



Western Dakota Energy Association
Legislative Report, March 11, 2017
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North Dakotans received more bad news this week about the state's revenue picture. Governor Doug Burgum and state budget department officials presented the news in the Brynhild Haugland Room at the Capitol, which was filled with a standing-room-only crowd of legislators, lobbyists and other interested citizens. Bottom line, the state's current revenue projections are expected to come up \$46 million short in the current biennium. Nearly all of the reduction is attributable to lower-than-expected sales tax revenue. The Office of Management and Budget recommended lowering projected revenue for the 2017-19 biennium another \$103 million. The lower numbers put even more pressure on legislators already struggling to find enough money to meet the state's needs. Presentation materials from the budget office and Moody Analytics are available for download on the [OMB web site](#).



WDEA was able to reach a tentative compromise on [SB 2286](#), a bill that would make the Public Service Commission the final authority in the siting of gas and liquid transmission pipelines. Currently, a pipeline company applies to the PSC for a construction permit. Once approved, the company then obtains the necessary permission from local authorities by seeking a conditional use permit from the county, city or township. The legislation would remove that final step, and instead compel local zoning authorities to submit their conditions to the PSC, which would in turn ensure the pipeline company complies with the requirements. WDEA remains concerned about the loss of local control, but has been persuaded to support the legislation with the proposed addition of an interim study of the revised siting process.

The mud flap bill went down to defeat on a 72-19 vote in the House this week. [SB 2341](#), introduced by Sen. Brad Bekkedahl, R-Williston, would have required all commercial trucks to have mud flaps that cover the rear wheels. House members were persuaded by arguments that the use of mud flaps is standard practice in the trucking industry, so the legislation wasn't necessary. North Dakota will remain one of just 11 states that doesn't require mud flaps.

One of the bills WDEA has been watching is nearing the finish line. [SB 2045](#) would remove the "sunset" on the ability of counties to keep civil penalties imposed when overweight trucks are cited on county roads. The provision was added to the Century Code in 2013 as an incentive for overweight enforcement on county roads. This week the bill cleared the House Transportation Committee on a 13-1 vote. But because it carries a \$200,000 fiscal note, the bill must make an obligatory stop in the House Appropriations Committee before heading to the House floor for final consideration.

HB [1151](#), the so-called "spill bill," had its first hearing in the ND Senate this week. The bill has already been approved by the House on an 82-11 vote. If the legislation is approved, oil producers would no longer be required to report spills of less than 10 barrels if the spill was confined to a well pad with an impermeable liner. Because there is some ambiguity in the term "impermeable," an amendment has been proposed that would specify that the bill's provisions apply to well pads constructed after the year 2000 when new standards were placed into administrative rule. Spill of less than 10 barrels would not be ignored. Producers will still be required to log those incidents, and the file would be available for review by the surface owner.

One of WDEA's priority bills is scheduled for a committee hearing next Thursday, March 16, in the Senate Transportation Committee. [HB 1320](#) contains provisions aimed at improving operation of WDEA's Uniform Truck Permitting System. Among other things, the bill would establish a truly uniform system by ensuring participation of all political subdivisions in a county; it instructs the ND DOT and Highway Patrol to choose the most efficient routing, considering the impacts on city, county, township, and state roads; and the bill would allow negotiation of a separate road use agreement when a permit is denied.