

DAKOTA RESOURCE COUNCIL

Weekly Legislative Update

Friday, January 14, 2011

DRC helps North Dakotans engage in the public decision-making processes that affect their lives and livelihoods. This update is published weekly during the state's biennial legislative sessions to keep our members posted on the progress of legislation we are following.

For more information about these or other bills, or if you are interested in attending a hearing or speaking with legislators at the Capitol about pending legislation, contact DRC Field Organizer Ashley Lauth or Energy Organizer Scott Skokos at the Bismarck office, 224-8587.

HEARINGS SCHEDULED FOR THE WEEK OF JANUARY 17

HB 1221, 3:15 p.m., Thursday, January 20, Pioneer Room This bill would change the rules for advance determination of prudence. It would prevent utilities from charging ratepayers for return on equity and interest if the Public Service Commission reverses its prudence decision for a power source. DRC affiliate Missouri Valley Resource Council petitioned Montana-Dakota Utilities not to charge ratepayers for return on equity after the PSC determined Big Stone II was no longer prudent. DRC supports this bill but may be interested in amendments. Bill sponsors are Reps. George Keiser (R-Bismarck), Claire Vigesaa (R-Cooperstown) and Clark Williams (D-Wahpeton); and Sens. Jerry Klein (R-Fessenden), Karen Krebsbach (R-Minot) and David O'Connell (D-Lansford).

SB 2047, January 17, 10:30 am, Lewis and Clark. Finance and Taxation.

Sponsors: Legislative Management (Taxation Committee) **pre-filed bill*

This bill deals with revenue from leasing federal land given to respective counties. It undoes the stipulations that counties must use this revenue for schools, roads, and townships. It also stipulates that the state treasurer will report monthly oil and gas revenue to Legislative Management.

DRC position: tracking

SB 2031, January 19, 10:30 am, Lewis and Clark. Finance and Taxation. This bill exempts most new electrical generation sources from sales and use taxes for construction materials related with building the facility. Most notably this bill provides an exemption for any individual wind turbine with a nameplate capacity of over 100 kwh from sales and use taxes for construction materials. DRC supports the wind portion of this bill.

Introduced by: Legislative Management (Energy Development and Transmission Committee)

SB 2186, January 20, 9:00 am, Fort Lincoln Room. Natural Resources.

Sponsors: Rep. Brandenburg, Kaldor; Sen. Wardner, Nodland, Andrist

This bill states that the Energy Development and Transmission Committee shall not study the taxation of shallow gas. The committee studies energy policy impact and energy development during the interim.

DRC position: tracking

SB 2196, January 21, 9:00 am, Fort Lincoln. Natural Resources. This bill amends the definition of an “Energy Conversion Facility” to include any wind energy conversion exceeding one-half megawatt of electricity and generation by any other means other than wind exceeding fifty megawatts of electricity, which is a reduction when compared to the 60 megawatt requirement that is now in place. This bill would change the rules for wind development requiring siting for any wind facility over one half megawatt. DRC opposes to this bill. Although this bill would require non-wind power sources of 50 megawatts and higher to receive siting, the difficulties that this bill would create for wind developers far outweighs any benefit from the new siting requirements for non-wind resources. Sponsors are Sen. Rich Wardner (R-Dickinson) and Randel Christmann (R-Hazen) and Stanley Lyson (R-Williston) and Reps. Michael D. Brandenburg (R- Edgeley) and Duane DeKrey (R-Pettibone) and Todd Porter (R- Mandan).

HB 1198. January 18, 9:00 am, Fort Totten Room. Finance and Taxation

Sponsors: Rep. Onstad, Keiser, Porter, Meyer; Sen. Warner

This bill states that allocations from Fort Berthold Reservation oil and gas taxes given to 1. counties must be based on the entire amount of state and tribal taxes, 2. state general fund must be reduced, and 3. Three affiliated tribes must not be reduced. This would be retroactive.

DRC position: tracking

HB 1268, January 19, 10:00 am Fort Totten Room.

Sponsors: Rep. Keiser, Skarphol; Sen. Warner, Lyson

This bill states that taxes from Fort Berthold Reservation wells will be collected as county revenue, but will not reduce allocations to the Three Affiliated Tribes.

DRC position: tracking

HB 1303, January 19, 10:15 am, Fort Totten Room

Sponsors: Rep. Conklin

This bill creates a gas extraction tax, and establishes a 1% oil and gas tax that goes directly to counties and townships specifically for infrastructure maintenance.

DRC position: Very supportive - currently, there is only an extraction tax for oil. Also, a 1% tax going directly to affected townships and counties will aid with growing infrastructure needs.

HB 1206, January 20, 10:00 am, Pioneer Room.

Sponsors: Rep. Skarphol, Keiser, Kreun; Sen. Fischer, Lyson, O'Connell

This bill creates a Western Area Water Supply Authority for McKenzie, Williams, Burke, Divide, and Mountrail counties. This is a lengthy bill that essentially creates a water system that supplies rural water for household and pasture use, as well as water for sale to

oil and gas companies. Water would be pulled from Lake Sakakawea instead of local aquifers. Industry would share a respective portion of construction costs.
DRC position: Supportive - there is less negative impact pulling water from Lake Sakakawea then there is from local aquifers. Plus, industry must help pay for their share of the project.

HB 1210, January 20, 11:00 am, Pioneer Room. HB 1210. This bill requires the Public Service Commission to adopt rules providing for Net Metering billing from a facility that reverses the electric meter used to measure sales to an electric utility to the facility for a facility with a design capacity of one hundred kilowatts or less. DRC supports this bill. Sponsor is Rep. Duane DeKrey (R-Pettibone).

HB 1216, January 20, 2:00 pm, Pioneer Room. HB 1216. This Bill designates Hydraulic Fracturing as an acceptable recovery process. DRC is tracking this bill. Sponsors are Reps. Duane DeKrey (R-Pettibone) and Keith Kempenich (R-Bowman), and Robert Skarphol (R-Tioga) and Senators Randel Christmann (R-Hazen) and David O'Connell (D-Lansford) and Rich Wardner (R-Dickinson)

HB 1218, January 20, 2:45 PM, Pioneer Room. This bill amends subsections 4 and 5 of section 17-07-01 of the Century Code to require the legislative assembly develop the state Comprehensive Energy Policy not the Energy Policy Commission. In addition, this bill takes away power from the Energy Policy Commission to make changes to the State Energy Policy. DRC is tracking this bill. Sponsors: Reps. Dave Weiler (R-Bismarck) and Larry Bellew (R-Minot) and Randy Boehning (R-Fargo) and Craig Headland (R-Montpelier) and Mark Owens (R-Grand Forks) and Dwight Wrangham (R-Bismarck)

OTHER BILLS AND RESOLUTIONS DRC IS FOLLOWING

HCR 3007. This resolution is for a study of state eminent domain laws, which currently allow companies like TransCanada to take private property for pipelines like Keystone, which have no direct benefit to the state. Resolution sponsors are Reps. Bill Amerman (D-Forman) and Jerome Kelsh (D-Fullerton), and Sen. Jim Dotzenrod (D-Wyndmere).