

# *Legislative Report*

## **This week at the Capitol**

ND Legislative Daily is a free app is available to download on your smartphone. All committee hearings, meetings, floor sessions, etc. are available and is updated frequently, however video are not available.

## **Legislative Revenue Forecast**

On Tuesday, the House and Senate Appropriations committees held a joint video conference to hear an analysis of the state economy and state [revenue forecast](#) from IHS Markit analysts and a comparison of the state revenue outlook with an executive branch budget forecast presented by OMB in December.

The Legislative revenue forecast remained flat in its projections on oil revenue and mentioned stable agriculture prices, but also noted a long road to recovery for the state to return to its pre-pandemic level economy.

Legislative Council delivered a [revised 2019-2021 and 2021-2023 biennium forecast](#) on Friday to help guide legislative spending levels in appropriations bills throughout the legislative session. The revised proposed forecast totals \$5.2 billion for the 2019-21 biennium and \$3.9 billion for the 2021-23 biennium. The proposed forecast was derived by averaging the differences that are highlighted in the revised forecast document between the December 2020 Executive Forecast and the January 2021 IHS Baseline Forecast.

The revised forecast uses an estimated \$40 oil price and oil production decreasing from 1.1 to 1 million barrels per day, impacting the Resources Trust Fund forecast in 2019-2021 of \$299 million to \$261 million in 2021-23 to fund water projects and operations. The Legislature's budget writers adopted the preliminary revenue forecast.

## **Bill Introduction Deadlines**

As of Jan. 11, Representatives can only introduce three bills each through the Jan. 18 deadline for Representatives to submit bills. The deadline for Senators to introduce bills is Jan. 25.

## **Providing Testimony**

To provide testimony remotely (virtually), you must register for the committee hearing at this [legislative website](#). You will need to register at least one hour before the start of the committee meeting and upload written testimony via PDF. Registrants will receive a unique Zoom link by which to address the committee hearing, the access is not sharable. A brief tutorial on this process can be viewed [here](#).

To participate in the hearing in-person, you do not need to preregister. Appear at the hearing with copies of testimony, like has been the traditional practice. Many committee chairmen are taking in-person testimony before the online queue but recognize that room space is limited and once the chairs are taken, a standing audience will not be permitted.

## **Public Access**

There is a temperature check and health survey station at the Capitol visitor entrance, on the south side of the building. Everyone in legislative spaces is required to wear a face mask or shield covering their nose and mouth.

## **Key Hearings (Jan. 11)**

### **House Bill 1020 – State Water Commission funding**

The House Appropriations Committee Education and Environment Division held a hearing for most of Jan. 11 to review the budget appropriations for the State Water Commission grants and operations. In addition to comments from Water Commission vice-chairman Dick Johnson and State Engineer John Paszkowski, the committee heard from a number of project managers about water investment needs.

Joel Paulsen, Executive Director Metro Flood Diversion Authority, Fargo

Discussed funding needs of the Fargo-Moorhead Metro Flood Diversion Authority. Requesting \$66.5 million in legislative intent funding and \$22.5 million in deferred 2019 cost share from the 2021 Legislature.

Minot Mayor Shaun Sipma

Spoke in support of HB 1020 to continue support for the Mouse River Enhanced Flood Protection Project. Presented testimony including updates on the plan regarding funding.

David Ashley, Chairman Souris River Joint Boards

Spoke in support of continued funding for the Mouse River Enhanced Flood Protection Project. The SRJB and city of Minot request \$76 million in state funding.

James Odermann, Chairperson Southwest Water Authority

Spoke in support of HB 1020 on behalf of the SWA, which services 33 communities through 5,300 miles of pipeline. Explained effects of lack of funding in current biennium.

Jen Murray, Acting Manager and CEO of Southwest Water Authority

Testified on behalf of the SWA and the impact of current funding delays limiting construction of infrastructure. Explained carryover of funding.

Tami Madsen, Executive Director of Western Area Water Supply Authority

Testified on behalf on HB 1020. WAWSA provides water to 70,000 currently and 160,000 by 2038. Detailed effects from a lack of funding in current biennium. Total of \$40 million was appropriated but not provided due to economic factors. Cory Chorne, Program Manager, explained debts assumed by WAWSA as part of Senate Bill 2233 from the 2013 session. It was existing debt tied to energy build-out the state agreed to cover.

Tim Freije, Northwest Area Water Supply

Presented update for NAWS project, including budget updates for current biennium and upcoming legislative session. Another line of credit in HB 1020 will probably be necessary.

Descriptions and testimony were also delivered by representatives of the League of Cities, Rural Water Systems, Water Resources Districts Association, Irrigation Association and North Dakota Water Coalition. The comments of all testifiers is available at this [link](#). The Water Coalition testimony is attached.

The committee will likely work on the bill for the next several weeks.

## Other Key Bills

### **[HB 1132](#) – water and transportation bonding bill**

Legislative leaders' proposal for a \$1.1 billion bonding package to fund infrastructure projects across the state using legacy fund dollars to pay for the borrowed money. The proposal would pay off the bonds in 20 years or less using earnings from the Legacy Fund, which is expected to earn about \$500 million over the next two years. The Legacy Fund is currently valued at \$7.8 billion. The plan includes at least \$250 million over the next four years for the Fargo-Moorhead Area Diversion project, the Mouse River Flood Protection Plan, and the Red River Valley Water Supply Project.

\$160 million in state transportation funding for state and local roads is also earmarked and potentially the expansion of US Highway 85 between Belfield and Williston and \$80 million to the county and township infrastructure fund and \$10 million for township road projects associated with roads inundated by water. \$50 million of the plan would go to carbon capture projects and \$50 million would go to the NDSU Ag Products Development Center and Northern Crops Institute.

Governor Burgum proposed a similar \$1.25 billion bonding plan however his involves making \$700 million available to localities in loans that must be repaid. In contrast, HB 1132 would provide funding in the form of grants.

The Governor's proposal suggests the state will sell bonds up to \$1.25 billion:

- \$700 million will be used for infrastructure revolving loan funds for water, road, bridge, and other projects
- \$323 million to transportation, bridge and community project grants
- \$45 million go into a cost-sharing match grant to local career academies.
- \$182 million to maintenance and repair of state facilities

### **[SB 2208](#) changes water boards ability to construct, maintain and manage water projects and drains**

The bill would limit the ability of local water boards to construct, maintain and manage water projects and drains, and it also removes a landowner appeal process. SB 2208 has been described as a bill to combine NDCC 61-21 and 61-16.1 (the two assessment drain chapters) into a single chapter, but the bill makes additional changes that will make it harder to approve and build drains and difficult to maintain or improve existing assessment drains. Tile provisions in the bill require permits for all projects, and still has the lengthy and cumbersome notice requirements.

Bill is scheduled for a hearing with the Senate Agriculture Committee at 10:00 on Jan. 21. The Water Resource Districts Association and several agriculture groups are expected to testify in opposition to the measure.

## 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, Mountraill, 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. 18-22)

<u>Date and Time</u>	<u>Bill Number</u>	<u>Hearing Description</u>	<u>Committee</u>
01/19/2021 09:30 AM	<a href="#">HB 1079</a>	Relating to the Uniform Environmental Covenants Act.	House Judiciary
01/21/2021 10:00 AM	<a href="#">SB 2208</a>	Relating to procedures for drain permits, assessments projects, and operations of water resource districts.	Senate Agriculture
01/22/2021 09:00 AM	<a href="#">HB 1216</a>	Relating to compensation and reimbursement of water resource district board members.	House Political Subdivisions

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.