excavating, and construction of facilities in a manner to
11 prevent contamination and pollution of surface and ground water sources and
12 the environment.
- 13 d. The furnishing of a reasonable bond with good and sufficient surety,
14 conditioned upon the full compliance with the provisions of this chapter, and
15 the rules of the commission relating to the underground storage and retrieval
16 of material and waste disposal.
- 17 e. Metering or other measuring of all material injected, emplaced, stored,
18 disposed into, or retrieved from any facility regulated by this chapter.
- 19 f. That every person who operates a facility for the underground storage and
20 retrieval of material or for waste disposal in this state shall keep and maintain
21 complete and accurate records of the quantities and nature of material stored,
22 retrieved, or disposed of, which records must be available to the commission
23 or its agents at all times, and that every such person file with the commission
24 such reports as it may prescribe.
- 25 g. That upon termination of the operation of any facility or activity regulated by
26 this chapter, the operator of such facility shall restore the surface as nearly as
27 possible to its original condition and productivity.

28 2. To regulate:

- 29 a. The drilling, boring, excavating, and construction of all underground storage,
30 retrieval, and waste disposal facilities.

- 1 b. Operations to assure the optimum performance of all facilities regulated by
2 this chapter.
- 3 3. To limit and prescribe the nature, quantity, and source of materials to be stored in,
4 whether as waste or otherwise, or retrieved from any facility regulated by this
5 chapter.
- 6 4. To promulgate and to enforce rules, regulations, and orders to effectuate the
7 purposes of this chapter.

8 The jurisdiction granted the commission by this chapter is not exclusive and does not affect the
9 jurisdiction of other governmental entities.

10 **SECTION 17. AMENDMENT.** Subsections 2 and 4 of section 23-25-02 of the North
11 Dakota Century Code are amended and reenacted as follows:

- 12 2. There is hereby established an air pollution control advisory council, hereinafter
13 referred to as the advisory council, of nine members to include the state health
14 officer, the ~~state geologist~~ director of oil and gas, the director of the department of
15 transportation, and six other members to be appointed by the governor, one of
16 whom must be a representative of county or municipal government, one a
17 representative of the solid fuels industry, one a representative of the fluid and gas
18 fuels industry, one a representative of the environmental sciences, and two
19 appointed at large.
- 20 4. The advisory council shall select its own chairman from among its members. The
21 state health officer, ~~state geologist~~ director of oil and gas, and director of the
22 department of transportation each may designate a principal deputy or assistant to
23 act in the officer's place and stead. The chief sanitary engineer of the state
24 department of health, or that officer's designated assistant, must be the principal
25 administrative officer of the council.

26 **SECTION 18. AMENDMENT.** Section 23-29-07.6 of the North Dakota Century Code is
27 amended and reenacted as follows:

28 **23-29-07.6. Preconstruction site review.** The department, in cooperation with the
29 state engineer and the ~~state geologist~~ director of oil and gas, shall develop criteria for siting a
30 solid waste disposal facility based upon potential impact on environmental resources. Any
31 application for a landfill permit received after the department develops siting criteria as required

1 by this section must be reviewed for site suitability by the department after consultation with the
2 state engineer and ~~state geologist~~ director of oil and gas before any site development. Site
3 development does not include the assessment or monitoring associated with the review as
4 required by the department in consultation with the state engineer and ~~state geologist~~ director
5 of oil and gas.

6 **SECTION 19. AMENDMENT.** Section 23-29-07.7 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **23-29-07.7. Review of existing municipal waste landfills.** By July 1, 1995, the state
9 engineer and ~~state geologist~~ director of oil and gas shall complete site suitability reviews of all
10 existing municipal waste landfills within the state. The reports of such reviews must be
11 provided to the department for use in site improvement, site remediation, or landfill closure.

