

Fifty-eighth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2022

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 water
2 commission; to provide a line of credit and an appropriation for repayment; to authorize the
3 state water commission to issue and sell evidences of indebtedness for the construction of
4 water-related projects; to amend and reenact section 54-27-25 of the North Dakota Century
5 Code, relating to allocation of the tobacco settlement trust fund; and to repeal chapter 61-38 of
6 the North Dakota Century Code, relating to assumption of the section 404 program.

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

8 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the
9 funds as may be necessary, are appropriated out of any moneys in the water development trust
10 fund in the state treasury, not otherwise appropriated, and from special funds derived from
11 federal funds and other income, to the state water commission for the purpose of defraying the
12 expenses of the state water commission, for the biennium beginning July 1, 2003, and ending
13 June 30, 2005, as follows:

14 Administrative and support services	\$2,077,370
15 Water and atmospheric resources	<u>147,367,303</u>
16 Total all funds	\$149,444,673
17 Less estimated income	<u>140,004,556</u>
18 Total general fund appropriation	\$9,440,117

19 **SECTION 2. RESOURCES TRUST FUND.** The sum of \$13,650,000, or so much of
20 the sum as may be necessary, included in the total special funds appropriation line item in
21 section 1 of this Act is from the resources trust fund and must be used by the state water
22 commission for purposes authorized by the legislative assembly, for the biennium beginning
23 July 1, 2003, and ending June 30, 2005.

1 **SECTION 3. WATER DEVELOPMENT TRUST FUND.** The sum of \$32,946,225, or so
2 much of the sum as may be necessary, included in the total special funds appropriation line
3 item in section 1 of this Act is from the water development trust fund and must be used by the
4 state water commission for purposes authorized by the legislative assembly, for the biennium
5 beginning July 1, 2003, and ending June 30, 2005.

6 **SECTION 4. GRANTS - WATER-RELATED PROJECTS - CARRYOVER**

7 **AUTHORITY.** Section 54-44.1-11 does not apply to funding for grants or water-related
8 projects, included in the water and atmospheric resources line item in section 1 of this Act.
9 However, this exclusion is only in effect for two years after June 30, 2005. Any unexpended
10 funds appropriated from the resources trust fund after that period has expired must be
11 transferred to the resources trust fund and any unexpended funds appropriated from the water
12 development trust fund after that period has expired must be transferred to the water
13 development trust fund.

14 **SECTION 5. SALE AND PURCHASE OF LAND AND BUILDING - AUTHORITY -**
15 **CONTINUING APPROPRIATION.**

16 1. The state water commission, on behalf of the state of North Dakota, may sell in
17 one or more parcels the land and building known as the "state water commission
18 maintenance shop" located at 2603 East Broadway Avenue, Bismarck, North
19 Dakota, and legally described as follows:

20 A tract of land lying in the Northwest Quarter (NW 1/4) of Section Two (2),
21 Township One Hundred Thirty-Eight (138) North, Range Eighty (80) West of the
22 Fifth (5) Principal Meridian, in the County of Burleigh and State of North Dakota,
23 and described as follows:

24 Commencing at the northwest corner of said section two; thence traveling
25 in a southerly direction along the west boundary of said section two for a distance
26 of seven hundred seventy-four and six-tenths feet (744.60); thence turning a right
27 angle to the left in an easterly direction along a line which is parallel to the north
28 boundary of said section two for a distance of forty-seven feet (47.00), which shall
29 be called the true point of beginning; thence continuing due east along said line for
30 a distance of eight hundred forty-two and nine-tenths feet (842.90); thence turning
31 a deflection angle of ninety degrees and twenty-two minutes (90 degrees 22') to

1 the right and traveling in a southerly direction to a point of intersection with the
2 north fifty foot railroad right-of-way line; thence traveling in a westerly direction
3 along said north fifty foot railroad right-of-way line to a point of intersection with the
4 west boundary of said section two; thence traveling in a northerly direction along
5 the west boundary of said section two for a distance of four hundred seventy-two
6 and one-tenth feet (472.10); thence turning a right angle to the right in an easterly
7 direction along a line which is parallel to the north boundary of said section two for
8 a distance of forty-seven feet (47.00); thence traveling in a northerly direction
9 along a line which is parallel to the west boundary of said section two for a
10 distance of one hundred fifty feet (150.00) to the point of beginning. Including all of
11 the property bounded by the above described line, subject to existing rights-of-way
12 and easements.

13 The above described tract of land contains 11.77 acres, more or less.

- 14 2. The conveyance authorized by this Act is exempt from sections 54-01-05.2 and
15 54-01-05.5. The conveyance may only be made after the property has been
16 appraised and the property must be sold at public auction unless no bid equals or
17 exceeds the minimum appraised value. The appraisal must be dated no earlier
18 than eighteen months before the auction. If at the public auction no bid equals or
19 exceeds the minimum appraised value, the state water commission may negotiate
20 a price for the land with a purchaser.
- 21 3. All proceeds from the sale, or so much of the sale proceeds as may be necessary,
22 not otherwise appropriated, are appropriated on a continuing basis to the state
23 water commission for the purchase or lease of land and the construction of a
24 building and associated appurtenances to be used as a new maintenance facility.
25 The purchase authorized by this subsection may proceed only after completion of
26 a certified appraisal of the property to be purchased and completion of a physical
27 inspection of any building to be purchased demonstrating that the building is
28 structurally sound and suitable for state water commission purposes.
- 29 4. The attorney general shall review and approve the form and legality of all legal
30 documents required for the conveyance and purchase authorized by this Act,
31 including title opinions.

