



Western Dakota Energy Association
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Much of the talk at the Capitol this week was about the ferocious winter storm that roared through the Northern Plains, dropping more than a foot of snow in an area generally between Ashley and Medina. But despite a forecast prediction of up to eight inches of snow in Bismarck, the capital city dodged most of the white mayhem, receiving just 1.6 inches. The low snowfall total was attributable to a dry slot that formed over the city as the storm advanced to the northeast. The running gag at the Capitol was that the pocket was actually formed by all the hot air emanating from the North Dakota Legislature.



The moment finally arrived this week for Operation Prairie Dog, and the results were fantastic. [HB 1066](#), which contains “in lieu of” revenue for the hub cities of Dickinson, Minot and Williston, as well as other cities, counties and school districts impacted by oil development, passed the Senate on a unanimous 46-0 vote. Also included in the bill are \$115 million infrastructure “buckets” for non-oil cities, counties and townships, as well as \$20 million for airport projects.

There have been a few tense moments related to [SB 2362](#), a delayed bill aimed at clarifying distribution of revenue from the oil extraction tax. Land Commissioner Jodi Smith discovered that for more than 10 years the state’s share of revenue from production on the Ft. Berthold Reservation has not been deposited in three state funds. The misallocation has been attributed to ambiguity in the law related to tax sharing agreements between the state and the Three Affiliated Tribes. But others point out [Article X](#) of the ND Constitution is clear that 10% percent of the revenue from extraction taxes must be deposited in the Common Schools Trust Fund, and 10% goes to the Foundation Aid Stabilization Fund. Also shorted was the Resources Trust Fund, which is also part of Article X. A separate law provides that it is to receive 20% of the extraction tax. Collectively the three funds are owed more than \$250 million, and it remains to be seen how the legislature will determine how to reimburse them for the missing money.

The other big news of the week was the decision by the Appropriations Committees to adjust the revenue forecast for the 2019-21 biennium. Most had considered the legislature’s oil price and production forecast overly conservative (\$42.50/bbl and 1.35 million/bbl day). After hearing two different economic forecasts from Moody’s Analytics and IHS Markit, lawmakers bumped the figures to \$48.50/bbl in the first year of the biennium and \$48.00 in the second year, and adopted forecast production of 1.4 million bbl/day in 2020 and 1.44 million bbl/day in 2021. If those figures are realized, the state will collect just shy of \$5 billion in oil and gas taxes over the two-year period.

Gov. Burgum made another pitch this week for the state to make a \$50 million commitment toward construction of a Theodore Roosevelt Presidential Library and Museum. The facility would be built at the entrance to the national park near Medora. If it’s to be funded, the dollars would go into the budget bill of the Department of Commerce ([HB 1018](#)). The same bill currently has just \$2 million in the budget for unmanned aircraft system (UAS). The governor [proposed](#) the state commit \$30 million to build out infrastructure to support beyond visual line of sight operations for UAS systems across North Dakota. Those funding decisions will likely be made in the final days of the session in mid-April.

North Dakotans will have to shell out a few more dollars to get their driver’s license renewed if Governor Burgum signs [SB 2244](#), which passed the House on a 65-25 vote this week. The fee, which hasn’t changed in more than 30 years, would increase from \$15 to \$30. The bill would generate an additional \$5.5 million in revenue over the biennium.

Lawmakers continue to examine resolutions aimed at reforming the state’s ballot measure process, much of which is driven by voter approval of a confusing ethics measure funded largely by out-of-state anti-business organizations. Members of the House Government and Veterans Affairs Committee heard testimony on [SCR 4001](#), which would add additional steps to the process of approving constitutional amendments. Proponents say most voters don’t take the time to read ballot measures in detail, and can be fooled into voting for measures with unintended consequences. Another resolution being considered would require ballot measure sponsoring committees to work with a legislator and Legislative Council to ensure the language of a measure is properly written.

North Dakotans will find out next week if controversy over a pore space bill, [SB 2344](#), can be resolved. A House Energy and Natural Resources subcommittee will review an [amended version](#) of the bill that is circulating.

The House gave final approval yesterday to [SB 2176](#), a bill that could lead to a “road train” pilot program. The original bill was amended so that the pilot project will occur only if an interim study determines it makes sense to try it.

Additional details about happenings in the 2019 ND Legislature can be found in [WDEA’s weekly newsletter](#).