12 **SECTION 20. AMENDMENT.** Section 23-33-10 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **23-33-10. Wellhead protection program.** The department in cooperation with the
15 state engineer and ~~state geologist~~ director of oil and gas shall assist in implementing a public
16 water supply wellhead protection program for protection of ground water resources utilizing
17 existing state and local statutory authority.

18 **SECTION 21. AMENDMENT.** Subdivision k of subsection 1 of section 38-08-04 of the
19 North Dakota Century Code is amended and reenacted as follows:

20 k. The filing free of charge of samples and core chips and of complete cores
21 when requested in the office of the ~~state geologist~~ director of oil and gas
22 within six months after the completion or abandonment of the well.

23 **SECTION 22. AMENDMENT.** Section 38-08-04.2 of the North Dakota Century Code is
24 amended and reenacted as follows:

25 **38-08-04.2. Director of oil and gas.** The industrial commission is authorized to
26 appoint a director of oil and gas and to set the director's salary within the limits of legislative
27 appropriations. ~~The industrial commission may designate the state geologist as the director of~~
28 ~~oil and gas.~~

29 **SECTION 23. AMENDMENT.** Section 38-12-02 of the North Dakota Century Code is
30 amended and reenacted as follows:

1 **38-12-02. Jurisdiction of commission.** The commission has jurisdiction and authority
2 over all persons and property, public and private, necessary to enforce effectively the
3 provisions of this chapter. Subject to the provisions of section 38-08-21, the ~~state geologist~~
4 director of oil and gas shall act as a supervisor charged with the duty of enforcing the
5 regulations and orders of the commission applicable to the subsurface mineral resources of this
6 state and the provisions of this chapter. The commission has authority to make such
7 investigations as it deems proper to determine whether facts exist which justify action by the
8 commission. The commission acting through the office of the ~~state geologist~~ director of oil and
9 gas has the authority:

10 1. To require:

11 a. The furnishing of a reasonable bond with good and sufficient surety,
12 conditioned upon the full compliance with the provisions of this chapter, and
13 the rules and regulations of the commission prescribed to govern the
14 exploration, development, and production of subsurface minerals on state and
15 private lands within the state of North Dakota.

16 b. The delivery, free of charge, to the ~~state geologist~~ director of oil and gas of
17 the basic exploration data collected by the operator, within thirty days of field
18 collection of such data. This data must include:

19 (1) Sample cuts, core chips, or whole cores.

20 (2) Sample logs, radioactivity logs, resistivity logs, or other types of
21 electrical or mechanical logs.

22 (3) Elevation and location information on the data collection points.

23 (4) Other pertinent information as may be requested by the ~~state geologist~~
24 director of oil and gas.

25 The data so submitted is confidential for a period of one year when so
26 requested by the operator and such period may be further extended upon
27 approval by the commission.

28 c. The filing of monthly production reports in the manner prescribed by the
29 commission, and any other reports deemed necessary by the commission.

30 d. The conducting of all exploration, development, and production operations in
31 such a manner as to prevent pollution of freshwater supplies, to provide for

1 the protection of the environment and public safety, and to ensure the
2 optimum recovery of the mineral resource.

3 e. The reclamation of all land disturbed by operations regulated by this chapter
4 to a condition consistent with prior land use and productive capacity.

5 2. To regulate the drilling, and abandonment of exploration test holes and producing
6 wells and all other exploration, development, production, and reclamation
7 operations.

8 3. To promulgate and to enforce rules, regulations, and orders to effectuate the
9 purposes and the intent of this chapter.

10 4. To inspect all exploration, development, and production sites. For the purposes of
11 this subsection, the ~~state geologist~~ director of oil and gas or his representative
12 shall have access to all exploration, development or production installations for
13 purposes of inspection and shall have the authority to require the operator's aid if
14 same is necessary and is requested.

15 **SECTION 24. AMENDMENT.** Section 38-12-03 of the North Dakota Century Code is
16 amended and reenacted as follows:

17 **38-12-03. Permit required.** It is unlawful to commence operations for the exploration,
18 development, or production of subsurface minerals without first obtaining a permit from the
19 ~~state geologist~~ director of oil and gas, under such rules and regulations as may be prescribed
20 by the commission and paying to the commission a fee for each such permit in an amount to be
21 prescribed by the commission.

