



March 19, 2021 - No. 12

### **Legislators Receive Final State Revenue Forecasts**

On Tuesday, Legislators received updated revenue forecasts from two analytics firms, which will now set the pace for finalizing budgets tied to many bills during the remainder of the session. The morning's report from the Office of Management and Budget (OMB) and Moody's Analytics forecasts the state's treasury will collect about \$1 billion more in oil taxes over the next biennium than what lawmakers expected in January. This is a nearly 30% increase in oil prices over what was used to initially prepare a state budget at the start of the session.

IHS Markit also predicted slightly higher oil prices and production in the coming biennium in its report to lawmakers on Tuesday afternoon. The Legislature hired this firm in 2017 to provide a second opinion on state revenue forecast. Both forecasts will be considered as final numbers are set for the state's 2021-2023 spending plan, and lawmakers have usually split the difference between the two reports in creating their final budget outlook.

Legislators are continuing to take final action on several bills. This is particularly true with policy bills, as the Appropriations Committees were largely holding on bills until the final revenue forecasts and projections. The new revenue forecasts will allow budgets to begin to be finalized and will drive funding and bonding decisions in the closing weeks of the session. Legislative leadership is still aiming to save at least eight days for redistricting in the fall, which could put the final day of session around April 16.

Thank you to Association Executive Director Brenda Elmer for spending an evening and day in the Capital City working on Corn Grower priorities including rural road funding, Unleaded 88 in the state fleet, and enhancing value added investments.

### **This week at the Capitol**

#### **HB 1015 Possible home to Governor's billion infrastructure bond proposal**

HB 1015 relates to the Office of Management and Budget. HB 1015 was heard before the House Appropriations Committee on March 17.

#### **HB 1353 Reorganize Office of the State Engineer to the Dept of Water Resources with the state engineer as a division**

HB 1353 relates to the powers and duties of the department of water resources and the state engineer and updates to statutory language. HB 1353 was heard before the House Energy and Natural Resources Committee on March 18. Amendments were offered to retain technical responsibilities with the a professional engineer who would serve the new department director.

#### **HB 1380 Legacy Streams**

HB 1380 is a Legacy Fund Streams bill relating legacy earnings fund, and an income tax relief fund. Sen. Sorvaag introduced amendments which would to get the bill closer to the original version of the bill. Sorvaag's proposed amendments can be found [here](#). HB 1380 was heard before the House Finance and Taxation Committee on March 17.

### **HB 1431 Water infrastructure revolving loan fund and bonded debt repayments**

HB 1431, as currently written, utilizes a portion of the earnings from the Legacy Fund to repay bonds issued to support water projects, the highway fund, agriculture products development center at NDSU, and the infrastructure loan fund. HB 1431 was heard by the Senate Finance and Taxation Committee on March 17. Several amendments to HB 1431 were offered during testimony, although not acted on in committee. Amendments offered include \$30 million for township roads, which NDCGA has advocated, \$60 million for career and tech centers, and \$90 million for maintenance of state, university, and park facilities. Over 20 people provided testimony in support of the bill. HB 1431 was heard on March 17 before the House Finance and Taxation Committee. NDCGA is supporting this bill.

### **HB 1452 Establishes a Renewable and Clean Energy Grant Fund**

HB 1452 creates a clean sustainable energy fund and authority to support research, development and technological advancements for large-scale development and commercialization of projects that reduce environmental impacts of energy production. HB 1452 was amended to provide \$40 million and add a second renewable energy council representative.

HB 1452 was heard before the Senate Energy and Natural Resources Committee on March 19.

### **SB 2012 Department of Transportation Appropriation**

This is the appropriation bill for the Department of Transportation, and it includes \$1.5 billion in federal and special funds compared to a \$1.4 billion for the 2019-2021 biennium. It includes \$500,000 in state disaster relief funding to provide emergency road repair to townships. SB 2012 was heard before the House Appropriations committee on March 17. NDCGA has proposed an amendment to direct the NDDOT to use Unleaded 88 (E15) in the state car fleet to support North Dakota farmers.

### **SB 2245 Intermodal transportation assistance program**

In SB 2245, the Senate Appropriations committee recommended \$10 million be invested in the presently operating Minot Intermodal facility, the bill initially had a \$15 million appropriation. SB 2245 was heard before House Appropriations Committee on March 16.

### **Status of Key Bills**

#### **HB 1141 \$25 million of Legacy Fund earnings to the innovation loan fund for innovation technology loans**

HB 1141 would provide \$25 million to renew the Innovation Technology Loan Fund (LIFT). The program charges borrowers no interest for the first three years of the loan's term and a 2-percent interest rate in loan's fourth and fifth years. Data based on the \$15 million investment from the deployed LIFT funding is projected to increase ND GDP by \$92 million annually, deliver \$49 million in increased employee compensation, generate \$151 million in annual economic output increase, and create 750 new jobs. HB 1141 was heard before the Senate Government and Veterans Affairs committee on March 11 and was given a do pass recommendation on March 15. The amendment was adopted and the bill was rereferred to the Senate Appropriations committee.

