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Sixty-third  
Legislative Assembly  
of North Dakota

**FIRST ENGROSSMENT  
with Senate Amendments  
ENGROSSED HOUSE BILL NO. 1020**

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 provide exemptions; to provide legislative intent; to amend and reenact section  
3 6-09.5-03 of the North Dakota Century Code, relating to the community water facility loan fund;  
4 to provide for legislative management reports; to provide for a loan from the Bank of North  
5 Dakota; and to declare an emergency.

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

7 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
8 as may be necessary, are appropriated from special funds derived from federal funds and other  
9 income, to the state water commission for the purpose of defraying the expenses of the state  
10 water commission, for the biennium beginning July 1, 2013, and ending June 30, 2015, as  
11 follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
14 Administrative and support services	\$3,229,873	\$1,620,136	\$4,850,009
15 Water and atmospheric resources	<u>498,413,774</u>	<u>324,694,788</u>	<u>823,108,562</u>
16 Total all funds	\$501,643,647	\$326,314,924	\$827,958,571
17 Less estimated income	<u>486,648,448</u>	<u>341,310,123</u>	<u>827,958,571</u>
18 Total general fund	\$14,995,199	(\$14,995,199)	\$0
19 Full-time equivalent positions	87.00	3.00	90.00

20 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**  
21 **SIXTY-FOURTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time  
22 funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and  
23 the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Federal stimulus funds	\$7,271,773	\$0
Ray/Tioga, Burke/Divide/Williams, Wildrose and Stanley water projects	500,000	0
Excavator	0	243,200
Office space renovation	<u>0</u>	<u>45,000</u>
Total all funds	\$7,771,773	\$288,200
Total special funds	<u>7,771,773</u>	<u>288,200</u>
Total general fund	\$0	\$0

The 2013-15 one-time funding amounts are not part of the entity's base budget for the 2015-17 biennium. The state water commission shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of the one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

**SECTION 3. SOVEREIGN LANDS ENFORCEMENT GRANT.** The administrative and support services line item in section 1 of this Act includes \$135,000 from the resources trust fund that the state water commission shall provide as a grant to the game and fish department for law enforcement activities on sovereign lands in the state, for the biennium beginning July 1, 2013, and ending June 30, 2015.

**SECTION 4. ADDITIONAL INCOME - APPROPRIATION.** In addition to the amounts included in the estimated income line item in section 1 of this Act, any additional amounts in the resources trust fund and water development trust fund that become available are appropriated to the state water commission for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2013, and ending June 30, 2015.

**SECTION 5. BANK OF NORTH DAKOTA LOAN - WESTERN AREA WATER SUPPLY AUTHORITY.** The Bank of North Dakota shall provide a loan of \$40,000,000 to the western area water supply authority for construction of the project. The terms and conditions of the loan must be negotiated by the western area water supply authority and the Bank of North Dakota and any previous loans may be added to and merged into this loan as agreed by the authority and the Bank of North Dakota. The authority may repay the loan from income from specific project features. If the authority is in default in the payment of the principal of or interest on the

1 obligation to the Bank of North Dakota for the loan, the authority is subject to the default  
2 provisions under section 61-40-09.

3 **SECTION 6. GRANTS - WATER-RELATED PROJECTS - CARRYOVER AUTHORITY.**

4 Section 54-44.1-11 does not apply to funding for grants or water-related projects included in the  
5 water and atmospheric resources line item in section 1 of this Act. However, this exclusion is  
6 only in effect for two years after June 30, 2015. Any unexpended funds appropriated from the  
7 resources trust fund after that period has expired must be transferred to the resources trust fund  
8 and any unexpended funds appropriated from the water development trust fund after that period  
9 has expired must be transferred to the water development trust fund.

10 **SECTION 7. FARGO FLOOD CONTROL PROJECT FUNDING.** Funds designated by the  
11 sixty-first legislative assembly, the sixty-second legislative assembly, and the sixty-third  
12 legislative assembly for Fargo flood control are available only for levee and dike protection until  
13 federal authorization is received for a river diversion project, at which time these funds may be  
14 expended for a river diversion project.

15 **SECTION 8. LEGISLATIVE INTENT - FARGO FLOOD CONTROL PROJECT FUNDING.** It  
16 is the intent of the sixty-third legislative assembly that the state provide one-half of the local  
17 cost-share of constructing a federally authorized Fargo flood control project and that total Fargo  
18 flood control project funding to be provided by the state not exceed \$450,000,000.

19 **SECTION 9. FARGO FLOOD CONTROL PROJECT FUNDING - EXEMPTION.** Of the  
20 funds appropriated in the water and atmospheric resources line item in section 1 of this Act,  
21 \$100,000,000 is for Fargo flood control projects, for the biennium beginning July 1, 2013, and  
22 ending June 30, 2015. Any funds not spent by June 30, 2015, are not subject to section  
23 54-44.1-11 and must be continued into the next or subsequent bienniums and may be  
24 expended only for Fargo flood control projects, including levees and dikes. Except as otherwise  
25 provided, these funds may be used only for land purchases and construction, including  
26 right-of-way acquisition costs and may not be used for the purchase of dwellings. No more than  
27 ten percent of these funds may be used for engineering, legal, planning, or other similar  
28 purposes. The city of Fargo, Cass County, and the Cass County joint water resource district  
29 must approve any expenditures made under this section. Costs incurred by nonstate entities for  
30 dwellings or other real property which are not paid by state funds are eligible for application by  
31 the nonstate entity for cost-sharing with the state.

1       **SECTION 10. LEGISLATIVE INTENT - RED RIVER VALLEY WATER SUPPLY.** Of the  
2 funds appropriated in the water and atmospheric resources line item in section 1 of this Act,  
3 \$11,000,000 is for the Red River valley water supply project, for the biennium beginning July 1,  
4 2013, and ending June 30, 2015.

5       **SECTION 11. LEGISLATIVE INTENT - BOND PAYMENTS.** Of the funds appropriated in  
6 section 1 of this Act, \$60,000,000 in the water and atmospheric resources line item is from the  
7 resources trust fund for the purposes of paying off or defeasing outstanding bond issues. The  
8 state water commission may expend funds for this purpose only if available funding from the  
9 resources trust fund for water projects for the biennium beginning July 1, 2013, and ending  
10 June 30, 2015, has exceeded \$287,000,000.

11       **SECTION 12. FARGO FLOOD CONTROL - REPORTS TO THE BUDGET SECTION.** The  
12 Fargo-Moorhead area diversion authority board shall report to the budget section prior to  
13 December 2013 and prior to October 2014 regarding an update on congressional authorization  
14 of the diversion project and the status of the self-insured crop insurance pool, mitigation efforts,  
15 easements, and the project budget.

16       **SECTION 13. AMENDMENT.** Section 6-09.5-03 of the North Dakota Century Code is  
17 amended and reenacted as follows:

18       **6-09.5-03. Transfer of funds - Revolving fund.**

19       A community water facility loan fund with an authorized ceiling of ~~ten~~twenty-five million  
20 dollars is hereby established from the future undivided profits of the Bank of North Dakota or  
21 other state funds. This is a revolving fund, and all moneys transferred into the fund, interest  
22 upon fund moneys, and collections of interest and principal on fund loans must be used for the  
23 purposes of this chapter.

24       **SECTION 14. EMERGENCY.** The water and atmospheric resources line item in section 1 of  
25 this Act and section 5 of this Act are declared to be an emergency measure.