

Legislative Report

Governor Delivers State of the State Address

Governor Burgum delivered the State of the State address to a joint session of the 67th Legislative Assembly, which convened on Tuesday, Jan. 5. While Burgum touched on multiple themes, the impacts of the COVID-19 pandemic were common throughout his address. Burgum said despite the ongoing pandemic, combined with flooding, drought, market crashes, school closures and rapid economic contractions, he is confident North Dakota will emerge stronger than ever.

Burgum remained optimistic North Dakota could be set on a positive trajectory by leveraging resources from the private sector and harnessing the power of the Legacy Fund. Voters created the now \$7.5 billion fund ten-years ago to set-aside a portion of oil taxes. Burgum outlined his support of a \$1.25 billion bonding proposal dedicated to the maintenance of critical infrastructure including roads and bridges. Included in his proposal is the creation of a flexible \$700 million revolving loan fund to support additional infrastructure projects including water and road projects.

Burgum emphasized 13,000 job openings in North Dakota and an unemployment rate lower than 38 other states. He highlighted the state's favorable agricultural commodity prices and ranking of sixth in the nation in total energy production. The Governor thanked broadband providers for ensuring high-speed service to schools and homes across the state and supported the expansion and development of career and technical education centers. He also noted North Dakota's economy thrives on tourism, recreation, arts and culture.

The Governor also cited favorable commodity prices and a smoother harvest while acknowledging disappointing yields due to delayed spring 2020 plantings, drought and widespread early frost. Burgum says as the world's population is projected to increase one-third by 2050, requiring a doubling of crop production to meet demand.

North Dakota's ethanol production capacity has increased five times in the last decade, providing a market for 60 percent of our state's corn. The Bank of North Dakota's Ethanol Recovery Program provided nearly \$43 million in working capital to help ethanol plants withstand the collapse in energy demand due to COVID.

Burgum's executive budget includes \$14 million to complete the \$60 million Ag Development Center at NDSU, approved by the 66th Legislative Assembly, and proposes a portion of Legacy Fund earnings be directed toward value-added opportunities to reduce dependence on commodity prices out of North Dakota's control.

The Governor's office press release on the State of the State address is available [here](#).

Ethics Rules on Gifting in Effect

On Tuesday, a constitutional gift ban took effect, which prohibits lobbyists from giving gifts to public officials, including North Dakota lawmakers, executive branch officials, legislative staff, and governor's cabinet members. Public officials also cannot accept any gifts. Violations carry civil penalties up to \$1,000 for gifts worth less than \$500, and twice the value of gifts worth \$500 or more.

A 2018 [constitutional amendment](#) for state government ethics formed a five-member ethics commission, which was appointed in 2019 by the governor and Senate leaders. The commission adopted [complaint rules](#) and [gift rules](#) in 2020, stipulating how lobbyists interact with elected and appointed state officials. Public or private social and educational events require a notice to be filed with the Ethics Commission that includes the date, place, sponsor, educational purpose, estimated attendance, and estimated cost per attendee.

[HB 1043](#), which was introduced as a result of the Interim Judiciary Committees study of the state's ethics amendments and laws, was heard before the House Judiciary Committee on Wednesday. The bill would allow the Ethics Commission to issue advisory opinions to legislators, government officials and lobbyists.

COVID-19 Prevention and Testing at State Capitol

All North Dakota State Capitol entrances are now equipped with COVID-19 screening kiosks. All individuals entering the facility will be required to complete the screening via a kiosk every time they enter the facility. More information is available [here](#). Everyone in legislative space is required to wear a face mask or shield which covers their nose and mouth; the protection can be removed to testify.

Free rapid COVID-19 screening will be available to state employees, legislators and lobbyists on Mondays, Wednesdays and Fridays, from 7:30 a.m. to 12:30 p.m. on the ground floor of the State Capital in the Legislative Wing. Screening is highly recommended to proactively isolate positive cases, and the 15-minute rapid tests are for asymptomatic people. Individuals should pre-register at <https://testreg.nd.gov/>. If an individual has previously registered for a COVID-19 test with the state, registration is not needed.

How to Submit Testimony

During this Legislative Session, individuals and organizations still can testify at committee hearings both in person and virtually. An instructional video on how to submit written and oral testimony remotely in a committee hearing is available on the Legislative Branch [website](#). To view the video, [click here](#).

Important Dates

- **Jan. 11, 2021** The legislative hearing for House Bill 1020, the budget for the State Water Commission, will be Jan. 11, 2021 starting at 9:15 a.m. before the House Appropriation Education and Environment Division in the Prairie Room. To testify at the hearing, please register at least one hour before the hearing begins at this [site](#):

Key Hearings (Jan. 7-9)

Jan. 7, the full House Appropriations Committee received an overview of State Water Commission and its operations, the status of revenues, funding of projects, carryover balance and water use permits.

Jan. 8 the House Energy and Natural Resources Committee also held a hearing to learn about the State Water Commission, its purpose, objectives and its operations.

Infrastructure Bonding Proposal

Wednesday, Republican legislative leaders unveiled a \$1.1 billion bonding package aimed at financing infrastructure projects across the state using legacy fund dollars to pay for the borrowed money.

