



Western Dakota Energy Association
Legislative Report, January 14, 2017
[Geoff Simon](#), Executive Director

The week began with WDEA's Six-City Study presentation at the Capitol on Monday. The study examined population data, oil price predictions and historic growth patterns to develop future growth projections in Williston, Dickinson, Watford City, Tioga, Stanley and Killdeer. The study will be important to help legislators understand the need for ongoing financial support in the oil-producing counties. Additional details are available [here](#).

To date, 546 bills and resolutions have been introduced in the 2017 North Dakota Legislature. Reports indicate another 400 or so bills are in the hopper and will be introduced before the deadline later this month.

There's growing controversy surrounding [HB 1166](#), a bill introduced by House Majority Leader Al Carlson, R-Fargo, that would eliminate a "trigger" that would raise oil taxes if the price of oil rises above \$90/barrel. Current law would raise the state's extraction tax from 5% to 6% if oil rises above \$90/bbl for three consecutive months. Carlson argues that it's bad tax policy, and would hurt North Dakota which must compete with other states that have lower oil taxes. However, the Three Affiliated Tribes have objected to the legislation, and say it violates terms of a revenue sharing agreement between the state and tribal governments. Tribal officials are now threatening to raise taxes on oil produced on the reservation, where little drilling activity occurred before the agreement was reached.

The House Energy and Natural Resources Committee heard more than two hours of testimony on [HB 1151](#), introduced by Rep. Roscoe Streyle, R-Minot, that would no longer require the oil industry to report spills of less than 10 barrels that are confined to a well pad. Streyle argues that so many minor spills are reported, it gives the public the impression the industry is irresponsible, which he says it is not. There was considerable opposition to the bill from landowners and others who were concerned if spills aren't reported, they won't get cleaned up.

WDEA has opposed a section of the state treasurer's appropriations bill, [HB 1065](#), that would have a financial impact on Oliver County. The legislation strikes a provision that partially reimburses Oliver County for coal severance revenue that was taken away to compensate Morton County for impacts associated with the coal mining operations in southern Oliver County. It's not a huge amount – about \$228,000 – but means a lot to local government in Oliver County. No action has been taken on the bill, and we'll continue to work with committee members to find a solution.

One bill strongly supported by WDEA has already cleared its first house. [SB 2045](#) would make permanent a provision enacted in 2013 that allows counties to receive civil penalties imposed for overweight truck violations. The bill removes a sunset clause attached when the provision was enacted four years ago. The measure was intended to encourage enforcement, which had been inconsistent on county roads because there was little incentive because all fines and penalties went to the state. The law was reviewed by the interim Transportation Committee, which endorsed the bill.

Several bills have been introduced related to the Dakota Access Pipeline protest. One bill would require the state Attorney General to file a lawsuit against the Army Corps of Engineers to recoup law enforcement costs associated with the protest. Other bills would make it a crime to wear a mask to disguise one's identity while participating in a protest, and another bill would criminalize public demonstrations that cause economic harm to businesses.

Legislation ([HB 1255](#)) has been introduced that would initiate a process to allow longer, heavier trucks on North Dakota roads. Several states have already enacted laws that allow trucks weighing up to 129,000 pounds. The legislation is the result of a [Truck Harmonization Study](#) that examined the potential impact of heavier trucks on the state's roads and bridges. Advocates of the legislation say it would allow North Dakota to become an "inland port," routing container vessels full of grain or other commodities to rail facilities that would transport them to Duluth for export to the world.

Discussion surrounding funding legislation to support growth in the oil-producing counties will grow in prominence in the coming weeks. Legislation will be introduced to adjust the Hub City funding formula. We also expect an appropriations measure that will provide money for energy impact aid grants that were suspended in 2016 due to the decline in oil tax revenue.