

NORTH DAKOTA

WATER USERS ASSOCIATION | WATER COALITION | WATER RESOURCE DISTRICTS ASSOCIATION | IRRIGATION ASSOCIATION

# Legislative Report

## **Appropriations Committees Hear Budget Forecast**

On Tuesday, the House and Senate appropriations committees heard from consultant S&P Global on its state tax revenue forecast and comparison with the Office of Management and Budget's (OMB) outlook.

In his State of the State address, Gov. Doug Burgum noted an outlook which included \$3 billion of cash reserves and a \$718 million rainy day fund fueled by better-than-expected state tax revenues, notably oil taxes. In the current biennium, general fund revenues exceeded the 2021 forecast by 23%, or more than \$702 million from July 2021 through November 2022.

OMB's forecast estimates more than \$4.2 billion in revenue from the state's sales, motor vehicle, income, and corporate taxes. This is led by \$2.24 billion in sales taxes, which is the largest contributor to the state's general fund. S&P Global's forecast estimated a more conservative \$4 billion in general fund tax revenue, including nearly \$2.17 billion in sales taxes. The difference between the two forecasts is about \$196 million.

Next week, both committees will adopt a revenue forecast based on the [two estimates](#) to guide their work until March, when a final forecast for the 2023-25 biennium will be available.

## **Legislative Bill Count Continues to Climb**

In the first few days of the legislative session, there have been upwards of 600 bills filed and available on the legislative website. With many new legislators and extended deadlines for bill introduction, there is speculation many bills are still pending and there could be a record number of bills introduced this session. The deadline for representatives to introduce bills has been extended to next week Wednesday, Jan. 18, and Monday, Jan. 23, marks the deadline for senators to introduce bills.

## **How to Submit Testimony This Session**

During this Legislative Session, individuals and organizations still can [testify](#) at committee hearings both in person and virtually. This session, however, the permitting of virtual testimony is left to the discretion of each committee chairperson. 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](#).

## **Water Funding**

### **SB 2020 DWR/SWC Funding**

SB 2020 is the appropriations bill for the Department of Water Resources and State Water Commission. The Senate Appropriations Committee began its work on SB 2020 on January 11 with a presentation by director Travnicsek and the Department of Water Resources. The bill will

### **Support**

now be worked on by the Education and Environment division. The division will receive testimony on SB 2020 on Thursday, January 19 starting at 8:30 a.m. If you plan on testifying on this bill and have not let Dani or John know, please do so as soon as possible at [dquissell@ndwater.net](mailto:dquissell@ndwater.net).

## Hearing in Senate Appropriations' E & E Division scheduled, January 19

### **[SB 2017](#) Game and Fish Department**

**Monitor**

SB 2017 is the appropriations bill for the Game and Fish Department, including funding for aquatic nuisance species prevention. The Senate Appropriations Committee received a report from the Game and Fish Department on the governor's budget proposal for the department. The governor's proposed budget recommends funding for the Game and Fish's aquatic nuisance species (ANS) line item totaling almost \$3 million. This includes funding for 1 FTE. The almost \$1.5 million increase from current funding will come from federal funds from the US Army Corps of Engineers and additional funding from the Game and Fish Department. This funding will be for more inspection facilities and activities. The governor's proposal also includes \$850,000 for an aquatic nuisance species lab and storage facility in Jamestown.

### Referred to the Senate Appropriations Committee

### **[HB 1286](#) Oil Tax Trigger**

**Monitor**

HB 1286 would remove the trigger which increases the tax rate paid when oil prices get above \$90 per barrel for three consecutive months. The trigger was reached this summer and resulted in greater than expected revenue in the Resources Trust Fund, among other state government funds.

### Referred to House Finance and Taxation Committee

### **[SB 2196](#) WAWS Oversight and Loans and NAWS Line of Credit**

**Monitor**

SB 2196 would move oversight of WAWS from the Industrial Commission to the State Water Commission. It also provides for forgiveness of interest for WAWS loans and stipulates that interest on WAWS loans should be the same as what other North Dakota governmental entities receive. The bill also renews the line of credit available for NAWS.

