



**Western Dakota Energy Association  
Legislative Report #3, January 23, 2021  
[Geoff Simon](#), Executive Director**



It turns out it was a [tongue-in-cheek move](#) by Human Services Committee Chairman Robin Weisz, but for a time it had lobbyists and visitors asking, “can they do that?” Rep. Weisz had posted a sign on the committee room door, warning those entering that if they didn’t plan to testify, they were subject to a \$20 fine. The fine, of course, was unenforceable considering all legislative discussions are subject to open meeting laws. Weisz’ message was basically suggesting that only serious parties should appear in person due to virus-related space limitations. Others can [watch committee meetings online](#) via legislative video.

Monday of Week 3 marked the deadline for House members to introduce bills, and there was a massive last-minute pile. In all, 131 new bills arrived, producing a collective groan among lobbyists. Some were original ideas, while others were newer versions of bills previously introduced. Case in point was [HB 1431](#) introduced by Majority Leader Chet Pollert. It’s a scaled-down version of a previous bonding bill ([HB 1132](#)) touted by Senate Majority Leader Rich Wardner at a [news conference](#) during the first week of session. The key section of the new bill for western North Dakota is a \$70 million appropriation to repay loans issued to the Western Area Water Supply Authority from the Resources Trust Fund. The bill would also provide \$92.5 million for career and tech ed, \$70 million for bridges on the state highway system, \$50 million to the infrastructure revolving loan fund and \$3 million to Dickinson State for a Pulver Hall project. The career and tech ed allocation specifies that \$15 million go to Dickinson, \$9 million to Watford City and \$9 million to Minot.

Another significant new bill is [HB 1425](#), sponsored by Rep. Mike Nathe of Bismarck. The bill would require that 20% of new deposits in the Legacy Fund be invested in North Dakota. The bill splits the money into two parts: 1) 10 percent to fixed income investments, with 40% for infrastructure loans to political subdivisions, and 60% to the Bank of North Dakota’s certificate of deposit match program fixed at treasury rates, and 2) 10 percent to equity investments, some of which would go toward “investing in emerging or expanding companies in the state.” Also of significant interest to the energy sector is [HB 1452](#), which would establish a clean sustainable energy authority. The authority would function somewhat like the existing Oil & Gas Research Council and Lignite Energy Council, but its focus would be on cutting-edge energy development projects including CO2 capture and new developments in oil recovery. ND Petroleum Council President Ron Ness [described](#) the concept during the weekly conference call of the EmPower Commission. The authority would be jump-started with a \$25 million appropriation. It would make funding recommendations to the Industrial Commission, including “grants, loans, or other forms of financial assistance to qualified entities for the research, demonstration, development, and commercialization of projects, processes, activities, and technologies that reduce environmental impacts and use energy sources derived from within the state industry.”

Numerous bills have been introduced aimed at benefiting the lignite industry. Foremost among them is [HB 1412](#), the sponsor of which is House Appropriations Committee Chairman Jeff Delzer of Underwood. The bill would grant partial relief from the coal conversion tax, producing an estimated savings of \$27.5 million per biennium. Delzer’s bill would offset forgiveness of the conversion tax with a lignite research tax. The legislation would have no impact on the portion of the coal conversion tax that supports local government in the coal-producing counties. [HB 1455](#), introduced by Rep. David Nehring, empowers the Public Service Commission to conduct public hearings in the affected counties when notified of the planned closure of a coal-fired power plant. The PSC could also request a reliability study on the impact of the facility’s retirement on the grid, and enact rules governing site reclamation. Rep. Nehring also introduced [HB 1458](#), which would impose a tax on wind generation equal to 50% of the production tax credit received by the owner, to be deposited in a grid reliability and resiliency fund to be administered by the PSC.

WDEA’s Executive Director was spotted testifying at the podium a couple times this week. We supported [HB 1179](#), which would remove a requirement that counties and school districts provide a detailed report of their expenditures of gross production tax dollars. The reports are submitted to the Tax Commission, but it was noted during interim committee testimony that no one has ever requested the reports, and the information is available from other sources. There is a similar reporting requirement for Hub Cities enacted in 2013, but curiously the legislation didn’t make it into Century Code. WDEA also testified in support of [SB 2020](#), which appropriates funding to the Upper Great Plains Transportation Institute and the North Dakota Agricultural Weather Network.



It will be a busy week ahead at the Capitol. Click [here](#) for a schedule of committee hearings on the bills we are tracking.