

Legislative Report

I. This Week at the Legislature

Although leadership had hoped to conclude its work tomorrow, legislators will have the weekend off and return Monday with the goal of finishing work on Tuesday.

The [budget projection](#) as of April 19 show a \$568 million general fund shortfall based on current legislation.

HB 1020: The conference committee met on Monday, April 17; Tuesday, April 18; and Thursday, April 20 to reconcile differences on HB 1020, the State Water Commission appropriation bill. To date, no official action has been taken, but the House has verbally stated they agree with the following sections to the Senate version of HB 1020:

- Section 2 which reduces the appropriation for employee health insurance premiums from \$277,612 to \$257,498.
- Removing the section which provides a grant of \$135,000 from the Resources Trust Fund to the Game and Fish Department for law enforcement activities on sovereign lands in the state.
- Section 4 which relates to carry over fund authority.
- Removing sections relating to an oil and gas industry fresh water royalty tax.
- Removing the section which requires any funding provided for NAWS to be made available through a line of credit.
- Increasing the legislative intent limit for the Mouse River flood control projects from \$110 million to \$193 million for the next four bienniums in section 6.
- Modifying section 8 which instructs the Bank of North Dakota to consolidate three WAWS loans which are worth \$40,000,000, \$50,000,000 and \$25,000,000. WAWS is not obligated to repay principal on loans from the Resources Trust Fund for the period of July 1, 2017 to June 30, 2018.
- Section 9 which holds the state responsible if WAWS defaults on their loans through the Bank of North Dakota.
- Inserting sections 10 and 11 appropriating \$150,000 from the Resources Trust Fund to the Industrial Commission to conduct an independent study on the sale or lease of industrial assets of WAWS. The Industrial Commission would be required to conduct the study during the 2017-2019 interim and report their findings to the Water Topics Interim Committee. The Industrial Commission would determine if it is feasible or desirable to lease or sell assets of the authority.
- Section 12 and 13 which reduce the maximum funding allocated to the energy conservation grant fund from \$1 million to \$200,000 for the upcoming biennium and restoring the fund to \$1 million on July 1, 2019.
- Increasing the cap on the Infrastructure Revolving Loan fund from \$25 million to \$26 million which alters sections 14 and 19.
- Establishing a three percent interest rate cap on the State Water Commission line of credit through the Bank of North Dakota in section 15.
- Inserting section 16 which modifies Century Code in regards to agricultural, recreational or temporary use purposes and the dredging of waters within the confines of the Little Missouri

Scenic River and all Little Missouri River tributary streams. The change was brought forward by the SWC.

- Section 17 which authorizes the Industrial Commission to issue revenue bonds.
- Giving power to the Industrial Commission to authorize WAWS to determine domestic water rates in section 18.
- Adding section 20, instructing legislative management to study industrial water use of the oil and gas industry during the 2017-2018 interim.
- Altering the section which the Senate removed which would require the State Engineer to complete a flood hazard risk management study for Cass, Ward, Richland and Burleigh Counties. The new language proposed by the conference committee would only require the State Engineer to do a study on Ward County costing \$30,000. The county would be responsible for \$15,000 and \$15,000 would be allocated from the Resources Trust Fund.

The Committee still needs to discuss the following:

- Combining the seven funding buckets in section 5 to the three buckets below:
 - Water Supply: \$147,125,000
 - Flood Control: \$136,000,000
 - General Water: \$15,750,000
- Inserting section 7 requiring the SWC to provide up to \$30 million for a 90 percent state cost share to GDCD for the Red River Valley Water Supply Project.

In addition, the conference committee received word from Governor Burgum about his concerns on [HB 1374](#), which relates to the composition and operation of the SWC. Since HB 1374 has already passed, his concerns will be address through amendments to HB 1020 which will override HB 1374. The committee has discussed, but not yet officially voted on, the following amendments:

- Allow for the entire commission to be involved in selecting the vice chairman of the commission.
- If the Governor cannot attend the meeting as chair, he would select a representative to chair the meeting for him.
- Removing “Or subsurface” from the definition of water conveyance project which is defined in HB 1374 as any surface ~~or subsurface~~ drainage works, bank stabilization, or snagging and clearing of water courses.
- Increases the cost for when economic analysis is required from \$750,000 to \$1,000,000.
- Adding an effective date of August 1, 2017 to the sections that will be added to HB 1020 to override HB 1374.

