

2023 JOINT POLICY

SB 2397

2023 JOINT STANDING COMMITTEE MINUTES

Policy Committee
Roughrider Room, State Capitol

SB 2397
10/23/2023

A bill relating to joint water resource boards; to repeal section 5 of Senate Bill No. 2020, as approved by the sixty-eighth legislative assembly, relating to a transfer of Bank of North Dakota profits to the water infrastructure revolving loan fund; to provide for a transfer; to provide for retroactive application; and to provide an effective date.

10:25AM Co-Chairman Klein opened the hearing.

Members Present: Co-Chairman Klein, Senator Clemens, Senator Conley, Senator Elkin, Senator Hogan, Senator Kannianen, Senator Kessel, Senator Larson, Senator Lee, Senator Luick, Senator Patten, Senator Piepkorn, Senator Roers, Senator Wobbema Co-Chairman Thomas, Representative Anderson, Representative Dobervich, Representative Headland, Representative Heinert, Representative Kasper, Representative Klemin, Representative Koppelman, Representative Longmuir, Representative Louser, Representative Ruby, Representative Schauer, Representative Schneider, Representative Weisz.

Discussion Topics:

- Water resource board
- Water infrastructure revolving loan fund
- Bill action

10:25 AM Austin Gunderson, Legislative Council explained the bill. #28057

10:28 AM Representative Schauer moved a Do Pass.

10:29 AM Representative Longmuir seconded the motion.

10:29AM Roll call vote:

Senators	Vote	Representatives	Vote
Senator Jerry Klein	Y	Representative Paul Thomas	Y
Senator David Clemens	Y	Representative Dick Anderson	Y
Senator Cole Conley	Y	Representative Gretchen Dobervich	Y
Senator Jay Elkin	Y	Representative Craig Headland	Y
Senator Kathy Hogan	Y	Representative Pat Heinert	Y
Senator Jordan Kannianen	Y	Representative Jim Kasper	Y
Senator Greg Kessel	Y	Representative Lawrence Klemin	Y
Senator Diane Larson	Y	Representative Ben Koppelman	Y
Senator Judy Lee	Y	Representative Donald Longmuir	Y
Senator Larry Luick	Y	Representative Scott Louser	Y
Senator Dale Patten	Y	Representative Dan Ruby	Y
Senator Merrill Piepkorn	Y	Representative Austen Schauer	Y
Senator Kristin Roers	Y	Representative Mary Schneider	Y
Senator Michael Wobbema	Y	Representative Robin Weisz	Y

Motion Carried 28-0-0. (House 14-0-0 Senate 14-0-0)

Senator Patten and Representative Longmuir will carry the bill.

10:30 AM Co-Chairman Klein closed the hearing.

Additional Written Testimony:

Harold Stewart, City Manager, City of Minot #28023

Carie Winings, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2397: Joint Policy Committee (Rep. Thomas, Co-Chairman) recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2397 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

SB 2397: Joint Policy Committee (Sen. Klein, Co-Chairman) recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2397 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

TESTIMONY

SB 2397

October 23, 2023

**By: Harold Stewart
City Manager, City of Minot
701-857-4784**

Mr. Chairman and members of the committee, my name is Harold Stewart and I am the City Manager for the City of Minot. Thank you for the opportunity to provide testimony today.

I would like to express my support for the funding being made available for the Infrastructure Revolving Loan Fund. These funds will be a tremendous benefit for communities around the state that are dealing with the rising cost of construction projects. Many of these projects are large scale generational projects that would be unaffordable without access to financing.

The City of Minot is exploring using the Infrastructure Revolving Loan Fund for a number of projects such as NAWS, water main replacements, lead service line replacements and flood control. The access to funding will allow the city to accelerate the construction schedule on these projects and limit the inflationary costs that would result from delaying them.

The inflation that we are currently experiencing and the volatile interest rate environment makes it very difficult to plan projects and financing for those projects. The Infrastructure Revolving Loan Fund will provide a stable and accessible source of financing for these projects that will make a positive impact on residents across North Dakota.

Thank you for your support. I will stand for any questions that you may have.