#### **HB 1425 Infrastructure Revolving Loan Fund and In State Legacy Fund Investments**

HB 1425 would support an in-state Legacy Fund investment plan and give direction to the State Investment Board to invest up to 20 percent of the Legacy Fund in North Dakota in fixed investments (BND CDs and infrastructure loans) and equity/venture capital. HB 1425 was given a do pass recommendation and rereferred to the House Appropriations committee.

#### **HB 1437 Tile permit streamlining**

House Bill 1437 streamlines tiling permit process; requires tile projects under 80 acres to report and larger projects to apply for a permit from local water board; defines conditions that could be attached to a permit; allows for permit fee for actual cost up to \$500; and tile plans cannot be disclosed by officials

without cause. The bill also stipulates the State Water Commission may cost share widening or deepening of existing drains. The bill includes an emergency clause which will allow its immediate effective date if the bill receives sufficient legislative support.

NDCGA testified in support of this bill. Testimony presented at the hearing can be found [here](#). HB 1437 was heard before Senate Agriculture committee on March 11, and received a unanimous do pass recommendation on March 12. On March 15 it was referred back to the Agriculture committee which then removed the under 80 acre reporting requirement if the drained water does not enter an assessment drain.

#### **[HB 1475](#) Relates to an agriculture innovation fund**

The House had reduced the \$150 million bill to \$5 million. On March 19 the Senate Agriculture completely rewrote the bill to establish a \$20 million Agriculture Diversification and Development Fund to be administered by the Bank of ND. Up to 25% of the fund can be used for grants and the remainder to support interest rate buydowns for new or expanding value-added agriculture businesses including food production or processing facilities; feed or pet food processing; agriculture product manufacturers; and animal production facilities. The NDCGA has worked closely with legislative and agriculture leaders in preparing options to enhance the state's investments in value added agriculture.

#### **[SB 2033](#) University system capital building fund**

SB 2033 relates to the university system capital building fund; to provide for a transfer; and to declare an emergency. SB 2033 was given a do pass recommendation on March 17.

#### **[SB 2058](#) Expands loan interest buydown program to livestock operations**

This bill encourages livestock development by expanding the eligibility of use of the existing Biofuels PACE Program to include an interest buydown for livestock operations, including dairy and poultry. SB 2058 was given an unanimous do pass recommendation on March 15 and passed the House 85-6 on March 18.

#### **[SB 2124](#) Virtual Special Session Authority During Emergency or Disaster**

SB 2124 relates to permitting a virtual session of the legislative assembly during an emergency or disaster; relating to the state health officer's and governor's authority during a declared disaster or emergency; and to provide a penalty. SB 2124 had a request return from committee on March 16 and was rereferred to the House Human Services committee.

#### **[SB 2208](#) Related to legal drain and waterway approval and maintenance**

As introduced, SB 2208 would have substantially modified assessment drain processes and maintenance authority. NDCGA opposed of SB 2208 in its original form. The Senate amended the bill into a study of the regulation of water and the study committee will include members representing agriculture, water resource districts, a county road engineer, and the Legislature. It will also include eight nonvoting members representing townships, counties, state's attorneys' association, ag commissioner's office, state water commission, department of transportation and citizens. With the conversion to a study, North Dakota Corn supported SB 2208, which was heard before the House Agriculture committee on March 11. Testimony can be found [here](#). On March 16, an amendment was adopted adding additional members to the study committee and on March 18, SB 2208 passed the House 88-4.

#### **[SB 2230](#) Value added loan guarantee**

This bill increases the value-added loan guarantee program, established in 2019, from \$50 million to \$75 million to support credit for value-added ag and energy ventures. The House Agriculture committee increased the loan guarantee to \$100 million. NDCGA supports SB 2230 and testified at the hearing before the House Agriculture committee on March 11. On March 12 the committee gave SB 2230 a

unanimous do pass recommendation. On March 16 the amendment was adopted and the bill was rereferred to the House Appropriations committee which will hear the bill on March 22.

Testimony presented at the hearing can be found [here](#).

### **Bills of Interest**

[HB 1009](#) Department of Agriculture Budget

[HB 1015](#) Possible home to Governor's \$1.25 billion infrastructure bond proposal

[HB 1026](#) Grain Licensing and Regulation

[HB 1038](#) Legislative management legacy fund earnings committee

[HB 1043](#) Ethics Commission Complaint Procedures

[HB 1046](#) Advisory Committee on Sustainable Agriculture

[HB 1079](#) Uniform Law regarding Environmental Covenants

[HB 1087](#) Reauthorize North Dakota's Reinsurance program

[HB 1113](#) Landowners permission before baiting and trail cameras

[HB 1115](#) Regulation of animal feeding operations by the agriculture commissioner

[HB 1118](#) Limitation on Governor's Declaration of Disaster or Emergency

[HB 1132](#) Republican leaders' \$1.1 billion infrastructure bonding bill

[HB 1141](#) \$25 million of Legacy Fund earnings to the innovation loan fund for innovation technology loans

