

**SECOND ENGROSSMENT  
with Conference Committee Amendments**

**REENGROSSED SENATE BILL NO. 2020**

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 create and enact a new section to chapter 61-02.1 of the North Dakota Century  
3 Code, relating to funding for Grand Forks flood control; to amend and reenact section 61-34-04  
4 of the North Dakota Century Code, relating to eligibility for the drought disaster livestock water  
5 assistance program; to provide a line of credit; to provide an appropriation for repayment of the  
6 line of credit; to provide legislative intent; to provide for a study; and to declare an emergency.

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

8 **SECTION 1. BASE LEVEL FUNDING INFORMATION.** The amounts identified in this  
9 section represent the base level funding component appropriated to the state water  
10 commission in section 3 of this Act as follows:

11 Administrative and support services	\$2,180,445
12 Water and atmospheric resources	<u>123,890,493</u>
13 Total all funds - Base level	\$126,070,938
14 Less estimated income - Base level	<u>125,059,718</u>
15 Total general fund - Base level	\$1,011,220

16 **SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION.** The  
17 amounts identified in this section represent the funding adjustments or enhancements to the  
18 base funding level for the state water commission which are included in the appropriation in  
19 section 3 of this Act as follows:

20 Administrative and support services	\$275,850
21 Water and atmospheric resources	<u>49,663,767</u>
22 Total all funds - Adjustments/enhancements	\$49,939,617
23 Less estimated income - Adjustments/enhancements	<u>37,063,331</u>
24 Total general fund - Adjustments/enhancements	\$12,876,286

1           **SECTION 3. APPROPRIATION.** The funds provided in this section, or so much of the  
2 funds as may be necessary, are appropriated out of any moneys in the general fund in the state  
3 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
4 other income, to the state water commission for the purpose of defraying the expenses of that  
5 agency, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

6 Administrative and support services	\$2,456,295
7 Water and atmospheric resources	<u>173,554,260</u>
8 Total all funds	\$176,010,555
9 Less estimated income	<u>162,123,049</u>
10 Total general fund appropriation	\$13,887,506

11           **SECTION 4. RESOURCES TRUST FUND - APPROPRIATION.** The sum of  
12 \$69,352,698, or so much of the sum as may be necessary, included in the estimated income  
13 line item in section 3 of this Act is from the resources trust fund and must be used by the state  
14 water commission for purposes authorized by the legislative assembly, for the biennium  
15 beginning July 1, 2007, and ending June 30, 2009. Any additional amount in the resources  
16 trust fund that becomes available is appropriated to the state water commission for the purpose  
17 of defraying the expenses of that agency, for the biennium beginning July 1, 2007, and ending  
18 June 30, 2009.

19           **SECTION 5. WATER DEVELOPMENT TRUST FUND - APPROPRIATION.** The sum  
20 of \$40,055,999, or so much of the sum as may be necessary, included in the estimated income  
21 line item in section 3 of this Act is from the water development trust fund and must be used by  
22 the state water commission for purposes authorized by the legislative assembly, for the  
23 biennium beginning July 1, 2007, and ending June 30, 2009. Any additional amount in the  
24 water development trust fund that becomes available is appropriated to the state water  
25 commission for the purpose of defraying the expenses of that agency, for the biennium  
26 beginning July 1, 2007, and ending June 30, 2009.

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

28 **AUTHORITY.** Section 54-44.1-11 does not apply to funding for grants or water-related projects  
29 included in the water and atmospheric resources line item in section 3 of this Act. However,  
30 this exclusion is only in effect for two years after June 30, 2009. Any unexpended funds  
31 appropriated from the resources trust fund after that period has expired must be transferred to

1 the resources trust fund and any unexpended funds appropriated from the water development  
2 trust fund after that period has expired must be transferred to the water development trust fund.