22 **SECTION 25. AMENDMENT.** Section 38-12.1-01 of the North Dakota Century Code is
23 amended and reenacted as follows:

24 **38-12.1-01. Legislative findings.** The legislative assembly of the state of North
25 Dakota finds that:

26 1. The discovery and evaluation of coal deposits is advantageous in an industrial
27 society.

28 2. Coal occurs hidden under the ground and must be searched for by diverse
29 techniques, and that the search, exploration, or prospecting for coal is a necessary
30 and expensive prerequisite to coal extraction and for land use planning in
31 coal-bearing areas.

1 of two years, and such period of confidentiality must, upon application, be
2 extended for one-year periods by the ~~state geologist~~ director of oil and gas,
3 for a total period not to exceed ten years unless it is demonstrated that such
4 period should be further extended in order to prevent possible resulting harm
5 to the person, his successors, and assigns, who delivered such basic data to
6 the ~~state geologist~~ director of oil and gas. The basic data must include, if
7 specifically requested by the ~~state geologist~~ director of oil and gas and if the
8 information has been developed by or for a person conducting the
9 exploration:

10 (1) Sample cuts.

11 (2) Drillers' logs, sample logs, radioactivity logs, resistivity logs, or other
12 types of electrical or mechanical logs.

13 (3) Elevation and location information on the data collection points.

14 (4) Other pertinent information as may be required by the ~~state geologist~~
15 director of oil and gas.

16 2. To require the plugging, covering, or reburial in an appropriate manner so as to
17 protect environmental quality, general health and safety, and economic values, of
18 all holes, pits, or trenches excavated during the course of coal exploration.

19 3. To promulgate and enforce rules, regulations, and orders to effectuate the
20 provisions, purpose, and intent of this chapter.

21 4. To inspect all drilling or exploration sites. For the purposes of this subsection, the
22 ~~state geologist~~ director of oil and gas or ~~his~~ the director's representative ~~shall have~~
23 has access to all drilling or exploration installations regulated by this chapter for
24 the purpose of inspection and sampling and ~~shall have the authority to~~ may require
25 the operators' aid if ~~he~~ the director finds it necessary and requests it.

26 5. Notwithstanding any of the other provisions of this section, the commission acting
27 through the office of the ~~state geologist~~ director of oil and gas shall require that any
28 lands substantially disturbed in coal exploration, including excavations, roads, drill
29 holes, and the removal of necessary facilities and equipment be reclaimed in
30 accordance with the applicable performance standards of section 38-14.1-24.

1 Reclamation must be accomplished so as to protect environmental quality, general
2 health and safety, and economic values.

3 **SECTION 28. AMENDMENT.** Subsection 1 of section 38-12.1-05 of the North Dakota
4 Century Code is amended and reenacted as follows:

5 1. It is unlawful to commence operations for drilling for the exploration for coal without
6 first obtaining a permit from the ~~state geologist~~ director of oil and gas, under such
7 rules ~~and regulations~~ as may be prescribed by the commission, and paying to the
8 commission a fee of one hundred dollars for each such permit area. The permit
9 application must include a description of the exploration area, and the period of
10 proposed exploration. The permit must be granted within thirty days after proper
11 application is submitted therefor.

12 **SECTION 29. AMENDMENT.** Subsections 12 and 24 of section 38-14.1-03 of the
13 North Dakota Century Code are amended and reenacted as follows:

14 12. To ~~promulgate regulations~~ adopt rules consistent with state law, in consultation
15 with the ~~state geologist~~ director of oil and gas, state department of health, and the
16 state engineer for the protection of the quality and quantity of waters affected by
17 surface coal mining operations.

