

DAKOTA RESOURCE COUNCIL

LEGISLATIVE UPDATE MARCH 25, 2011



A hydraulic fracturing explosion and fire burned north of Arnegard for *over 2 weeks*-from March 7 to March 18- and is only *temporarily capped*. Some nearby residents were evacuated and only clean-up crews from *Texas* could handle the blaze. The yellow haze on the snow beneath the smoke plume is a film left by burning oil.

This Week's legislative update will be brief due to the lack of DRC related bills being heard in committees. Do not take this temporary lull in the legislature lightly. This is still your chance to contact your legislators regarding bills and resolutions that concern you and your fellow North Dakotans.

Bill and Resolution Status Update

HB 1467- Oil and Gas Tax Rate, *Passed Unanimously*

House Majority Leader Al Carlson failed to get a motion in the Senate Finance and Taxation Committee this week for his proposed amendment to HB 1467 to establish a flat rate of taxation for oil and gas production, starting at 11.5% and reducing gradually to 9% as the number of barrels produced increases. Similar legislation died earlier in the House. Former Governor Ed Schafer had also been advocating a reduction in the oil and gas tax. The House passed HB 1467 unanimously without amendment. The bill as passed simply extends current taxation levels.

HB 1462- The "ag mediation service bill" (oil and gas)

Referred to appropriations committee on 3/21. There is a \$100,000 fiscal note attached to the bill. It will be re-heard on Monday March 28 at 2:30pm in the Harvest Room. **Oppose**

HB 1241- The "surface rights package deal" (oil and gas), *Passed Unanimously on 03/23*

Since it's final committee hearing, the bill had amendments hog-housed onto it on the chamber floor *TWICE*. The second-time amendment, defining what drilling means, was dropped. The first-time amendments address what the intent of the bill is (*maximum amount of constitutionally permissible protection to surface owners* and laws must be interpreted to *benefit surface owners*) and when royalty interest payments begin (if the operator fails to pay oil or gas royalties to an unleased mineral interest owner within one hundred fifty days *after* oil or gas production *is marketed* from the unleased mineral interest owner's mineral interest, the operator *thereafter* shall pay interest on the unpaid royalties).

HCR 3008 and HB 1216 (Resolution to bar hydraulic fracturing regulation from EPA and Bill to deem hydraulic fracturing as an acceptable process)-
Oppose Both

HCR 3008 adopted on 3/21; HB 1216 passed 46 to 1 with emergency clause on 3/21

HCR 3007- Eminent Domain Resolutions

Adopted on 3/18

SCR 4018- Deregulation on Alfalfa

Adopted 80 to 10 on 3/22

Bill Scheduled to be Heard Week of March 28, 2011

HB 1462- (Ag Mediation Service Bill)

March 28, 2010, 2:30 PM, Appropriations Committee, Harvest Room