3 **SECTION 7. LINE OF CREDIT - CONTINGENT APPROPRIATION.** If determined  
4 necessary by the state water commission, the Bank of North Dakota shall extend a line of  
5 credit, not to exceed \$25,000,000, which is appropriated to the state water commission, for the  
6 biennium beginning July 1, 2007, and ending June 30, 2009.

7 **SECTION 8. REPAYMENT OF LINE OF CREDIT - CONTINGENT APPROPRIATION.**  
8 If the line of credit authorized in section 7 of this Act is extended to the state water commission  
9 by the Bank of North Dakota, there is appropriated out of any moneys in the water development  
10 trust fund, the resources trust fund, bond proceeds, or other sources, the sum of \$25,000,000,  
11 or so much of the sum as may be necessary, to the state water commission for the purpose of  
12 repaying the line of credit, for the biennium beginning July 1, 2007, and ending June 30, 2009.

13 **SECTION 9.** A new section to chapter 61-02.1 of the North Dakota Century Code is  
14 created and enacted as follows:

15 **Grand Forks flood control project.** Notwithstanding any other provision of law or  
16 policy, any existing caps may not be construed to limit access to total state funding of up to  
17 fifty-two million dollars for the Grand Forks flood control project.

18 **SECTION 10. AMENDMENT.** Section 61-34-04 of the North Dakota Century Code is  
19 amended and reenacted as follows:

20 **61-34-04. Eligibility - Application for assistance.** Applicants with livestock water  
21 supply problems caused by drought may apply for assistance from the program. An applicant  
22 must first apply for water cost-share assistance from the agriculture stabilization and  
23 conservation service. If cost-share assistance is denied by the service, the applicant may  
24 forward the application to the commission for consideration. An application forwarded to the  
25 commission must include a document from the agriculture stabilization and conservation  
26 service stating the reason for denial of cost-share assistance. The state engineer shall review  
27 all applications received by the commission. Notwithstanding any other provision of law, a  
28 water supply project commenced after application for funding is made but without prior approval  
29 of the state engineer is eligible for funding from the program. If the state engineer approves an  
30 application, the applicant may receive up to fifty percent of the cost of the project, but in no  
31 event more than three thousand five hundred dollars. The state engineer shall provide funds

1 for approved applications in accordance with rules and criteria for eligibility and only to the  
2 extent that funding is available.

3 **SECTION 11. TILE DRAINAGE EFFECTS ON WATER USE STUDY.** The state water  
4 commission shall study, develop, and recommend policies and procedures for assessing the  
5 impact of tile drainage on the beneficial use of water by prior water appropriators. The state  
6 water commission shall report its findings and recommendations to the legislative council by  
7 July 1, 2008.

8 **SECTION 12. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**  
9 **SIXTY-FIRST LEGISLATIVE ASSEMBLY.** The total general fund appropriation line item in  
10 section 3 of this Act includes \$3,000,000 for the one-time funding items identified in this  
11 section. This amount is not a part of the agency's base budget to be used in preparing the  
12 2009-11 executive budget. The state water commission shall report to the appropriations  
13 committees of the sixty-first legislative assembly on the use of this one-time funding for the  
14 biennium beginning July 1, 2007, and ending June 30, 2009.

15 Red River water supply project \$3,000,000

16 **SECTION 13. LEGISLATIVE INTENT - SWEETBRIAR DAM PROJECT.** It is the  
17 intent of the sixtieth legislative assembly that the state water commission provide funding for  
18 the sweetbriar dam project. In addition, Morton County shall contribute \$15,000 toward the  
19 sweetbriar dam project and \$1,000,000 must be made available from the game and fish fund  
20 for the project which is appropriated in section 3 of this Act. The funding from the game and  
21 fish fund and Morton County is contingent upon funding being made available for the project by  
22 the state water commission during the biennium beginning July 1, 2007, and ending June 30,  
23 2009.

24 **SECTION 14. EMERGENCY.** Section 10 of this Act is declared to be an emergency  
25 measure.