



DAKOTA RESOURCE COUNCIL



LEGISLATIVE UPDATE FEBRUARY 11, 2011

*****Lobby day Tuesday February 22nd. Opportunity to speak to your elected officials, and a day to attend the industrial commission meeting regarding surface rights.*****

BILL STATUS UPDATES

States Rights HB 1287

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 OPPOSED THIS BILL.

Bill was pulled by sponsors

Energy and Coal

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. **Do Pass Recommendation.**

HB 1460, Bill Regarding allocation of wind rights. The bill seeks what is known by industry as unitization, a process where profits are shared with owners of surrounding property whose own wind rights have been impacted by wind development. **Amended.**

SB 2336, Tax exemptions for new mining equipment for mines permitted after December 31, 2010. This bill specifically applies to the mining permit in South Heart and the new mine expansion near the Falkirk mine. DRC Opposed this bill. **Passed 45-0.**

SB 2296- A bill to create a database of energy usage by North Dakota Buildings. Each state building will have energy usage entered into a database, so that the state can create a baseline from which conservation efforts will begin. Sponsor Sen. Laffen (R- Grand Forks) DRC Supported this Bill. **Passed 47-0**

Pipeline

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. **No Action Taken.**

Oil and Gas:

SB 2363 –This bill is designed to require annual assessment of stripper wells in order to determine if they produce enough oil to qualify for the extraction tax. A fiscal note was attached of \$60 *in revenue*. **Do not pass recommendation**

SB 2368 – This bill allocated a tax credit for surface owners of property on which oil or gas wellheads are located. **Do not Pass Recommendation. Amended.**

SB 2290 –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. **Failed to Pass 13-34.**

SB 2274- This bill establishes a surface rights board to mediate disputes involving damages caused by oil and gas exploration and production and provides landowners a choice to mediate, serving as an alternative to litigation for surface-related disagreements. DRC supported this bill. **Failed to Pass 14-32.**

HB 1264- Relating to the obligation to pay oil and gas royalties (...the operator shall pay interest on the unpaid royalties, from the date of first production without the requirement that the mineral owner or the mineral owner's assignee request the payment of interest...) **Do not pass recommendation.**

HB 1324- Relating to notice of oil and gas drilling operations (the mineral developer shall give the surface owner written notice of the drilling operations contemplated at least thirty days before applying for a drilling permit...The notice also must contain a plat map showing the location of the well. When feasible, the mineral developer shall work with the surface owner to locate the well so that the well does not unreasonably interfere with the surface owner's operations.) **Do not pass recommendation.**

HB 1462- This bill language specifically omits 'agriculture' out of 'agriculture mediation service.' The bill does not address specifically the mechanics of how the service will handle cases, including

compensation or compliance. **Amended re-referred to Appropriations.**

Bills Attended Week of February 7, 2011

SB 4011- a Bill to direct a study of the feasibility and desirability of creating a 25-year sustainability vision plan for state facilities, with the intent to lower energy usage, lower costs, and protect the environment. Sponsor Sen. Laffen (R- Grand Forks).

This Bill is one part of Senator Laffen's effort to make North Dakota State Buildings more energy efficient. SB 2296, which passed creates a database of energy usage by State Buildings and SB 2299, which creates a no-interest revolving loan fund for state buildings seeking energy saving improvements. Scott Skokos testified in favor of this bill. There was no opposition.

HCR 3019

A resolution urging the United States Army Corps of Engineers to forego any attempt to charge water users in North Dakota a fee to use water from Lake Sakakawea or Lake Oahe.

This Bill had strong support from water organizations, farmers, and ranchers. In addition, Attorney General Stenehjem and Governor Dalrymple testified in favor of the Bill. There was no opposition.

Amended. Re-referred.

HCR 3026

A concurrent resolution urging Congress to require renegotiation of United States Fish and Wildlife Service wetlands easements. DRC is tracking this resolution due to its applicability to farmland.

There was strong support for this Bill as well. Farmers, ranchers, and landowners spoke in favor of this bill because they do not like how the US Fish and Wildlife Service wetland easements are perpetual. In addition, there was a lot of concern about how long it takes for FWS to delineate wetlands.

Do Pass

HCR 3028

A concurrent resolution urging Congress to adopt legislation prohibiting the Environmental Protection Agency by any means necessary from regulating greenhouse emissions, including, if necessary, defunding Environmental Protection.

There was strong support for this Bill from the coal industry, Farm Bureau, and Lignite Energy Council. Member Verle Reinicke spoke in opposition to this bill.

Do Pass

□ **HCR 3031-** A concurrent resolution expressing the concern of the Legislative Assembly with the scope, justification, and substances of the Office of Surface Mining Reclamation and Enforcement's stream protection rule.

Support came from the Lignite Energy Council and North American Coal. Member Verle Reinicke and Organizer Scott Skokos spoke in opposition to this bill because the Stream Protection Rule is a preferable regulatory

Do Pass

Bills Heard Week of February 14

HCR 3015- 9 AM February 17, Fort Union Room. A concurrent resolution reaffirming North Dakota's sovereignty under the 10th Amendment to the Constitution of the United States and to demand the federal government halt its practice of assuming powers and imposing mandates on the states for purposes not enumerated in the Constitution of the United States. Sponsors: Representatives Kasper, Headland, Keiser, Thoreson, Weiler, Senator Wardner.