18 24. To provide by ~~regulation~~ rule for the conservation and utilization of other minerals
19 found within the permit area during surface coal mining and reclamation operations
20 in consultation with the ~~state geologist~~ director of oil and gas and to approve plans
21 for the use of such other minerals outside the permit area so long as the permittee
22 affirmatively demonstrates that such removal is lawful and will provide equal or
23 greater protection to the environment and to public health and safety and will
24 achieve reclamation consistent with the purposes of this chapter.

25 **SECTION 30. AMENDMENT.** Subsection 2 of section 38-14.1-21 of the North Dakota
26 Century Code is amended and reenacted as follows:

27 2. The commission's approval or modification of the permit or permit revision
28 application must include consideration of the advice and technical assistance of
29 the state historical society, the state department of health, the state soil
30 conservation committee, the state game and fish department, the state forester,
31 the ~~state geologist~~ director of oil and gas, and the state engineer, and may also

1 include those state agencies versed in soils, agronomy, ecology, geology, and
2 hydrology, and other agencies and individuals experienced in reclaiming surface
3 mined lands.

4 **SECTION 31. AMENDMENT.** Section 38-15-03 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **38-15-03. Jurisdiction of commission.** The commission has continuing jurisdiction
7 and authority over all persons and property, public and private, necessary to enforce effectively
8 the provisions of this chapter. The ~~state geologist~~ director of oil and gas shall act as a
9 supervisor charged with enforcing the regulations and orders of the commission applicable to
10 the provisions of this chapter. The commission has authority to make investigations it deems
11 proper to determine whether facts exist which justify action by the commission. The
12 commission has the authority:

- 13 1. To require the furnishing of a reasonable bond with good and sufficient surety,
14 conditioned upon the full compliance with the provisions of this chapter, and the
15 rules and regulations of the commission prescribed to govern, satisfy, and resolve
16 conflicting interests among producers within North Dakota.
- 17 2. To resolve conflicting interests of producers of natural resources which cannot be
18 voluntarily concluded by them in the public interest to eliminate waste, to the end
19 that the producer, landowner, and mineral owner realize the greatest possible
20 economic advantage.
- 21 3. To promulgate and to enforce rules, regulations, and orders to effectuate the
22 purposes and intent of this chapter.

23 **SECTION 32. AMENDMENT.** Section 38-19-03 of the North Dakota Century Code is
24 amended and reenacted as follows:

25 **38-19-03. Jurisdiction of the commission.** The commission has jurisdiction and
26 authority and is charged with the responsibility to enforce ~~the provisions of~~ this chapter. This
27 chapter does not apply to any activity regulated under chapters 38-08, 38-12, 38-12.1, 38-14.1,
28 and 61-28. The jurisdiction granted to the commission by this chapter is not exclusive and
29 does not affect the jurisdiction of other governmental entities. The commission acting through
30 the office of the ~~state geologist~~ director of oil and gas has the authority:

- 31 1. To require:

- 1 a. Identification of ownership of all facilities, installations, and equipment used in
2 the extraction of geothermal energy.
- 3 b. The making and filing of all logs and reports on facility location, drilling,
4 boring, excavating, and construction and the filing, free of charge, of samples,
5 core chips, and complete cores, when requested, in the office of the ~~state~~
6 geologist director of oil and gas.
- 7 c. The drilling, boring, casing, excavating, plugging, and construction of facilities
8 in a manner to prevent contamination and pollution of surface and ground
9 water sources and unnecessary environmental degradation.
- 10 d. The furnishing of a reasonable bond with good and sufficient surety,
11 conditioned upon the full compliance with the rules of the commission relating
12 to the extraction of geothermal energy.
- 13 e. Metering or measuring all products extracted from or by means of a facility
14 regulated by this chapter.
- 15 f. That every person who operates a geothermal energy extraction facility in this
16 state shall keep and maintain complete and accurate records of the quantities
17 and nature of products extracted from or by means of any facility, and the
18 ultimate disposition of such products, which records must be available to the
19 commission or its agents at all times, and that every such person file with the
20 commission such reports as it may prescribe.
- 21 g. That upon termination of the operation of any facility or activity regulated by
22 this chapter, the operator of the facility shall restore the surface as nearly as
23 possible to its original condition and productivity.
- 24 2. To regulate:
 - 25 a. The drilling, boring, excavating, and construction of all geothermal energy
26 extraction facilities.
 - 27 b. Operations to assure the optimum performance of all facilities regulated under
28 this chapter.
- 29 3. To limit and prescribe the nature, quantity, and source of geothermal energy to be
30 extracted from any facility regulated by this chapter.
- 31 4. To adopt rules and issue orders to effectuate the purposes of this chapter.

