



Western Dakota Energy Association  
Legislative Report #4, January 26, 2019  
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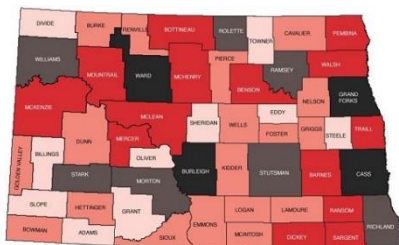
Hearings on legislation can evoke a lot of emotion among North Dakota citizens, and it's those emotional bills that tend to draw the largest crowds. Sportsmen and landowners packed the Brynhild Haugland Room on Friday for a hearing on [SB 2315](#), which would amend state law regarding trespassing and hunting rights on private land. WDEA is not tracking this particular bill, but it's always refreshing to see citizens participate in the policy making process. That is precisely the reason WDEA actively opposed Measure One, the language of which we believe threatens the rights of North Dakota citizens to freely communicate their views to their elected officials. Despite the concerted effort to educate voters about the dangerous measure, it passed last November. Now lawmakers have the daunting task of attempting to clarify the meaning of the poorly-written amendment to North Dakota's Constitution. Hearings are scheduled Wednesday afternoon, January 30, to hear two bills intended to implement the bill – [SB 2148](#) sponsored by Democrat Senator Tim Mathern, and [HB 1521](#) sponsored by House Republican Leader Chet Pollert. The separate House and Senate hearings will be held in the Brynhild Haugland Room, which will again be filled by concerned citizens.



The bill filing deadline has come and gone, with North Dakota legislators falling short of the 1,000 mark. In all, 961 bills and resolutions have been introduced for consideration by the 2019 North Dakota Legislature. With 20 legislative days remaining before crossover, the date on which all bills must have cleared their house of origin, both chambers will be putting in long hours to hear the bills and decide whether to pass them on or relegate them to the dustbin of history.

There was no formal action this week on [HB 1066](#), infrastructure funding legislation dubbed "Operation Prairie Dog" by its primary architect, Senator Rich Wardner, R-Dickinson, but there was plenty of talk behind-the-scenes. House leaders and members of the Finance and Taxation Committee have been discussing possible amendments to the legislation, which is WDEA's top priority of the 2019 session. Late word this week is that the parties have settled on proposed changes to the bill, and they will be discussed when the Tax Committee meets either Monday, Tuesday or Wednesday.

On the Senate side, the Tax Committee heard what Senator Wardner refers to as "Prairie Dog 3," legislation that would use earnings from the Legacy Fund to support a low interest loan pool that local governments could tap to fund essential infrastructure projects. [SB 2275](#) could also be used for regional flood control or water supply projects, and institutions in the higher education system could borrow from the fund to pay for infrastructure needs on campus.



[Details](#) of an oil tax distribution study, jointly supported by WDEA and the North Dakota Petroleum Council, were released this week. "Heat maps" in the report, such as the one depicting K-12 education funding on the left, show how oil taxes have benefited counties around the state. The darker the color, the more money has gone to the location. Oil tax revenue is far and away the largest contributor to the Common Schools Trust Fund. Districts statewide also benefit from the Foundation Aid formula, which deducts money from school districts that receive oil tax revenue.

Oil taxes were a topic in the House Finance and Taxation Committee this week with a hearing on [HB 1449](#), a bill which would raise the extraction tax to 6.5 percent. The 2015 Legislature lowered the rate to five percent and removed a trigger that would have reduced the tax to zero if the price of oil fell below a certain level. Opponents of HB 1449 said the 2015 bill was a good deal for the state. If it hadn't passed and the trigger kicked in when the oil price dropped, the state would have lost \$942 million. The ND Petroleum Council, which opposed the higher tax rate, testified that other states have lower taxes, and an increase would harm North Dakota's competitiveness, leading to a loss of production.

Education funding remains a top priority for WDEA members this legislative session. More than half a dozen bills are in the hopper, several of which are intended to allow western ND school districts to keep more of the oil tax revenue they receive to support education. Among the more promising is [HB 1365](#), sponsored by the chairs of the House and Senate Education Committees, which would allow oil-impacted districts to avoid a deduction in their Foundation Aid payment if the oil tax dollars they receive are dedicated to a sinking and interest fund for school construction.

To check bill status or look up legislators, click [here](#) for the home page of the 66<sup>th</sup> Regular Legislative Assembly. To see a list of the bills of interest to WDEA members that are scheduled for a committee hearing next week, click [here](#).