1 **SECTION 6. BUILDING SALE PROCEEDS.** Proceeds of the sale of the state water
2 commission maintenance shop located in east Bismarck, as provided in section 5 of this Act,
3 must be used to purchase or lease land and construct a new maintenance shop building. If the
4 proceeds from the sale are less than \$977,100, the state water commission may use other
5 funds appropriated to the state water commission for the purpose of purchasing or leasing land
6 and constructing a new maintenance shop building. If the proceeds from the sale are not
7 available at the time the state water commission needs to purchase or lease land and construct
8 the new building and associated appurtenances, the state water commission may use other
9 funds appropriated to it provided that, upon receipt of the proceeds of the sale, the state water
10 commission transfers to the funds from which moneys were taken an amount equal to any
11 funds utilized for the purchase or lease of land and construction of the new maintenance
12 building. If the state water commission uses other funds appropriated to it because the funds
13 from the sale of the land and building are insufficient, the state water commission need not
14 make a transfer of sale proceeds. No more than a total of \$977,100 may be expended from the
15 amounts appropriated under this Act to purchase land and construct the new maintenance
16 building and associated appurtenances.

17 **SECTION 7. LINE OF CREDIT - CONTINGENT APPROPRIATION.** If determined
18 necessary by the state water commission, the Bank of North Dakota shall extend a line of
19 credit, not to exceed \$25,000,000, which is appropriated to the state water commission for the
20 purpose of interim financing until bonds are issued under chapters 61-02 and 61-02.1, for the
21 biennium beginning July 1, 2003, and ending June 30, 2005.

22 **SECTION 8. REPAYMENT OF LINE OF CREDIT - CONTINGENT APPROPRIATION.**
23 If the line of credit authorized in section 7 of this Act is extended to the state water commission
24 by the Bank of North Dakota, there is appropriated out of any moneys in the water development
25 trust fund, not otherwise appropriated, or from bond proceeds, the sum of \$25,000,000, or so
26 much of the sum as may be necessary, to the state water commission for the purpose of
27 repaying the line of credit, for the biennium beginning July 1, 2003, and ending June 30, 2005.

28 **SECTION 9. BOND ISSUANCE AUTHORIZATION - PURPOSES.** Notwithstanding
29 the authority of the state water commission to issue evidences of indebtedness under chapters
30 61-24.3 and 61-24.6, the state water commission may arrange for the funding of water-related
31 projects or works in this state, including those identified in the statewide water development

1 plan, which are authorized and declared to be in the public interest, through the issuance of
2 evidences of indebtedness under chapters 61-02 and 61-02.1 in an amount not to exceed
3 \$49,523,771, plus the costs of issuance, capitalized interest, and required reserves, for the
4 biennium beginning July 1, 2003, and ending June 30, 2005. Bonds issued pursuant to this
5 section are not a general obligation of the state of North Dakota.

6 **SECTION 10. RESOURCES TRUST FUND APPROPRIATION - ADJUSTMENT.** If
7 the resources trust fund 2003-05 revenues are in excess of \$13,650,000, any excess is
8 appropriated, subject to emergency commission approval, from the resources trust fund to the
9 state water commission for the biennium beginning July 1, 2003, and ending June 30, 2005.

10 **SECTION 11. AMENDMENT.** Section 54-27-25 of the North Dakota Century Code is
11 amended and reenacted as follows:

12 **54-27-25. Tobacco settlement trust fund - Interest on fund - Uses.** There is
13 created in the state treasury a tobacco settlement trust fund. The fund consists of the tobacco
14 settlement dollars obtained by the state under sections IX (payments) and XI (calculation and
15 disbursement of payments) of the master settlement agreement and consent agreement
16 adopted by the east central judicial district court in its judgment entered December 28, 1998
17 [Civil No. 98-3778]. All moneys received by the state pursuant to the judgment and all moneys
18 received by the state for enforcement of the judgment must be deposited in the fund. Interest
19 earned on the fund must be credited to the fund and deposited in the fund. The principal and
20 interest of the fund must be allocated as follows:

- 21 1. Transfers to a community health trust fund to be administered by the state
22 department of health. The state department of health may use funds as
23 appropriated for community-based public health programs and other public health
24 programs, including programs with emphasis on preventing or reducing tobacco
25 usage in this state. Transfers under this subsection must equal ten percent of total
26 annual transfers from the tobacco settlement trust fund.
- 27 2. Transfers to the common schools trust fund to become a part of the principal of
28 that fund. Transfers under this subsection must equal forty-five percent of total
29 annual transfers from the tobacco settlement trust fund.
- 30 3. Transfers to the water development trust fund to be used to address the long-term
31 water development and management needs of the state. Transfers under this

1 subsection must equal forty-five percent of the total annual transfers from the
2 tobacco settlement trust fund.

3 ~~Notwithstanding the provisions of this section, during each biennium transfers that~~
4 ~~would be made to the common schools trust fund under subsection 2 must instead be~~
5 ~~transferred to the water development trust fund until the state water commission certifies to the~~
6 ~~state treasurer that deposits in the water development trust fund during that biennium are~~
7 ~~sufficient to pay the principal and interest for that biennium on bonds authorized under section~~
8 ~~61-02.1-01. When that certification is received, the state treasurer shall determine the amount~~
9 ~~deposited in the water development trust fund during that biennium and transfers that would be~~
10 ~~made to the water development trust fund under subsection 3 must instead be transferred to~~
11 ~~the common schools trust fund until deposits in the common schools trust fund during that~~
12 ~~biennium are equal to the amount deposited in the water development trust fund during that~~
13 ~~biennium or until the end of the biennium, whichever occurs first.~~

14 Transfers to the funds under this section must be made within thirty days of receipt by
15 the tobacco settlement trust fund.

16 **SECTION 12. REPEAL.** Chapter 61-38 of the North Dakota Century Code is repealed.