1 **SECTION 33. AMENDMENT.** Section 38-19-04 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **38-19-04. Permit or report required.** It is unlawful to commence any operations for
4 the drilling, boring, excavating, or construction of a geothermal energy extraction facility, which
5 is used for other than private residential heating and cooling purposes, without first securing a
6 permit from the ~~state geologist~~ director of oil and gas, under such rules as may be adopted by
7 the commission and after paying to the commission a fee for each such facility in an amount to
8 be prescribed by the commission by rule. The fee set must be related to the cost or regulation
9 and inspection under this chapter.

10 A report is required upon completion of any geothermal energy extraction facility used
11 solely for private residential heating or cooling purposes. The report must be prepared by the
12 geothermal energy extraction facility installer on a form provided by the ~~state geologist~~ director
13 of oil and gas and must be furnished to the ~~state geologist~~ director of oil and gas within thirty
14 days after the completion of the facility. The report must contain relevant information the ~~state~~
15 ~~geologist~~ director of oil and gas requires relating to the environmental safety of the facility,
16 including the facility owner and location, a log of formations penetrated, if any, system
17 specifications and design, and fluids used in the facility.

18 All construction of geothermal energy extraction facilities must comply with rules
19 adopted under this chapter.

20 **SECTION 34. AMENDMENT.** Section 54-17.3-02 of the North Dakota Century Code is
21 amended and reenacted as follows:

22 **54-17.3-02. Jurisdiction of the commission.** The commission, acting through the
23 ~~office of the state geologist~~ director of oil and gas, has jurisdiction and authority to enforce ~~the~~
24 ~~provisions of~~ sections 54-17.3-01 through 54-17.3-08. The commission has authority to make
25 such investigations as it deems proper to determine whether facts exist which justify action by
26 the commission. The commission has authority to adopt rules and issue orders to effectuate
27 ~~the provisions of~~ sections 54-17.3-01 through 54-17.3-08.

28 **SECTION 35. AMENDMENT.** Section 54-17.3-03 of the North Dakota Century Code is
29 amended and reenacted as follows:

30 **54-17.3-03. Permit required.** A permit must be obtained by any person, organization,
31 institution, or company engaged on one's own behalf or on behalf of another to:

- 1 1. Identify or evaluate paleontological resources to satisfy state or federal
- 2 requirements; or
- 3 2. Investigate, excavate, collect, or otherwise record paleontological resources on
- 4 land owned by the state or its political subdivisions.

5 A permit may be issued upon filing of an application that contains information prescribed by the
6 ~~state geologist~~ director of oil and gas and upon the applicant's payment to the ~~state geologist~~
7 director of oil and gas of the fee set by the ~~state geologist~~ director of oil and gas. The ~~state~~
8 ~~geologist~~ director of oil and gas may waive the fee requirement if the applicant is an
9 instrumentality of the state. A permit may be issued only for the activities and at the locations
10 described in the permit application.