[SB 2134](#) passed on the Senate floor on Tuesday, April 18. The bill sets up a process to define the ordinary high water mark of the historic Missouri River channel as it existed before the Garrison Dam. The bill directs the adjustment of state leased mineral acres and authorizes refunds to the original owners. The fiscal impact of this bill is estimated to be \$187 million which includes \$800,000 for the Department of Mineral Resources to hire a consultant to review the survey of the river that was completed in the 1950’s by the U.S. Army Corps of Engineers. The conference committee was in disagreement regarding the House’s addition which would require the state to reimburse \$750,000 for legal expenses. That provision was removed during conference committee with a 5-1 vote.

[HB 1199](#) was killed on the Senate floor on Tuesday, April 18 as SB 2134 was a better vehicle to address mineral ownership.

[SB 2047](#): The Senate concurred with the House amendments to SB 2047 on Wednesday, April 19. The bill was sent forward by the Water Topics Interim Committee to set forth requirements and

procedures for the use of quick-take eminent domain by water resource districts. The bill removes the threat of quick-take in early proceedings and reserves it as last resort option. The district must try to work out an agreement, informally over no less than 60 days. If an agreement isn't reached at the time, formal negotiations will proceed with the district sending the landowners a formal written offer which includes specifics of what is considered the right-of-way. This must be sent by certified mail. If there is no response within 15 days of the delivery, the district must send a notice request for a meeting to negotiate. If there is still no response within 30 days of that notice, the district may send a final notice to the landowner of intent to acquire the right of way and then request approval from the board of county commission to utilize quick-take.

II. E-mail Version of Weekly Legislative Reports

If you receive this by mail or fax, but have e-mail, please send your email to Julie at ndwaterusers@btinet.net, and you can receive it by e-mail.

III. How to Contact Your Legislators

During a legislative session, a legislator can be reached at the State Capitol through e-mail or by leaving a message with the legislative telephone message center at (888) NDLEGIS (635-3447). That number can also be used to obtain information on bills under consideration. A legislator can also be reached by mail or e-mail and address rosters are posted at <http://www.legis.nd.gov/contact-information>.

Addressing Mail Correspondence

To a Senator:

Honorable (full name)
State Senator
600 E Boulevard Ave
Bismarck, ND 58505
Dear Senator (last name)

To a Representative:

Honorable (full name)
State Representative
600 E Boulevard Ave
Bismarck, ND 58505
Dear Representative (last name)

IV. 2017 Legislative Deadlines and Dates

Date	Topic
May 2	Session is limited to 80 legislative days

V. Legislative Bills Tracked (To Date)

Bill	Short Title	House	Senate
HB 1009	Agriculture Commissioner Appropriation	PASSED	PASSED
HB 1017	Game and Fish Department Appropriation	PASSED	PASSED
HB 1020	State Water Commission Appropriation	<i>Conf. Comm.</i>	<i>Conf. Comm.</i>
HB 1026	Underground Facilities Before Excavation	PASSED	PASSED
HB 1055	Revenue Bond Indebtedness Limit for WRD	PASSED	PASSED
HB 1106	Definitions of Disasters and Emergencies	PASSED	PASSED
HB 1111	Metro Flood Diversion Authority	PASSED	PASSED
HB 1191	Loans for Political Subdivisions	PASSED	PASSED
HB 1322	Township Bonding Authority	PASSED	PASSED
HB 1336	Environmental or Health Safety Audits	PASSED	PASSED
HB 1339	Notice, Appeals, and Refunds of Special Assessments	PASSED	PASSED
HB 1345	Open Record and Meeting Laws	PASSED	PASSED

