



Highlights from State Agency Budgets Impacting North Dakota Cities June 2023

NDLC staff summarized the highlights from the agencies' budgets impacting cities. This document only provides highlights from the appropriation bills. The entire bill must be reviewed to fully understand the provisions of the bills.

HB 1012 North Dakota Department of Transportation (NDDOT)

HB 1012 contains the appropriation to fund the NDDOT and makes significant additional investments in transportation infrastructure including:

- shifting 50% of the motor vehicle excise tax collections, which is estimated to be \$171.5 million, from the state general fund to the flexible transportation fund;
- providing an additional \$51 million appropriation for the flexible transportation fund;
- creating the legacy earnings highway distribution fund which directs the spending of \$100 million of legacy fund earnings from HB 1379. This results in an additional approximately \$10.3 million going to cities.

The flexible transportation fund was created by SB 2113 and is administered by the director of NDDOT to match federal grants, for state-funded road and bridge construction, and for state-funded construction for roads off the state highway system.

HB 1014 North Dakota Industrial Commission (NDIC)

HB 1015 provides the appropriation to fund the programs managed by the NDIC and includes:

- \$7,500,000 for the Outdoor Heritage Fund per year; and
- \$13,750,000 for the Housing Incentive Fund.

HB 1018 North Dakota Department of Commerce

HB 1018 contains the appropriation to fund the North Dakota Department of Commerce and creates the following new programs:

- provides \$1.5 million for a rural workforce housing grant program for cities with under 10,000 residents;
- provides \$25 million for the tourism destination development initiative program.

HB 1024 North Dakota Department of Environmental Quality (NDDEQ)

HB 1024 contains the appropriation to fund the NDDEQ and includes an appropriation giving NDDEQ the authority to spend up to \$25 million of federal funds for grants for political subdivisions with a population of 10,000 or less for lead pipe removal and other projects, such as sewer projects, eligible for funding from the state clean water revolving loan fund.

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SB 2003 North Dakota Attorney General (NDAG)

SB 2003 provides the appropriation to fund the NDAG office and includes an appropriation for city and county charitable gaming grants, that are distributed based on charitable gaming activity in the city, adds 4 full-time employees to the state crime lab, and provides for a study of the state crime lab.

SB 2004 North Dakota State Auditor (NDSAO)

SB 2004 provides the appropriation to fund the NDSAO office. It includes one full-time training employee position that will provide training for political subdivisions.

SB 2010 North Dakota Insurance Commissioner

SB 2010 provides the appropriation to fund the North Dakota Insurance Commissioner's office, including funding for the North Dakota Firefighter's Association. It also provides that the North Dakota Insurance Reserve Fund is subject to several provisions related to regulating insurance companies.

SB 2015 North Dakota Office of Management (NDOMB)

SB 2015 provides the appropriation to fund the NDOMB. It includes:

- an additional appropriation of \$5 million for the snow removal grants in SB 2183; and
- a provision moving the effective date of converting the NDPERS retirement system from a defined benefit to a defined contribution system to January 1, 2024 of the NDPERS Board certifies that it is ready to close the system.

SB 2019 North Dakota Parks & Receptions Department

SB 2019 provides the appropriation to fund the North Dakota Parks & Receptions Department and provides \$6 million for the city, county, and tribal matching grant program. The program requires a one-to-one match and provides \$1,000,000 of funds for communities with a population of 15,000 or less with up to \$150,000 per entity and provides \$5,000,000 for communities with a population of more than 15,000 and up to \$1,000,000 per entity.

SB 2020 North Dakota Department of Water Resources (NDDWR)

SB 2020 provides the appropriation to fund the NDDWR. It includes:

- \$89.2 million for municipal water supply grants;
- \$52 million for rural water supply grants;
- Up to \$100 million for the water infrastructure revolving loan fund;
- \$115.7 million for flood control projects;
- \$275.7 million for state water projects, including the Northern Area Water Supply and Western Area Water Supply projects; and
- Authority for up to \$953,000,000 for the Red River Water Supply project.