11 **SECTION 36. AMENDMENT.** Section 54-17.3-04 of the North Dakota Century Code is
12 amended and reenacted as follows:

13 **54-17.3-04. Permit - Duration - Revocation.** A permit issued under sections
14 54-17.3-01 through 54-17.3-08 expires on December thirty-first of the year in which it is issued.
15 A permit may be extended upon written request to the ~~state geologist~~ director of oil and gas
16 before expiration of the permit and upon payment to the ~~state geologist~~ director of oil and gas
17 of the fee set by the ~~state geologist~~ director of oil and gas. A permit may be revoked at any
18 time if it appears the permittee secured the permit through false information or that any
19 activities performed by the permittee are being conducted negligently or improperly, or without
20 regard for the careful preservation and conservation of the paleontological resource.

21 **SECTION 37. AMENDMENT.** Section 54-17.3-05 of the North Dakota Century Code is
22 amended and reenacted as follows:

23 **54-17.3-05. Coordination of quaternary fossil finds.** The ~~state geologist~~ director of
24 oil and gas shall notify the director of the state historical society of all quaternary
25 paleontological finds reported to the ~~state geologist~~ director of oil and gas which potentially or
26 actually contain cultural resources. The treatment of sites containing both paleontological
27 remains and cultural resources must be handled in a manner jointly agreed upon by the ~~state~~
28 ~~geologist~~ director of oil and gas and the director. The term cultural resources has the same
29 definition as the term is defined in section 55-03-00.1.

30 **SECTION 38. AMENDMENT.** Section 54-17.3-06 of the North Dakota Century Code is
31 amended and reenacted as follows:

1 **54-17.3-06. Protection of paleontological specimens and sites.** Any
2 paleontological resource found or located upon any land owned by the state or its political
3 subdivisions may not be destroyed, defaced, altered, removed, or otherwise disposed of in any
4 manner without approval of the ~~state geologist~~ director of oil and gas. The ~~state geologist~~
5 director of oil and gas shall determine the significance of the paleontological resource to the
6 understanding of the paleontologic and geologic history of North Dakota. It is the responsibility
7 of the state and its political subdivisions to cooperate with the ~~state geologist~~ director of oil and
8 gas in identifying and implementing any reasonable alternative to destruction or alteration of
9 any paleontological resource.

10 **SECTION 39. AMENDMENT.** Section 54-17.3-07 of the North Dakota Century Code is
11 amended and reenacted as follows:

12 **54-17.3-07. Transfer of paleontological resources.** The ~~state geologist~~ director of oil
13 and gas may exchange with or transfer to universities, colleges, governmental bodies, and
14 scientific institutions duplicate paleontological resources it holds. The state historical society
15 must receive preference for the receipt of duplicate paleontological resources.

16 **SECTION 40. AMENDMENT.** Section 54-17.4-01 of the North Dakota Century Code is
17 amended and reenacted as follows:

18 **54-17.4-01. Definitions.** As used in this chapter, unless the context otherwise
19 requires:

- 20 1. "Commission" means the North Dakota industrial commission.
- 21 2. "~~State geologist~~ means the North Dakota ~~state geologist~~ Director" means the
22 director of oil and gas.
- 23 3. "Survey" means the North Dakota geological survey.

24 **SECTION 41. AMENDMENT.** Subsection 14 of section 54-17.4-02 of the North
25 Dakota Century Code is amended and reenacted as follows:

- 26 14. Consider such other scientific and economic questions in the field of geology as in
27 the judgment of the ~~state geologist~~ director is ~~deemed~~ determined to be of value to
28 the people of the state.

29 **SECTION 42. AMENDMENT.** Section 54-17.4-06 of the North Dakota Century Code is
30 amended and reenacted as follows:

1 **54-17.4-06. ~~State geologist Director~~ - Authority.** The ~~state geologist director~~ is the
2 executive and administrative head of the survey and shall exercise the powers of the office and
3 be responsible for the execution of its duties.

4 **SECTION 43. AMENDMENT.** Section 54-17.4-07 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **54-17.4-07. ~~State geologist Director~~ - Grants, funds, and contracts.** The ~~state~~
7 ~~geologist director~~, with the approval of the commission, may accept and expend money from
8 and enter into contracts with federal, state, local, or other public entities to carry out the
9 purposes of this chapter or to provide geological services. If such funds exceed appropriations
10 made by the legislative assembly, the ~~state geologist director~~ shall seek emergency
11 commission approval for their expenditure.

