

Sixty-eighth  
Legislative Assembly  
of North Dakota

## REENGROSSED 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~~section 54-17.6-06.1 ~~and 54-17.6-06.2~~ of the  
2 North Dakota Century Code, relating to clean natural gas capture and emissions reduction; ~~to~~  
3 ~~provide for a transfer; and to provide a continuing appropriation~~ and to designate funding from  
4 the oil and gas research fund.

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

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

8 **54-17.6-06.1. Clean natural gas capture and emissions reduction program.**

- 9 1. The clean natural gas capture and emissions reduction program shall provide an  
10 incentive for natural gas capture and utilization systems on an oil or gas well site or  
11 gathering pipeline facility which collect or utilizes over fifty percent of propane and  
12 heavier hydrocarbons from an oil and gas well site for beneficial use by:  
13 a. Compressing or liquefying gas for artificial lift, uses as fuel, or for nonpipeline  
14 transport to a processing facility;  
15 b. Conversion to liquid fuels;  
16 c. Conversion to electricity for onsite use or supply to the electrical grid;  
17 d. Conversion to computational power;  
18 e. Collection of tank vapors for beneficial use or transport to a processing facility;  
19 f. Temporary gas injection into producing wells in lieu of flaring or shutting in wells;  
20 or  
21 g. Other value-added processes as approved by the industrial commission.  
22 2. The commission is granted all the powers necessary and appropriate to effectuate the  
23 provisions of this ~~chapter~~section.  
24 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 chaptersection;
- 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 incentiveoil and gas research fund;
- 8 d. May make and explore orders, rules, and policies necessary to effectuate the
- 9 purpose of this chaptersection; 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. TRANSFER – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO**~~  
21 ~~**CLEAN NATURAL GAS CAPTURE AND EMISSIONS REDUCTION FUND.** The office of~~  
22 ~~management and budget shall transfer the sum of \$7,500,000 from the strategic investment and~~  
23 ~~improvements fund to the clean natural gas capture and emissions reduction fund under section~~  
24 ~~54-17.6-06.1, during the biennium beginning July 1, 2023, and ending June 30, 2025.~~

25 **SECTION 2. OIL AND GAS RESEARCH FUND - CLEAN NATURAL GAS CAPTURE AND**  
26 **EMISSIONS REDUCTION PROGRAM - ONE TIME FUNDING.** Pursuant to the continuing  
27 appropriation under section 57-51.1-07.3, the industrial commission shall use up to \$3,000,000  
28 from the oil and gas research fund for the clean natural gas capture and emissions reduction  
29 program under section 54-17.6-06.1 for the biennium beginning July 1, 2023, and ending  
30 June 30, 2025. The designation under this section is considered a one-time funding item.