## Hearing Scheduled, Senate Energy and Natural Resources, January 20

### **Water Resource Districts**

### **[HB 1073](#) Operations Plans for Dams**

**Monitor**

HB 1073 removes an existing requirement that operators of dams submit an operating plan to the Department of Water Resources.

**Heard by the House Energy and Natural Resources Committee, do pass unanimous, January 12**

### **[HB 1076](#) Permit Thresholds for Dams and Dikes**

**Support**

HB 1076 creates a tiered regulatory framework for dikes based on what the dike is protecting and not a specified volume. It does this by eliminating the requirement for a professional engineer for the construction of agricultural dikes and farmstead ring dikes, increasing the threshold for requiring a construction permit for an agricultural dike from 50 acre-feet volume

protected to 80 acres or more protected area, and requiring construction permits for construction of municipal dikes if they are protecting residences or occupied structures. HB 1076 was heard by the House Energy and Natural Resources Committee and was given a “do pass” recommendation. The Water Resource Districts Association submitted testimony in favor of the bill.

**Heard by the House Energy and Natural Resources Committee, do pass unanimous, January 12**

**[HB 1239](#) Subsurface Drainage Notification **Support****

HB 1239 would renew legislation passed during the 2021 session that requires landowners to notify water resource districts when they are conducting a subsurface drain project that is under 80 acres. The notification requirement that was passed in 2021 will sunset if this legislation does not pass.

**Referred to the House Agriculture Committee**

**[SB 2036](#) Drainage Statute Clean Up **Support****

SB 2036 is the clean-up bill put together by the interim drainage committee. This bill combines the current two chapters of code that deal with assessment projects into one chapter and makes some updates to the assessment process.

**Hearing scheduled, Senate Agriculture Committee, January 20**

**[SB 2037](#) Economic Analysis for Drainage Projects **Oppose****

SB 2037 is the proposed economic analysis bill from the interim drainage committee. This bill would require water resource districts to conduct an in-depth economic analysis on every parcel proposed to be part of an assessment district.

**Referred to the Senate Agriculture Committee**

**Irrigation**

**[HB 1020](#) 2023-2025 SBARE Funding Priorities **Support****

HB 1020 includes appropriations for NDSU Agriculture Research and Extension, including the 2023-2025 priorities for the State Board of Agricultural Research and Education (SBARE). SBARE priorities include improvements for the Nesson Valley Irrigation Research and Demonstration Project. The Irrigation Association plans on testifying in support of HB 1020.

**Hearing Scheduled, House Appropriations-Government Operations Division, January 16**

**[HB 1074](#) Informational Hearings related to Water Permit Applications **Support****

HB 1074 clarifies that informational hearings related to water permit applications are more appropriately referred to as public hearings for the public to provide input to the Department of Water Resources. The Irrigation Association testified in support of this bill

**Heard by the House Energy and Natural Resources Committee, do pass unanimously, January 12**

**[HB 1075](#) Public Hearing on Water Permit Cancellations **Support****

HB 1075 removes the requirement that the Department of Water Resources hold a public hearing on a water permit cancellation. Instead, the bill would institute a public notice and comment period to allow feedback on a cancellation. The DWR believes this change will speed up the cancellation process. The Irrigation Association testified in support of this bill.

**Heard by the House Energy and Natural Resources Committee, do pass unanimously, January 12**

**[HB 1247](#) Property Tax Exemption for Elevators and Potato Warehouses **Monitor****

HB 1247 would treat property that is zoned commercial property, but is now privately owned and houses a grain elevator or potato warehouse, as agricultural property for tax purposes.

**Hearing scheduled, House Finance and Taxation Committee, January 16**

**Atmospheric Resources**

**[HB 1166](#) Weather Modification **Oppose****

HB 1166 would prohibit state cost share for weather modification unless counties adjoining the county conducting the activity agrees. The ND Weather Modification Association testified in opposition.