12 **SECTION 44. AMENDMENT.** Section 54-17.4-09 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **54-17.4-09. ~~State geologist Director~~ - Specimens collected - Exhibited -**
15 **Exchanged.** The ~~state geologist director~~ shall cause proper specimens, skillfully prepared,
16 secured, and labeled, of rocks, minerals, ores, coals, fossils, and other earth materials
17 discovered or examined in the course of the geological surveys to be preserved for public
18 inspection free of cost. The ~~state geologist director~~, when practicable, shall cause duplicate
19 specimens in reasonable numbers and quantities to be collected and preserved for the purpose
20 of exchange with or transfer to universities, colleges, governmental bodies, and scientific
21 institutions.

22 **SECTION 45. AMENDMENT.** Section 54-17.4-10 of the North Dakota Century Code is
23 amended and reenacted as follows:

24 **54-17.4-10. ~~State geologist Director~~ - Purchase and sale of maps - Appropriation.**
25 The ~~state geologist is authorized to~~ ~~director~~ may purchase cartographic products from the
26 federal government for the purpose of reselling the products to the public at a fee set by the
27 ~~state geologist director~~. All moneys collected from the sale of the products must be deposited
28 in the cartographic products fund. This fund must be maintained as a special fund and all
29 moneys transferred into the fund are ~~hereby~~ appropriated and must be used and disbursed
30 solely for the purpose of paying the ~~state geologist's~~ ~~director's~~ cost of purchasing and reselling
31 the products.

1 **SECTION 46. AMENDMENT.** Section 54-17.4-11 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **54-17.4-11. ~~State geologist~~ Director - Colleges and universities - Cooperation.**

4 The board of higher education and the survey shall develop a cooperative agreement for the
5 sharing of books, equipment, and other physical resources.

6 **SECTION 47. AMENDMENT.** Section 54-17.4-12 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **54-17.4-12. ~~State geologist~~ Director - Collection of global positioning system data**

9 **- Fee.** All moneys collected for the sale of global positioning system community-base station
10 data must be deposited in the global positioning system community-base station fund. This
11 fund must be maintained as a revolving fund and all moneys transferred into the fund are
12 hereby appropriated and must be used and disbursed solely for the purpose of paying the ~~state~~
13 ~~geologist's~~ director's cost of collecting and distributing the data. This fund is not subject to
14 section 54-44.1-11.

15 **SECTION 48. AMENDMENT.** Subsection 1 of section 61-28-03 of the North Dakota
16 Century Code is amended and reenacted as follows:

17 1. The state water pollution control board consists of thirteen persons. The board
18 must include the state health officer, state engineer, director of the game and fish
19 department, ~~state geologist~~ director of oil and gas, and nine other members
20 appointed by the governor, three of whom must be representatives of production
21 agriculture, two of whom must be representatives of manufacturing and
22 processing, one of whom must be a representative of the solid fuels industry, one
23 of whom must be a representative of the fluid and gas fuels industry, one of whom
24 must be a representative of the environmental sciences, and one of whom must be
25 a representative of county or municipal government.

26 **SECTION 49. REPEAL.** Section 54-17.4-05 of the North Dakota Century Code is
27 repealed.

28 **SECTION 50. EFFECTIVE DATE.** Sections 14 through 49 of this Act become effective
29 on January 1, 2004."

30 **SECTION 51. EMERGENCY.** The appropriation in subdivision 3 of section 1, the
31 appropriation in section 13, and the transfer in section 12 of this Act for the partnership in

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Legislative Assembly

- 1 assisting community expansion fund, the agriculture partnership in assisting community
- 2 expansion fund, and the beginning farmer loan fund are declared to be an emergency measure.