



Western Dakota Energy Association
Legislative Report #3, January 19, 2019
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Mike Nathe



Rich Wardner



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A literal parade of witnesses, a few of whom are pictured on the right, took to the podium in the Brynhild Haugland Room at the Capitol this week to testify in support of [HB 1066](#), otherwise known as Operation Prairie Dog. The legislation provides oil-tax dollars to impacted communities in western North Dakota, and sets up two new “buckets” to deliver infrastructure funding to cities, counties and townships in non-oil producing parts of the state. Calling it “The People’s Bill,” Senator Rich Wardner said the measure would continue to deliver in-lieu-of oil tax revenue to impacted communities in western North Dakota, while also providing direct assistance for essential infrastructure projects to communities in non-oil regions. In all, 27 people spoke in favor of the bill, and there were no opponents. The bill was heard by the House Finance and Taxation Committee. It’s uncertain when the committee will act on the bill.

More than half a dozen bills aimed at providing additional dollars to rapidly growing school districts, many of which are in western North Dakota, have been introduced for consideration by the 2019 Legislature. Two of those bills – [SB 2160](#) and [SB 2161](#) – introduced by Senator David Rust, R-Tioga, were heard in the Senate Education Committee this week. Three individuals representing Williston #1 School District testified in favor of the measures. School Board President Joanna Baltes described the increasingly overcrowded conditions in the district’s classrooms, and the difficulty funding construction of additional classroom space with the city’s small property tax base. Baltes noted that a \$100 million bond issue passed in West Fargo last fall raised property taxes only \$15 per \$100,000 of valuation, but a recently failed \$60 million bond issue in Williston would have raised property taxes \$169 per \$100,000. She said if Williston is unable to provide adequate space and a quality education, it could adversely affect the community and oil industry’s ability to attract workers. The resulting economic loss would affect the entire state. Click [here](#) to read Baltes’ testimony. Committee Chairman Don Schaible, R-Mott, indicated he is sympathetic to the plight of rapidly growing districts, and expects the legislature will provide some assistance to Williston and others.

In addition to Senator Rust’s bills, other proposals aimed at addressing school construction needs include [HB 1437](#), introduced by Rep. Pat Hatelstad, R-Williston, that would allow school districts to seek voter approval (60%) of up to a penny sales tax to support school construction; [HB 1365](#), introduced by House Education Committee Chairman Mark Owens, R-Grand Forks, that would remove the requirement that 75% of a school district’s gross production tax revenue be deducted from its state aid amount if the GPT dollars are earmarked for a sinking and interest fund; and [HB 1434](#), introduced by Rep. David Richter, R-Williston, which would facilitate the merger of adjoining school districts.



Williston State College President John Miller was also at the Capitol this week for a budget hearing before the House Appropriations Committee. Among other things, Dr. Miller described the college’s difficulty holding onto staff and faculty because the salaries it offers are insufficient due to the high cost of living and competition from other employers. He said “we see salary pressures every day,” and noted that WSC’s turnover the past five years has been 26 percent.

The Senate Energy and Natural Resources Committee heard testimony this week on [SB 2044](#), introduced by Senator Janne Myrdal, R-Edinburg, which would increase penalties for “valve turners” and others who cause damage to critical infrastructure. Myrdal said she introduced the bill based on an incident in her district where vandals destroyed a pump station on a TransCanada oil pipeline. The perpetrators were caught and convicted, but Myrdal said law enforcement officials felt the punishment was just a “slap on the wrist.” The bill received supporting testimony from the Public Service Commission and several energy industry lobbyists. Opponents claimed language in the bill is vague and if misinterpreted could infringe on the rights of protestors to exercise their First Amendment rights.

The lignite industry’s priority legislation was introduced this week. [HB 1439](#) would exempt incremental CO2-enhanced oil production from the extraction tax, provided more than 50% of the carbon dioxide comes from North Dakota coal plants. The legislation backs [Project Tundra](#), a CO2 capture project being developed at Milton R. Young Station near Center, ND. The bill will be heard Thursday, Jan. 24, in the House Energy and Natural Resources Committee, which is chaired by its sponsor, Rep. Todd Porter, R-Mandan.

Click [here](#) for a list of committee hearings the week of January 21-25 on bills of interest to WDEA members.