



Western Dakota Energy Association  
Legislative Report, February 11, 2017  
[Geoff Simon](#), Executive Director

All three of WDEA's priority bills are awaiting action on the House floor. We have been advised that [HB 1366](#), the Hub City and impact grant legislation, will be at the top of the calendar when the House convenes at 1:00 Monday, Feb. 13. The legislation emerged this past Monday from the House Finance and Taxation Committee with an 8-6 Do Not Pass recommendation following an hour of discussion. On a 9-5 vote, the committee approved an amendment from Williston Rep. Pat Hatlestad that struck the \$600,000 per percentage of mining employment from the bill, reducing it \$375,000 which is in current law. Opponents of the legislation argue that it's premature to determine spending commitments until the legislature sees the next revenue projection figures due out in March. But leadership acknowledges the state has an obligation to help oil-affected communities service debt incurred as a result of booming oil activity the past decade. We expect plenty of discussion during the Monday floor session. House members, especially newcomers, will be reminded that oil companies pay production taxes in lieu of property taxes, so oil tax revenue should go back to those western North Dakota communities incurring the impacts of oil development.

Also on the Second Reading list in the House is [HB 1368](#), legislation that would grant counties the authority to appeal a decision of the State Board of Equalization to district court. The bill was sent out of the House Finance & Taxation Committee on a 9-5 Do Not Pass vote. WDEA supports the bill because counties that believe the state board erred do not have a right to appeal to district court. If a property is undervalued, its owner is undertaxed, which means that tax burden is shifted to other property owners in the county.

A House vote will soon occur on [HB 1320](#), a bill that would resolve issues with WDEA's [Uniform Truck Permit System](#). The legislation came out of committee with a 12-0 Do Pass Recommendation. The bill's sponsor, Representative Dan Ruby of Minot, discussed the legislation with Scott Hennen on Energy Matters this week. Click [here](#) to listen to that seven-minute interview. Additional details about the bill are available [here](#).

WDEA testified this week in opposition to [SB 2286](#), a bill that would eliminate zoning powers of local government in cases involving the siting of oil and natural gas pipelines. The legislation was pitched as an efficiency measure to avoid duplicative hearings. Both local zoning boards and the Public Service Commission conduct hearings at which similar information is presented and discussed. While WDEA believes accommodations can be made to make the hearing process more efficient, the bill would establish that a PSC siting decision supersedes the actions of a local zoning board. WDEA believes local boards play an important role in protecting the economic and quality-of-life concerns of adjoining land and home owners.

The Senate Energy and Natural Resources Committee heard testimony this week on [SB 2327](#), a bill that would separate the functions performed by the Environmental Health Section of the Department of Health, and create a new state Department of Environmental Quality. The Environmental Health Section is responsible for state implementation of many of the regulations of the federal Environmental Protection Agency. Representatives of the Health Department testified in support of the legislation. They say the language in the 141-page bill will be thoroughly vetted with the EPA to ensure the state retains primacy over federal environmental regulations.

The House is expected to vote next week on [HB 1408](#), a bill that would establish a natural gas pipeline infrastructure loan fund. The legislation would use \$100 million from the principal of the legacy fund to create a no-interest loan fund for development of natural gas pipeline infrastructure that would deliver gas to areas of the state without existing natural gas service or to low-income areas of North Dakota. Research shows 21 communities with a population of 1,000 or more do not have natural gas service. Extending infrastructure to serve them is expensive, averaging about \$1 million per mile of transmission pipeline. The bill, sponsored by Rep. Marvin Nelson, D-Rolla, is unlikely to pass. It emerged from committee with a 12-1 Do Not Pass recommendation.