**Hearing held in House Agriculture Committee, January 13**

**Other Bills of Interest**

**[HB 1038](#) Statute Technical Corrections **Monitor****

HB 1038 updates one outdated reference to the Office of the State Engineer.

**Passed by the House, 91-1, January 10**

**[HB 1072](#) Technical Corrections **Monitor****

HB 1072 updates some references to the State Water Commission in the Atmospheric Resource Board's statutes.

**Heard by the House Energy and Natural Resources Committee, amended, do pass unanimously, January 12**

**[HB 1077](#) Water Storage Contracts **Support****

HB 1077 adds a requirement that a federal agency completing a water storage contract with an entity within North Dakota must provide the Department of Water Resources a copy of the contract. The ND Water Users Association testified in support of this bill. The committee discussed strengthening the language of this bill to allow the state to be notified when negotiations begin and not wait until contracts are signed.

**Heard by the House Energy and Natural Resources Committee, January 12**

**[HB 1088](#) State Investment Board Membership **Monitor****

HB 1088 removes the insurance commissioner and representative from the public employees retirement system board from the state investment board and replaces them with the director of

the office of management and budget and two individuals experienced in institutional investments.

**Heard, House Government and Veterans Affairs Committee, January 12**

**[HB 1098](#) Floodplain Management Ordinances **Monitor****

HB 1098 clarifies when communities that fail to adopt or enforce floodplain management ordinances are prohibited from receiving funds.

**Passed by the House, 91-1, January 10**

**[HB 1118](#) Income Tax Credit **Monitor****

HB 1118 would provide a \$750 tax credit for single filers and a \$1,500 tax credit for joint filers.

**Heard, House Finance and Taxation Committee, January 11**

**[HB 1158](#) Income Tax Rate **Monitor****

HB 1158 would lower the income tax rate to a flat 1.5%.

**Heard, House Finance and Taxation Committee, January 11**

**[HB 1217](#) Northern Red River Flooding **Monitor****

HB 1217 would appropriate more than \$37 million to the Department of Transportation to begin working on a comprehensive transportation plan to address flooding in the northern part of the Red River valley.

**Referred to the House Appropriations Committee**

**[HB 1218](#) NAWS Authority **Monitor****

HB 1218 would make the current Northwest Area Water Supply (NAWS) advisory committee an authority. It would also change the makeup of the authority and stipulate that authority members are appointed by the state water commission.

**Hearing scheduled, House Energy and Natural Resources Committee, January 19**

**[SB 2029](#) Caps for Emergency Commission and Budget Section Approvals **Monitor****

SB 2029 changes the caps on approvals from the Emergency Commission and Budget Section. Last session, the legislature placed dollar amount caps on these approvals. This bill seeks to change that to a percent of the budget approved by the legislature. This bill was amended in committee to add an emergency clause. An emergency clause would allow the bill to come into effect sooner.

**Passed, Senate, 45-1, January 12**

**[SB 2097](#) Wild and Scenic River Designations **Support****

SB 2097 would require anyone seeking a wild, scenic or recreational river designation notify the department of water resources, the local water resource district and other interested state and local entities prior to seeking the designation. The North Dakota Water Users testified in support of this bill. The committee amended the bill to add some legislators and grazing associations to the organizations that receive notification.

**Passed, Senate 45-2, January 11**

**[SB 2113](#) Flexible Transportation Fund****Monitor**

SB 2113 would create a flexible transportation fund to hold federal, state, or private dollars to fund road and bridge construction and maintenance and to match available federal funds. If passed, it is anticipated that some motor vehicle excise tax dollars and general funds could be put in this fund.

**Passed, Senate 46-0, January 12**

**[SB 2192](#) Term Limits****Monitor**

SB 2192 would authorize an interim study to look at the impact term limits will have on the legislature and make recommendations to the next legislative assembly.

