

Western Dakota Energy Association Legislative Report, January 5, 2019 Geoff Simon, Executive Director

The 2019 Legislature gaveled in Thursday, January 3, on an abnormally warm winter day, topping out at 46°F in the capital city. The weather was a sharp contrast to the opening day of the 2017 session, which occurred in the midst of an extremely snowy December/January period in Bismarck. Snowmelt splashing in the streets and parking lots was a welcome change compared to the opening of the 2017 session when neighborhood streets were clogged with heavy snow.



Security concerns related to the Dakota Access Pipeline protest in 2017 led to the cancellation of the Tribal-State Relationship Message and the State of the Judiciary address, both of which were re-instated this year and kicked off the 2019 session. Spirit Lake Tribal Chairperson Myra Pearson (shown in the photo) delivered the message for the tribes, and Chief Justice Gerald VandeWalle, still serving the state at age 85, provided remarks about the state of North Dakota's judicial system. Governor Doug Burgum delivered his state-of-the-state message to a joint session in the afternoon, highlighting record production in the state's energy structure, innovation in the state's development of unmanned aircraft systems, ongoing workforce challenges and the opportunity to establish the Theodore Roosevelt Presidential Library at the entrance to the national park named for him near Medora.

At the top of WDEA's legislative agenda is an infrastructure funding package known as Operation Prairie Dog, so named by Senate Majority Leader Rich Wardner because the little critters are good at building infrastructure. The legislation, which will begin in the House (HB 1066), would provide funding to the hub cities of Dickinson, Williston and Minot, and make revisions in the formula for distributing oil and gas tax revenue to western communities. The legislation would also establish "buckets" to provide infrastructure funding to non-oil cities, counties and townships, using funds that would otherwise land in the state's Strategic Investment and Improvements Fund (SIIF). The bill would create a \$115 million bucket to be doled out to non-oil cities for essential infrastructure projects, and a separate \$115 million bucket for counties and townships distributed based on county, township, and tribal road and bridge infrastructure needs as compiled by the Upper Great Plains Transportation Institute. The bill has been assigned to the House Finance and Taxation Committee. Its first hearing is expected the week of January 14 in the Brynhild Haugland Room at the Capitol.

A smattering of bills were heard in committees on Friday. The Senate Transportation Committee, chaired by Senator David Rust, R-Tioga, heard testimony on <u>SB 2060</u>, a bill that would make the failure to wear a seat belt a primary offense. That means law enforcement officers could stop a driver they see who is not wearing a seat belt, contrary to current law where a seat belt citation can only be issued if the driver is first pulled over for another offense. There was no action taken on the bill, and additional testimony will be heard when the committee meets again January 10.

Senate Transportation also heard testimony on <u>SB 2061</u>, legislation that would establish a road use fee for electric vehicles and hybrids. The fee would be \$248 for EVs and \$71 for hybrids. The figures are based on annual travel of 15,000 miles, and the tax that would be owed for gasoline consumed by a car that averages 25 mpg.

The Senate Energy and Natural Resources Committee gave a unanimous do pass recommendation to <u>SB 2038</u>, which would "harmonize" two bills enacted by the 2017 Legislature. The bills – HB 1144 and SB 2286 – amended portions of the same statute dealing with Public Service Commission siting of electric transmission lines and transmission pipelines. The clean-up legislation will address the conflict and implement the intent of the two conflicting enactments.

The mood of the 2019 Legislature is dampened somewhat by passage of Measure One, which requires establishment of a state Ethics Commission and imposes numerous restrictions on the normal activities of lobbyists. Because of a provision that bans lobbyists from giving gifts to public officials, many trade associations that employ lobbyists have cancelled their usual plan to host a legislative reception. It is possible implementation of the Constitutional measure will permit such receptions, but for the sake of optics, many associations have opted to play it safe and cancel their events.

Committee action will get underway in earnest next week with a full schedule of bill hearings. To see a list of bills, check the status of legislation or look up legislators, click here for the home page of the 66th Regular Legislative Assembly.