

Sixty-eighth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2089

Introduced by

Finance and Taxation Committee

(At the request of the Department of Mineral Resources)

1 A BILL for an Act to create and enact sections 54-17.6-06.1 and 54-17.6-06.2 of the North
2 Dakota Century Code, relating to clean natural gas capture and emissions reduction; to provide
3 ~~an appropriation~~for a transfer; and to provide a continuing appropriation.

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

5 **SECTION 1.** Section 54-17.6-06.1 of the North Dakota Century Code is created and
6 enacted as follows:

7 **54-17.6-06.1. Clean natural gas capture and emissions reduction program.**

- 8 1. The clean natural gas capture and emissions reduction program shall provide an
9 incentive for ~~onsite~~-natural gas capture and utilization systems on an oil or gas well
10 site or gathering pipeline facility which collect or utilizes over fifty percent of propane
11 and heavier hydrocarbons from an oil and gas well site for beneficial use by:
12 a. Compressing or liquefying gas for artificial lift, uses as fuel, or for nonpipeline
13 transport to a processing facility;
14 b. Conversion to liquid fuels;
15 c. Conversion to electricity for onsite use or supply to the electrical grid;
16 d. Conversion to computational power;
17 e. Collection of tank vapors for beneficial use or transport to a processing facility;
18 f. Temporary gas injection into producing wells in lieu of flaring or shutting in wells;
19 or
20 g. Other value-added processes as approved by the industrial commission.
21 2. The commission is granted all the powers necessary and appropriate to effectuate the
22 provisions of this chapter.
23 3. The commission:

- 1 a. May make grants or loans or provide other forms of financial assistance as
2 necessary or appropriate to qualified entities for activities under subsection 1;
3 b. Shall keep accurate records of all financial transactions performed under this
4 chapter;
5 c. May accept donations, grants, federal funds, contributions, and gifts from any
6 public or private source and deposit such in the natural gas capture and
7 utilization incentive fund;
8 d. May make and explore orders, rules, and policies necessary to effectuate the
9 purpose of this chapter; and
10 e. Shall consult with the council in matters of policy affecting the administration of
11 the clean natural gas capture and emissions reduction program.

12 **SECTION 2.** Section 54-17.6-06.2 of the North Dakota Century Code is created and
13 enacted as follows:

14 **54-17.6-06.2. Clean natural gas capture and emissions reduction fund - Continuing**
15 **appropriation.**

16 The clean natural gas capture and emissions reduction fund is hereby created as a special
17 fund in the state treasury. All funds in the clean natural gas capture and emissions reduction
18 fund are appropriated to the industrial commission on a continuing basis to effectuate the
19 purposes of this chapter. All interest earned by the fund must be credited to the fund.

20 **SECTION 3. ~~APPROPRIATION - TRANSFER - STRATEGIC INVESTMENT AND~~**
21 **IMPROVEMENTS FUND TO CLEAN NATURAL GAS CAPTURE AND EMISSIONS**
22 **REDUCTION FUND.** ~~There is appropriated out of any moneys in the general fund in the state~~
23 ~~treasury, not otherwise appropriated, the sum of \$15,000,000, or so much of the sum as may be~~
24 ~~necessary.~~ The office of management and budget shall transfer the sum of \$7,500,000 from the
25 strategic investment and improvements fund to the clean natural gas capture and emissions
26 reduction fund ~~for the purpose of providing grants~~ under section 54-17.6-06.1, ~~for~~ during the
27 biennium beginning July 1, 2023, and ending June 30, 2025.