[HB 1145](#) ND Soybean Council members

[HB 1158](#) Mitigate adverse environmental impacts

[HB 1172](#) Agricultural mediation and negotiation services

[HB 1244](#) Permits direct sale of raw milk or raw milk products

[HB 1353](#) Reorganize Office of the State Engineer to the Dept of Water Resources with the state engineer as a division

[HB 1380](#) Legacy Streams

[HB 1425](#) North Dakota Investment via State Investment Board

[HB 1431](#) Water infrastructure revolving loan fund and bonded debt repayments

[HB 1437](#) Tile permit streamlining

[HB 1452](#) Establishes a Renewable and Clean Energy Grant Fund

[HB 1464](#) Tax imposed on motor vehicle fuels and special fuels

[HB 1475](#) Agriculture innovation fund

[HB 1487](#) Beef Check Off

[SB 2012](#) Department of Transportation Appropriation

[SB 2019](#) Career and Technical Education Appropriation

[SB 2020](#) 2021-23 SBARE Priorities

[SB 2024](#) Department of Environmental Quality budget

[SB 2026](#) Governor's Order Authorizing Excess Limits Regarding Road Trains

[SB 2033](#) University system capital building fund

[SB 2034](#) Advisory opinions regarding ethics

[SB 2036](#) Access to Lands and Electronic Posting Study

[SB 2037](#) Criminal Trespass and Electronic Posting

[SB 2038](#) Electronic Posting of Land to Prohibit Hunting

[SB 2041](#) Commercial Property Tax Exemption for Grain Elevator and Potato Warehouse Property

[SB 2053](#) Adds Equipment to APUC Eligibility

[SB 2058](#) Expands loan interest buydown program to livestock operations

[SB 2065](#) Industrial commission to regulate the permitting of underground storage of oil and gas

[SB 2124](#) Virtual Special Session Authority During Emergency or Disaster

[SB 2144](#) Criminal Trespass and Electronic Posting

[SB 2171](#) Transfer of the international business and trade office for Dept of commerce to agriculture commissioner

[SB 2208](#) Related to legal drain and waterway approval and maintenance

[SB 2216](#) Definition of Location for Animal Feeding Operations

[SB 2218](#) Annually reconvened sessions of the legislature and interim committee meetings

[SB 2230](#) Value added loan guarantee

[SB 2245](#) Intermodal transportation assistance program

[SB 2324](#) Installation of culverts

[SB 2342](#) Soil conservation, soil conservation district supervisor compensation, training, powers and duties, elections, and land use regulations; and to provide for a continuing appropriation.

[HRC 3001](#) Regarding Road Trains

**Hearing Schedule (March 22-26)**

<b><u>Date and Time</u></b>	<b><u>Bill Number</u></b>	<b><u>Hearing Description</u></b>	<b><u>Committee</u></b>
03/22/2021 10:00 AM	<a href="#">HB 1464</a>	A public hearing on a bill relating to electric and plug-in hybrid vehicle road use fees and the tax imposed on motor vehicle fuels and special fuels.	Senate Finance and Taxation
03/22/2021 10:15 AM	<a href="#">SB 2230</a>	Relating to the use of the strategic investment and improvements fund.	House Appropriations
03/22/2021 02:45 PM	<a href="#">SB 2124</a>	Relating to permitting a virtual session of the legislative assembly during an emergency or disaster; relating to the state health officer's and governor's authority during a declared disaster or emergency; and to provide a penalty	House Human Services
03/23/2021 08:30 AM	<a href="#">SB 2020</a>	Committee work: NDSU extension service, northern crops institute, upper great plains transportation institute, main research center, branch research centers,	House Appropriations - Education and Environment Division
03/23/2021 02:45 PM	<a href="#">SB 2020</a>	Committee Work: North Dakota state university extension service, northern crops institute, upper great plains transportation institute, main research center, branch research centers, and agronomy seed farm	House Appropriations - Education and Environment Division
03/24/2021 08:30 AM	<a href="#">HB 1425</a>	Legacy infrastructure loan fund, state investment board, Legacy and budget stabilization fund advisory board	Senate Appropriations
03/24/2021 10:00 AM	<a href="#">SB 2012</a>	Committee Work: Budget of the department of transportation for the NDDOT	House Appropriations - Government Operations Division
03/24/2021 02:30 PM	<a href="#">HB 1087</a>	Relating to premium taxes and credits for insurance companies	Senate Appropriations
03/25/2021 08:30 AM	<a href="#">SB 2019</a>	Committee Work: A BILL for an Act to provide an appropriation for defraying the expenses of the department of career and technical education; and to provide a report.	House Appropriations - Education and Environment Division
03/25/2021 08:30 AM	<a href="#">SB 2020</a>	Committee Work: NDSU research and extension	House Appropriations - Education and Environment Division

03/25/2021 02:30 PM	<u>SB 2218</u>	Relating to introduction of bills and interim committees; relating to annually reconvened sessions of the legislative assembly and interim committee meetings; and to provide an expiration date.	House Government and Veterans Affairs
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### Status of Key Bills

A report on the status of all tracked bills is attached. This PDF has live links to all bills NDCGA is tracking.

### 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

- May 4: Final day of session (limited to 80 days)