



**Western Dakota Energy Association
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What is likely the most significant bill of the 2021 session had its first hearing this week before the House Appropriations Committee. The Republicans' bonding bill, [HB 1431](#), was the subject of testimony from 19 individuals in a hearing that lasted nearly three hours. Pictured here is Minot Mayor Shaun Sipma, who reviewed progress on the Souris River flood control project. Committee members asked dozens of questions as they scrutinized spending proposed by the \$800 million bonding package. Click [here](#) to see the lengthy list of written testimony. Click [here](#) for video of the committee hearing.

Legislative hearings were also conducted this week on a package of coal-related bills. One of them, [SB 2287](#), not only received committee approval, it passed the Senate on a 46-1 vote. The bill is among several that are a response to ESG, the Environmental and Social Governance movement. It's an inexplicable response to political pressure from leftwing activists who've been successful in convincing large investment firms that fossil fuels are somehow unsustainable, despite the fact that more than 80 percent of the energy used in America comes from hydrocarbon fuels. But it's had a major impact not only squeezing out investment capital for fossil fuels, but the perceived risk associated with coal has artificially driven up the cost of insurance as much as 300 percent. SB 2287 provides for a study of the issue to determine whether the current insurance market fairly calculates risk factors connected to coal, and whether a state-based insurance product is necessary to insure against actual risk factors at an appropriate price.

Another bill of major importance to the lignite industry is [HB 1412](#), a bill that provides a temporary "tax holiday" from a portion of the coal conversion tax. The bill, which was heard in the House Finance and Taxation Committee, would reduce the state portion of the tax 60 percent for five years, saving the industry about \$30 million per year. The same committee also heard [HB 1458](#), which would impose a tax equal to half of the production tax credit collected from new wind farms, earmarking the revenue to lignite research. No action was taken on either bill. The House Energy and Natural Resources Committee held a hearing on [HB 1455](#), which would require the Public Service Commission to hold hearings when a utility intends to shut down a coal-fired power plant. The measure was initially opposed by utilities, but lobbyists for cooperative and investor-owned utilities testified in support of a proposed amendment to the bill.

ESG concerns are the subject of [SB 2291](#), which was heard this week by the Senate Energy and Natural Resources Committee. The bill directs state agencies to avoid contracting with companies that support ESG practices, and to study the impact of divesting state funds from companies that boycott energy or ag commodities. James Leiman, the Commerce Department's director of strategic initiatives, characterized ESG as the state's "biggest problem since the Great Depression." He said the lack of available capital to support operations in the oil, gas and coal industries poses a major threat to the state's economy, and told committee members the movement is spreading to agriculture as well.

The House Transportation Committee heard [HB 1315](#), a bill that would raise the interstate speed limit to 80 mph, and require vehicles to travel at a minimum speed of 40 mph. A representative from the ND Department of Transportation testified that it would cost about \$500,000 to replace the current 75 mph signs, and add signs indicating the 40 mph minimum. Concerns were expressed that sections of the interstate are not designed for speeds of 80 mph. Members of the committee also heard comments from trucking and agriculture lobbyists that the bill should provide exemptions for permitted oversize trucks and farm machinery. The committee took no action on the bill.

North Dakota drivers could be paying a little more at the pump if the legislature approves a proposed increase in the motor fuel tax. [HB 1464](#), introduced by Dickinson Rep. Vicky Steiner, would increase the user fee on motor fuels by six cents a gallon, generating an additional \$44 million per year for road and bridge construction. The bill would also more than double the user fee now imposed on electric and hybrid vehicles. The state motor fuel tax was last increased in 2005. The bill was approved by the committee on 9-5 vote, and will be on the House floor next week. Click [here](#) to see to a list prepared by NDACo that shows the projected revenue that the bill would generate for individual counties.

The K-12 education funding bill received unanimous approval in the House Education Committee, and will next be heard by the Appropriations Committee. It contains a 1-and-1, meaning a one percent increase in the current per-pupil Foundation Aid payment of \$10,036 each year of the coming biennium. The bill also provides a formula that will get "transition maximum" school districts on the funding formula. Transition minimum districts were addressed last session.

Click [here](#) to see WDEA's bill tracking list. Click [here](#) to see the schedule of committee hearings in the coming week.