The proposal would repay the bonds in 20 years using earnings from the Legacy Fund, which is expected generate about \$500 million of interest and income during the next two years. The Legacy Fund, which votes created by voters a decade ago to house a portion of oil tax collections, is currently valued at \$7.8 billion.

The plan includes at a total of \$250 million to provide for the state share of major water projects, with at least \$132 million over the next four years for the Fargo-Moorhead Area Diversion project and the state share of the Mouse River Flood Protection Plan and Red River Valley Water Supply Project. Allocate an additional \$50 million to the water

infrastructure revolving loan fund to provide loans for water supply projects and \$75 million to the infrastructure revolving loan fund.

The proposal also earmarks funds for high-priority roads and bridges across the state and potentially the expansion of US Highway 85 between Belfield and Williston, funds for vocational education centers, parks and recreation, \$50 million of the plan would go to carbon capture projects and \$50 million to the NDSU Ag Products Development Center and Northern Crops Institute.

The proposal will be House Bill 1132. The Bismarck Tribune outlines additional [details](#).

Governor Burgum proposed a similar \$1.25 billion bonding bill that touches on many of the Republican's plans, however, Burgum's plan involves making \$700 million available to localities in loans that must be repaid. The legislative proposal in contrast would provide funding in the form of grants.

Bills of Interest

[HB 1020 Appropriation for Defraying the Expenses of the State Water Commission](#)

This is the appropriations bill for the State Water Commission

[HB 1038 Legislative Management Legacy Fund Earnings Committee](#)

This bill would create a legislative management legacy fund earnings committee.

[HB 1043 Ethics Commission Bill](#)

This bill addresses the complaint procedure and investigations. It also covers the commission's delegation of duties and advisory opinions issued by the committee.

[HB 1057 Liability of Political Subdivisions](#)

This bill changes the total liability of political subdivisions from \$250,000 to \$375,000 per person and from \$1,000,000 to \$500,000 for any number of claims from a single occurrence.

[HB 1063 NAWS Advisory Committee Membership](#)

This bill removes the requirements for members of the advisory committee from Williston, Three Affiliated tribes and the counties of Divide, Mountrail, and Williams.

[HB 1088 Commissioner Hosted Meeting Requirements in the SWC Development Plan](#)

This bill requires commissioner-hosted meetings in the upper Missouri River, lower Missouri River, James River, Little Missouri River, upper Heart River and upper Cannonball River drainage basins. Removes the requirement of Outdoor Heritage fund grants counting as project local cost-share

[HB 1116 General Obligation Bonds](#)

This bill lays out the purposes in which a governing body of a county may authorize and issue general obligation bonds.

[SB 2079 Operating Plans for Dams](#)

This bill removes requirements for dam operators to follow state engineer plans of operations.

[SB 2080 Construction Permit Thresholds for Dikes, Dams, and Other Devices](#)

This bill adds requirements for permits to construct low-hazard dam capable of retaining, obstructing, or diverting more than fifty acre-feet of water, medium and high-hazard dams capable of retaining, obstructing,

or diverting more than twenty-five acre-feet of water, and low - risk dike capable of protecting more than eighty acres of land area; and moderate-risk or high-risk dike.

SB 2081 Floodways and National Flood Insurance Program

This bill provides for uses of within the floodway as delineated by the national flood insurance program.

SB 2120 Water Resource District Board Members

This bill requires larger number of WRD board members from larger land-based county in watersheds crossing county lines. Boards members should be odd- number and not to exceed seven.

SB 2124 Declared State of Disaster or Emergency and Virtual Legislative Assembly

This bill adds parameters to a disaster or emergency declared by the governor. It also permits a virtual special session of the legislative assembly during the emergency or disaster.

SB 2129 Liability of State and Political Subdivisions

This bill changes the total liability of political subdivision from \$250,000 to \$500,000 per person and from \$1,000,000 to \$2,000,000 for any number of claims from a single occurrence.

Hearing Schedule (Jan. 11-15)

The hearing schedule for the bills North Dakota Water is tracking is attached.

Status of Key Bills

A report on the status of all tracked bills is attached.

Legislative Leaders

The [67th Legislative Assembly](#) includes 80 Republicans and 14 Democrats in the House of Representatives and 40 Republicans and seven Democrats in the Senate. Thirteen legislators are new this session. House and Senate members have selected the following leaders for the 2021 Legislative Session: [House](#) and [Senate](#).

How to Contact Your Legislators

During the session, legislators can be reached at the Capitol through [Contact My Legislators](#) or by leaving a message at 888-NDLEGIS (635-3447) or 701-328-3373 (local). A legislator can also be reached by email, phone or mail as listed in the legislator's online bio: [Senate](#) or [House](#). Details information on legislative activities is available on the [Legislative Assembly website](#).

Legislative Calendar

- Jan. 18: Deadline for representatives to introduce bills
- Jan. 25: Deadline for senators to introduce bills
- Feb. 26: Crossover
- March 1-2: Recess
- April 30: Final day of session (limited to 80 days)

For more details, check out the complete list of [legislative deadlines](#).