Western Dakota Energy Association
Legislative Report, February 25, 2017
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Crossover has arrived, the halfway point of the legislative session when all House bills have to be passed or defeated by the House, and all Senate bills must have cleared the Senate. At the top of WDEA's agenda in the session's second half will be securing funds to address oil industry impacts in the Hub Cities of Dickinson, Minot and Williston, as well as fulfilling previous commitments to provide oil impact grants to other Bakken communities. House leaders have assured western legislators their financial needs will be addressed. We'll be watching SB 2013, the budget bill of the state office of university and school lands, which is the "vehicle" most likely to be used to carry Hub City funding provisions.

The House approved what we've called the "tipple bill," a reference to the term used to describe the location where coal is mined. It's actually the Treasurer's office appropriations bill (HB 1005). As introduced, the bill contained a provision to eliminate the state's reimbursement to Oliver County for a portion of its coal severance tax revenue that goes to Morton County. The revenue sharing came about years ago to address impacts in Morton County related to the tipple in southern Oliver County. The original bill would have zeroed out $228,000 to reimburse Oliver County, but has been revised so that units of government in Oliver County will now see a reduction of about $14,000 per year.

The ND Senate voted 29-17 to defeat a bill that would have given the state a share of wind tax revenue. All of the money is now shared among political subdivisions in the county in which a wind farm is located. The original version of SB 2209 would have given the state 70% of wind energy taxes. Wind farms pay a tax based on their generating capacity and energy production, rather than paying property taxes. The bill's sponsor said the measure was intended to share wind energy taxes similar to the manner in which oil and gas tax revenue is distributed. But opponents said revenue from wind taxes is already inadequate to cover the cost of roads and other local impacts, and that reducing the local share of tax revenue would discourage approval of future wind projects.

The Senate also defeated a proposal to impose a two-year moratorium on the construction of new wind farms. Instead it approved SB 2314, a bill that calls for a study of the state's long term needs for electricity, as well as the tax and financial implications associated with various forms of generation. The moratorium had been proposed in response to concerns that the growing wind industry threatens the viability of North Dakota's $3 billion lignite coal industry.

Legislators have hundreds of bills left to consider in the second half of the 2017 session, many of which will have an impact on WDEA members. Some of the remaining issues include:

- HB 1320, a bill that will help improve operation of the association's Uniform Truck Permit Program. The bill's next stop is the Senate Transportation Committee.

- SB 2286, a bill intended to streamline the siting process of natural gas and oil transmission pipelines. The legislation provides that PSC decisions "supersede and pre-empt any local land use or zoning regulation."

- HB 1151, the so-called spill bill that would no longer require spills of less than 10 barrels to be reported, but only if the spill is contained to a well pad with an impermeable liner.

- HB 1255, which would allow trucks weighing up to 129,000 pounds on Highways 2, 83 and 85, and Highway 52 from Minot to the Canadian border. Interstates 29 and 94 would also be included, subject to federal approval.

- SB 2045, a bill which allows counties to continue to receive penalties from overweight load enforcement on county roads.

- SB 2327, which carves out from the Health Department a separate Department of Environmental Quality.

- SB 2341, a bill which as amended would require all commercial trucks to have mud flaps.