North Dakota Legislative Council

Prepared for the Legislative Management
LC# 25.9138.01000
October 2023

SUMMARY OF REENACTMENT OF PROVISIONS RELATING TO JOINT WATER RESOURCE BOARDS AND THE WATER INFRASTRUCTURE REVOLVING LOAN FUND - LC# 23.1150.01000

This memorandum describes the bill draft [23.1150.01000], which reenacts the following sections of Senate Bill No. 2015 (2023):

- Section 52, relating to joint water resource boards;
- Section 54, relating to the repeal of a Bank of North Dakota transfer to the water infrastructure revolving loan fund; and
- Section 55, relating to a Bank of North Dakota transfer to the water infrastructure revolving loan fund. ([appendix](#))

SECTION 1

Section 1 reenacts Section 52 of Senate Bill No. 2015 (2023), which amends the new subsection to North Dakota Century Code Section 61-16.1-11, as created by Section 1 of Senate Bill No. 2372 (2023). The new subsection created by Section 1 of Senate Bill No. 2372 (2023) requires all districts within the Red River, James River, Mouse River, and Missouri River to form and remain a member of a joint water resource board relative to the district's respective drainage basin. The new subsection is further amended to correct "shall" to "may" when referencing the board of county commissioners' power to approve a levy of tax not to exceed two mills upon the taxable valuation of the real property within each joint board's respective drainage basin. Without this amendment, the board would be required to approve a tax levy. The amendment provides the board discretion if a levy of tax is not required.

SECTION 2

Section 2 reenacts Section 54 of Senate Bill No. 2015 (2023), which repealed Section 5 of Senate Bill No. 2020 (2023), relating to a transfer of \$100 million of Bank of North Dakota profits to the water infrastructure revolving loan fund during the 2023-25 biennium to provide local cost-share loans for projects approved by the State Water Commission. A corrected version of the repealed language from Section 5 of Senate Bill No. 2020 was redrafted as Section 55 of Senate Bill No. 2015 (2023) as a line of credit to the Department of Water Resources to be transferred to the infrastructure revolving loan fund.

SECTION 3

Section 3 reenacts Section 55 of Senate Bill No. 2015 (2023), which provides a line of credit not to exceed \$100 million to the Department of Water Resources to be transferred to the water infrastructure revolving loan fund to provide local cost-share loans for projects approved by the State Water Commission. The section requires the interest rate charged on the line of credit to be the prevailing interest rate charged to North Dakota government entities. The Department of Water Resources is required to request a deficiency appropriation from the 69th Legislative Assembly to repay the line of credit.

SECTION 4

Section 4 provides the Act applies retroactively to July 1, 2023.

SECTION 5

Section 5 provides the Act becomes effective immediately upon its filing with the Secretary of State.

ATTACH: 1

SECTION 52. AMENDMENT. The new subsection to section 61-16.1-11 of the North Dakota Century Code, as created by section 1 of Senate Bill No. 2372, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

All districts within the Red River, James River, Mouse River, Missouri River, and Devils Lake drainage basins shall, by agreement, form and remain a member of a joint water resource board relative to the district's respective drainage basin. All agreements and subsequent amendments must be filed with the department of water resources. Notwithstanding other provisions of law, the board of county commissioners of the member districts in the Red River, James River, Mouse River, Missouri River, and Devils Lake drainage basins ~~shall~~may approve a levy of tax not to exceed two mills upon the taxable valuation of the real property within each joint board's respective drainage basin.

SECTION 54. REPEAL. Section 5 of Senate Bill No. 2020, as approved by the sixty-eighth legislative assembly, is repealed.

SECTION 55. BANK OF NORTH DAKOTA LINE OF CREDIT - WATER INFRASTRUCTURE REVOLVING LOAN FUND - TRANSFER. The Bank of North Dakota shall extend a line of credit not to exceed \$100,000,000 to the department of water resources to be transferred to the water infrastructure revolving loan fund as requested by the director of the department of water resources to provide local cost-share loans for projects approved by the state water commission pursuant to section 6-09-49.2. The interest rate associated with the line of credit must be the prevailing interest rate charged to North Dakota government entities. The department of water resources shall request a deficiency appropriation from the sixty-ninth legislative assembly to repay the line of credit.