

**SECOND ENGROSSMENT
with Senate Amendments**

REENGROSSED HOUSE BILL NO. 1577

Introduced by

Representatives Mitskog, Kempenich, Kiefert, Martinson, Nelson, Stemen

Senators Kessel, Weber

1 A BILL for an Act to create and enact a new section to chapter 23.1-07 and a new subsection to
2 section 23.1-07-06 of the North Dakota Century Code, relating to a wastewater infrastructure
3 grant program and the duties of the department of environmental quality; to authorize a Bank of
4 North Dakota line of credit; to provide an appropriation; to provide for a legislative management
5 study; and to declare an emergency.

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

7 **SECTION 1.** A new section to chapter 23.1-07 of the North Dakota Century Code is created
8 and enacted as follows:

9 **Wastewater infrastructure grant program.**

- 10 1. The department shall award wastewater infrastructure grants to eligible entities
11 identified in subsection 2 to upgrade, replace, or construct infrastructure for a
12 wastewater collection system, wastewater disposal system, or wastewater treatment
13 plant.
- 14 2. Cities, counties, townships, water resource districts, recreation service districts, and
15 water districts operating wastewater systems in the state may receive a grant under
16 this section for an eligible project, subject to the availability of funds.
- 17 3. In awarding wastewater infrastructure grants to eligible entities, the department shall
18 prioritize eligible entities that:
- 19 a. Have experienced a reduction in previously approved federal funds or federal
20 assistance related to wastewater infrastructure projects; and
- 21 b. Are prepared to begin the wastewater infrastructure project upon receipt of the
22 grants.

1 4. An eligible wastewater system must be in compliance with current wastewater
2 regulations unless the project will return the system to compliance. Eligible projects
3 may not include operations and maintenance costs.

4 5. The department may not award a grant in excess of sixty percent of the total cost of a
5 project and shall ensure no community receives a grant for more than one project per
6 biennium.

7 **SECTION 2.** A new subsection to section 23.1-07-06 of the North Dakota Century Code is
8 created and enacted as follows:

9 Administer the wastewater infrastructure grant program.

10 **SECTION 3. LEGISLATIVE MANAGEMENT STUDY - WASTEWATER PROJECT FUND.**

11 During the 2025-26 interim, the legislative management shall consider studying the feasibility
12 and desirability of establishing a wastewater project fund to provide grants for upgrading,
13 constructing, or replacing wastewater infrastructure. The study must include input from cities,
14 counties, townships, and water resource districts. The legislative management shall report its
15 findings and recommendations, together with any legislation required to implement the
16 recommendations, to the seventieth legislative assembly.

17 **SECTION 4. APPROPRIATION - DEPARTMENT OF ENVIRONMENTAL QUALITY -**
18 **WASTEWATER INFRASTRUCTURE GRANTS - BANK OF NORTH DAKOTA LINE OF**
19 **CREDIT - ONE-TIME FUNDING.**

20 1. The department of environmental quality may borrow up to \$9,700,000 through a line
21 of credit from the Bank of North Dakota, which is appropriated to the department of
22 environmental quality for the purpose of providing wastewater infrastructure grants
23 during the biennium beginning July 1, 2025, and ending June 30, 2027. The interest
24 rate associated with the line of credit may not exceed the prevailing interest rate
25 charged to North Dakota governmental entities. The department of environmental
26 quality shall request a deficiency appropriation from the seventieth legislative
27 assembly to repay the line of credit.

28 2. Of the total appropriated in this section, the department of environmental quality shall
29 provide grants of \$7,800,000 and \$1,900,000 to entities with eligible wastewater
30 infrastructure projects under section 1 of this Act. If an entity awarded funding under
31 this section receives federal funding for the same wastewater infrastructure project,

1 the entity shall remit the federal funding to the department of environmental quality for
2 the repayment of the line of credit.

3 3. The appropriation in this section is considered a one-time funding item.

4 **SECTION 5. EMERGENCY.** This Act is declared to be an emergency measure.