Western Dakota Energy Association Legislative Report, February 18, 2017 Geoff Simon, Executive Director





Dickinson Rep. Mike Lefor spoke in favor of HB 1366 during debate on the House floor.

WDEA's top legislative priority, <u>HB 1366</u>, Hub City and impact grant legislation, went down to defeat on a 54-37 vote Tuesday. But legislative leaders have assured western legislators the issue will be revisited in the second half of the session. Majority leader Al Carlson, R-Fargo, urged fellow lawmakers to reject the legislation for now, to give leadership time to get a better view of the budget picture when an updated revenue estimate is issued March 9. The original bill would have provided \$600,000 per percentage of mining employment to the hub cities of Dickinson, Minot and Williston. The bill also would have appropriated \$200,000 per employment percentage to each hub city school district, as well as \$60 million to fulfill previous legislative commitments to provide grant funds to other communities impacted by oil development.

Another bill advocated by WDEA was narrowly defeated this week. <u>HB 1368</u> would have granted counties the authority to appeal a decision of the State Board of Equalization to district court. It failed 44-47, just four votes short of the margin needed for passage. WDEA supported the bill as a means to allow counties to look out for the interests of all taxpayers because if a property is undervalued, its owner is undertaxed, and that burden is shifted to other property owners.

The House unanimously approved <u>HB 1320</u>, legislation strongly supported by WDEA that is a step toward ensuring uniformity and efficiency in the movement of oversize vehicles in the Bakken region, and potentially throughout the state of North Dakota. The bill was developed by a working group that included WDEA, the ND Petroleum Council, the ND Association of Counties, the ND Motor Carriers Association, the ND Association of Township Officers, several energy industry participants, and a few key legislators.

The Senate Energy & Natural Resources Committee approved an amended version of SB 2286, a bill that would effectively eliminate zoning powers of local government in cases involving the siting of oil and natural gas pipelines. The legislation essentially sets the Public Service Commission up as the local zoning board, taking that power away from the political subdivision. The amended language compels the PSC to consider the factors that a local zoning board would consider in a hearing for a conditional use permit. It requires the PSC to notify local zoning bodies when a permit application has been submitted, and allows local political subdivisions 10 days to provide the requested information about road access, right-of-way and other considerations.

Wind energy proponents have taken a beating this session, and another development Friday will further test their resolve. The Senate Energy & Natural Resources Committee approved an amended version of SB 2314 that would impose a two-year moratorium on the construction of any new wind farms in North Dakota. Sen. Dwight Cook, R-Mandan, offered the amendment which passed the committee on a 4-3 vote. Cook said he's concerned additional wind installations that provide intermittent energy are unnecessarily driving up the price of electricity, and at the same time damaging the viability of coal-fired generating plants, which provide power 24 hours a day.

The ND House of Representatives passed a bill this week that could make it possible for more unserved communities to obtain natural gas service. HB 1398 would allow cities to negotiate a service agreement with an energy provider, which would exempt the community from PSC rate regulation. Its sponsor, Rep. Jon Nelson, R-Rugby, said communities could be served by tanker trucks of compressed or liquefied natural gas in areas where there is no natural gas pipeline nearby. Meanwhile, by a 72-18 vote, the House rejected HB 1408, a bill that would establish a natural gas pipeline infrastructure loan fund. The legislation would have used \$100 million from the principal of the legacy fund to create a no-interest loan fund for development of natural gas pipeline infrastructure.