**Hearing scheduled, Senate Judiciary Committee, January 18**

**[HCR 3005](#) Special Session for Consideration of Vetoes****Monitor**

HCR 3005 would require the governor to call the legislature into session to consider vetoes if the governor vetoes a bill after the legislature has adjourned.

**Referred to House Government and Veterans Affairs**

**Hearing Schedule (January 16-20)**

<u>Date and Time</u>	<u>Bill Number</u>	<u>Short Title</u>	<u>Committee</u>	<u>Room</u>
01/16/2023 08:30 AM	<a href="#">HB 1020</a>	A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota state university extension service, northern crops institute, upper great plains transportation institute, main research center, branch research centers, and agronomy seed farm; to provide for a report; and to provide an exemption.	House Appropriations - Government Operations Division	Brynhild Haugland
01/16/2023 09:00 AM	<a href="#">HB 1247</a>	Relating to a commercial property tax exemption for grain elevator and potato warehouse property used for personal use; and to provide an effective date.	House Finance and Taxation	327E
01/16/2023 10:00 AM	<a href="#">HB 1020</a>	A BILL for an Act to provide an appropriation for defraying the expenses of the 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 - Government Operations Division	Brynhild Haugland

		to provide for a report; and to provide an exemption.		
01/18/2023 09:00 AM	<a href="#"><u>SB 2192</u></a>	Relating to the impact of term limits on the legislative assembly.	Senate Judiciary	Peace Garden
01/19/2023 08:30 AM	<a href="#"><u>SB 2020</u></a>	A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources.	Senate Appropriations - Education and Environment Division	Sakaka wea
01/19/2023 02:00 PM	<a href="#"><u>HB 1218</u></a>	Relating to the creation of the northwest area water supply authority; and to provide for application.	House Energy and Natural Resources	Coteau AB
01/19/2023 02:00 PM	<a href="#"><u>SB 2020</u></a>	A BILL for an Act to provide an appropriation for defraying the expenses of the department of water resources.	Senate Appropriations - Education and Environment Division	Sakaka wea
01/20/2023 10:00 AM	<a href="#"><u>SB 2196</u></a>	Relating to the infrastructure revolving loan fund and accrued and unpaid interest in western area water supply authority loans; to amend and reenact section 61-02-79, subsection 13 of section 61-40-05, and sections 61-40-09, 61-40-10, and 61-40-11 of the North Dakota Century Code, relating to the oversight of the western area water supply authority and the authorized line of credit.	Senate Energy and Natural Resources	Peace Garden
1/20/2023 9:00 AM	<a href="#"><u>SB 2036</u></a>	Relating to water resource boards; to amend and reenact sections 61-01-06, 61-01-23, 61-05-02.1, 61-16.1-02, 61-16.1-09, 61-16.1-09.1, 61-16.1-15, 61-16.1-17, 61-16.1-18, 61-16.1-19, 61-16.1-20, 61-16.1-21, 61-16.1-22, 61-16.1-23, 61-16.1-24, 61-16.1-26, 61-16.1-27, 61-16.1-28, 61-16.1-42, 61-16.1-43, 61-16.1-51, and 61-16.1-54, subdivision g of subsection 4 of section 61-32-03.1, and subsection 3 of section 61-32-	Senate Agriculture and Veterans Affairs	Fort Union

03.2 of the North Dakota Century Code, relating to water resource boards and procedures for assessment projects undertaken by water resource boards; and to repeal section 61-16.1-01 and chapter 61-21 of the North Dakota Century Code, relating to water resource districts, water resource boards, assessment procedures and requirements, and drains.

### **How to Contact Your Legislators**

During the session, legislators can be reached by email, phone or mail as listed in the legislator's online bio: [Senate](#) or [House](#). Detailed information on legislative activities is available on the [Legislative Assembly website](#).

### **Legislative Calendar**

- Jan. 18: Deadline for representatives to introduce bills
- Jan. 23: Deadline for senators to introduce bills
- Feb. 24: Crossover
- February 27-28: Recess
- April 28: Final day of session (limited to 80 legislative days)

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