



DAKOTA RESOURCE COUNCIL



Weekly Legislative Update

Friday, January 28, 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.

BILLS TO REPORT ON FROM THE WEEK OF JAN. 21th

HB 2131, Oil and Gas Surface Access Fee. Bill was heard on January 14. DRC Opposed this bill. **Bill was given a do not pass recommendation by the committee.**

HB 1451

Relating to elimination of the permanent oil tax trust fund; to provide for a transfer to the state general fund; and to provide an effective date of 01 August 2011. No movement.

HB 1343

Relating to provide an appropriation for defraying the expenses of the industrial commission; and to declare an emergency. *(only allocates 4 new OGD staff on an emergency basis only)* Did not pass.

HB 1221, *Advance Determination of Prudence*; not allowing utilities a return on equity or interest for a project that is deemed imprudent after an initial prudence decision. **No Action Taken.**

SB 2031, *Energy Facility Construction Tax Breaks* for wind facilities. **Do not Pass Recommendation. Failed to Pass, 13 y-31-n.**

HB 1210: *a bill to require the Public Service Commission to adopt rules providing for Net Metering.* **Will be heard February 3.**

SB 2196: *siting requirements for energy facilities; wind ½ megawatt, all other sources 50 megawatts:* **No action taken.**

HB 1218: 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. **No action taken.**

HB 1216: *This Bill designates Hydraulic Fracturing as an acceptable recovery process.* **Given do pass recommendation; Passed the House 92-0.** Amended to make the bill an Emergency Measure.

BILLS ATTENDED WEEK OF JANUARY 24th:

HB 1460, 2:15 pm, Pioneer Room, Bill Regarding allocation of wind rights. This bill attempts to create equitable situations for landowners directly impacted by wind turbines and wind farms. Allows for those directly impacted to receive some compensation for the impacts on their property. DRC is tracking this bill. Sponsors: Sens: John Andrist (R-Crosby), Connie Triplett (D-Grand Forks); Reps: John Nelson (R-Rugby), George Keiser (R-Bismarck), Phillip Mueller (D-Valley City).

Scott Skokos attended the hearing regarding this bill. The bill sponsors, Brad Crabtree, and the Farmers Union spoke in support of this bill. During the hearing it became clear that the intent of the bill was to unitize wind development. The bill would allow all landowners within a half mile radius of a wind turbine to receive compensation for the impacts of wind wake (which diminishes the ability to develop wind) as well as compensation for perceivable noise and visual issues. Rep. Brandenburg and Nexterra Energy spoke in opposition. The bill received both support and opposition from the committee. **No action taken.**

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).

Mark Trechock and member Paul Mathews from Cogswell attended the hearing regarding this resolution and testified in favor, based on his experience in being taken to condemnation by TransCanada for its pipeline in 2008. **The committee has not taken action.**

BILLS BEING HEARD THE WEEK OF JANUARY 31st:

Monday January 31st:

Senate Finance and Taxation Committee

SB 2336;

Monday 9:20 am, Lewis and Clark Room

This bill gives a tax exemption for any new coal mining equipment used to extract coal from mines permitted after December 31, 2010. This bill is to exempt Great Northern Power from having to pay taxes on their new mining equipment when mining in South Heart (if the permit is approved by the PSC). DRC OPPOSES THIS BILL.

SB 2363

Monday 9:45am

Senate Finance and Taxation Committee in the Lewis and Clark Room

Relates to annual determination of stripper well status on an individual well basis under the oil extraction tax. This bill modifies the definition of “stripper well” and what is eligible for tax exemption.

DRC supports this bill because it encourages the closure of stripper wells.

SB 2368

Monday 10:30am

Senate Finance and Taxation Committee in the Lewis and Clark Room

Relates to a tax credit for surface owners of property on which oil or gas wellheads are located.

DRC is opposed to this bill because it takes taxpayer money to provide compensation to surface owners instead of the company that constructed the wellhead or caused the damage.

Tuesday February 1st:

SB 2343

Tuesday 8:30am

Senate Appropriations Committee in the Harvest Room

The director of the office of management and budget shall transfer \$10,000,000 from the permanent oil tax trust fund to the legacy fund on July 1, 2011.

DRC opposes this bill because it takes money away from oil and gas impacted communities.

Wednesday February 2nd:

SB 2355

Wednesday 10am

Senate Appropriations Committee in the Harvest Room

Relates to establishing a grant program for recovery of flared gas and tax exemption for captured gas.

DRC opposes this bill because it gives money and tax exemptions for practices that the oil and gas industry should use already.

Thursday February 3rd:

House Energy and Natural Resource Committee

HB 1287

9am, Pioneer Room

This bill is an attempt to make EPA rules null and void in North Dakota without the prior approval of a state agency. In addition this bill disallows the EPA from visiting or inspecting any matters in North Dakota without prior approval from a state agency. DRC OPPOSES THIS BILL.

SB 2274

9:45am, Fort Lincoln Room

This is a bill to establish a Surface Rights Mediation Board. It is designed to serve as an alternative to litigation for surface-related disputes. A board of this nature has been called for by many members and non-members alike. It provides an avenue for surface owners to engage in equitable dialogue with oil and gas companies.

DRC strongly supports this bill on behalf on fair surface rights.

HCR 3008

Thursday 02/03 at 9am

Energy and Natural Resources Committee in the Pioneer Room

Delegates responsibility for the regulation of hydraulic fracturing to the states. This is a resolution, not a bill. While DRC does not agree with the language, the resolution has no legal standing.

DRC is tracking this resolution.

Friday February 4th

HB 1462

Friday 02/04 at 11:00am

House Agriculture Committee in the Peace Garden Room

This is Agriculture Commissioner Doug Goehring's bill to address a surface mediation board. It is in direct competition with Sen. John Warner's bill (SB 2274). This bill does nothing except, literally, take "agriculture" out of "agriculture mediation service." Unlike Warner's bill, it provides no specifics on the number of staff, the cost of a larger service, nor does it address how it will handle the significant increase in mediation cases.

DRC opposes this bill as it does not establish an adequate platform for mediating surface and mineral owner disputes.

SB 2290

Friday 02/04 at 9:15am

Senate Natural Resources Committee in the Fort Lincoln Room

Relates to enforcement of laws, rules, and regulations concerning the conservation of oil and gas; and to provide a penalty. It gives the Industrial Commission greater power to enforce rules by allowing them to fine non-compliant companies.

DRC supports this bill as it tackles the problem of poor enforcement related to oil and gas development.