



Western Dakota Energy Association
Legislative Report #6 - February 9, 2019
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The bitter cold Arctic air that settled in last week doesn't seem to be in any hurry to vacate the Northern Plains. Williston recorded a record low of -43°F Friday morning, and the ND Ag Weather Network recorded the lowest temperature in its history with a -47°F reading at its Hofflund station east of Williston. Despite the brutal cold, action at the ND Capitol was heating up as committees took action on bills they previously heard, sending more bills to the floor, meaning longer sessions in each chamber. For the most part the Senate has been keeping up with the volume of bills flowing from its committees, but Friday's calendar found the House more than 70 bills in arrears. Look for longer floor sessions and even more action on bills pending in committee as the February 22 crossover deadline approaches.

The House Finance and Taxation Committee voted 9-5 this week to approve [HB 1066](#), otherwise known as Operation Prairie Dog, which is WDEA's top priority this session. An amendment tacked on by the committee caused some concern among non-oil supporters of the legislation which would create separate \$115 million infrastructure buckets for non-oil producing cities and counties/townships. The amendment would put \$400 million in incoming GPT revenue into the Strategic Investment and Improvement Fund before any money flows into the city/county buckets, creating some doubt if the infrastructure buckets would fill, and even more doubt if an amended \$20 million airport bucket below the city/county buckets would get any money at all. The bill has been re-referred to the House Appropriations Committee, where it is tentatively expected to be discussed next Tuesday. Click [here](#) to see the House amendment.



The politics of [SB 2312](#) took center stage this week as Governor Burgum, MHA Nation Chairman Mark Fox and others held a news conference to declare their support for the legislation that would formalize a new agreement between the state and tribe for sharing tax revenue from oil produced on the Ft. Berthold Reservation. The bill received its first hearing before the Senate Finance and Taxation Committee, which will likely act on the measure next week. The bill would change the current 50-50 tax split so that 80 percent of the tax from new wells on trust lands would go to the tribe and 20 percent would go to the state.

On fee land, 80 percent would go to the state and 20 percent to the tribe.

Unless resurrected in some other legislation, the prospect of raising the state's 23¢/gallon gas tax is no longer on the table. Separate bills to raise the motor fuel tax were defeated in both the House and Senate this week. [SB 2288](#) which would have raised fuel taxes from 23 cents to 27 cents per gallon, went down on a 26-18 vote in the Senate. On the House side, [HB 1301](#) which would have raised the gas tax to 30¢/gallon was defeated 77-15. Several representatives did express interest in a separate provision in the House version that requested an interim study of the effect of center line rumble strips on the life of roads. One member joked that rumble strips were "the bane of some people's existence."

Three bills heard in committee last week that would use money from the Common Schools Trust Fund to pay for school construction and maintenance went down to defeat on the House floor this week. [HB 1525](#), which would have required the Board of University & School Lands to use the fund to address any new school construction needs, was rejected on a 75-17 vote. Two other Common Schools bills – [HB 1350](#) and [HB 1353](#) – were defeated by similar margins. The Senate defeated a pair of bills proposed by Tioga Senator David Rust. [SB 2160](#) would have allowed school districts to keep more in-lieu-of funding by apportioning revenue to various budget categories. [SB 2161](#) would have provided rapid enrollment grants to districts with an average enrollment increase of 125 students for the past five years. The Senate unanimously approved [SB 2214](#), which would establish a \$250 million school construction assistance revolving loan fund to provide 2% loans from the Bank of North Dakota. Two other bills aimed at assisting school construction efforts are awaiting action. [HB 1365](#), which would eliminate the 75% imputation requirement for in-lieu-of revenue equivalent to mills levied for a sinking and interest fund, is awaiting action in the House Appropriations Committee. The House Political Subdivisions Committee heard considerable supporting testimony for [HB 1437](#), but did not act on the bill which would allow school districts to seek voter approval of a sales tax increase to fund construction needs.

A House committee approved [HB 1435](#) that would fund development of a statewide interoperable radio network for first responders; a separate committee approved [HB 1530](#) that would use Legacy Fund earnings to reduce state income taxes; and the Senate approved [SB 2331](#) that would phase in a plan to give the state a share of wind tax revenue.

Week Seven promises lots of committee work to make decisions on bills that have already had a hearing, and further discussion by House and Senate Ethics Committees struggling to clean up the mess created by passage of Measure One.