<u>HB 1361</u>	Limitations of Property Tax Levies	<i>Conf. Comm.</i>	<i>Conf. Comm.</i>
<u>HB 1367</u>	Personal Watercraft and Towing an Individual on Water Skies	PASSED	PASSED
<u>HB 1374</u>	Contracts & Financial Assistance for Water Projects/Duties of the State Engineer	PASSED	PASSED
<u>HB 1385</u>	Municipal Refunding Bonds	PASSED	PASSED
<u>HB 1390</u>	Limitation on County Authority and Subsurface Drains	PASSED	PASSED
<u>HB 1409</u>	Well Water Testing	PASSED	PASSED
<u>SB 2047</u>	Quick Take Eminent Domain	PASSED	PASSED
<u>SB 2134</u>	Pick-Sloan Missouri Basin Project Dams	PASSED	PASSED
<u>SB 2142</u>	Construction Manager At-Risk Subcontractor Bids	PASSED	PASSED
<u>SB 2146</u>	Public Improvement Bid and Bond Thresholds	PASSED	PASSED
<u>SB 2147</u>	Bond Requirements for Public Improvements	PASSED	PASSED
<u>SB 2168</u>	Public Improvements	PASSED	PASSED
<u>SB 2178</u>	Infrastructure Revolving Loan Fund	PASSED	PASSED
<u>SB 2236</u>	Pipeline Restoration and Reclamation Oversight Program	PASSED	PASSED
<u>SB 2239</u>	Annual Inspections for Watercraft for Hire	PASSED	PASSED
<u>SB 2245</u>	Listing Parcels Under Control of Certain State Entities Use as Wetlands Mitigation	PASSED	PASSED
<u>SB 2262</u>	Fertilizer Regulation by Cities, Counties, or Townships	PASSED	PASSED
<u>SB 2269</u>	Powers of LAWA & GDCD	PASSED	PASSED
<u>SB 2270</u>	Financing Options for the GDCD	PASSED	PASSED
<u>SB 2308</u>	Identification of Ice Fish houses and Coyote Snares	PASSED	PASSED
<u>SB 2327</u>	Creation of the Department of Environmental Quality	PASSED	PASSED
<u>HCR 3019</u>	Exercise nondiscrimination in public land management and return the land no longer required for the Pick-Sloan Missouri Basin Project dam at Lake Sakakawea to the citizens of the United States.	PASSED	PASSED
<u>HCR 3021</u>	Allow the utilization of the Garrison Diversion Unit facilities, including the McClusky Canal and the Snake Creek pumping plant, as a water supply for eastern and central North Dakota, irrigation, and for all other authorized project purposes, and not deauthorize or repurpose any part of the Garrison Diversion Unit and to allow the Continuation of the Garrison Diversion project canal system to aid in the delivery of water to the Red River Valley.	PASSED	PASSED

VI. Legislative Bills Failed (To Date)

Bill	Short Title	House	Senate
<u>HB 1054</u>	Cancellation of Unexpected Appropriations	PASSED	FAILED
<u>HB 1114</u>	License Fees for Plumbers and Sewer and Water Installers	FAILED	
<u>HB 1162</u>	Competition between the Government and Private Industry	PASSED	FAILED
<u>HB 1165</u>	Transparency of State Grants	PASSED	FAILED
<u>HB 1168</u>	Reimbursement for Public Employees	FAILED	
<u>HB 1199</u>	Definition of Sovereign Lands	PASSED	FAILED
<u>HB 1244</u>	Authority of County Commissioners to Approve Quick Take Eminent Domain	PASSED	FAILED
<u>HB 1298</u>	Prohibiting Contracting Lobbyists	FAILED	
<u>HB 1326</u>	Local Property Tax Incentives from Impacted Municipalities	FAILED	
<u>HB 1331</u>	Inspection of Septic Systems	FAILED	

<u>HB 1349</u>	Pipeline Leak Detection Equipment Depreciation Expenses	FAILED	
<u>HB 1351</u>	Approval of Special Assessments by Elected Governing Bodies	PASSED	FAILED
<u>HB 1393</u>	Assessments by Water Resource Districts	FAILED	
<u>HB 1416</u>	Definition of Cleaning Out and Repairing of Drain	FAILED	
<u>SB 2227</u>	Nonresident Waterfowl Hunting Licenses	FAILED	
<u>SB 2229</u>	Appointments to the Red River Basin Commission	FAILED	
<u>SB 2259</u>	Nonresident Waterfowl Hunting Licenses	FAILED	PASSED
<u>SB 2263</u>	Subsurface Drainage Permits	FAILED	PASSED
<u>SB 2280</u>	City Levy Authority for Emergency Purposes	FAILED	PASSED
<u>SB 2331</u>	Protecting Groundwater & Mineral Developer Responsibilities		FAILED
<u>SB 2332</u>	Valuation of Property for Just Compensation		FAILED
<u>HCR 3020</u>	Allow the Continuation of the Garrison Diversion project canal system to aid in the delivery of water to the Red River Valley.	PASSED	FAILED