

65TH LEGISLATIVE

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Below is a look at the bills NDFU tracked during the 65th legislative session, which wrapped up in early May.

CORPORATE FARMING LAW

No corporate farming bills were introduced during the 65th Legislative Assembly.

AGRICULTURAL RESEARCH

SB 2020 is the appropriation bill for NDSU agriculture research and Extension. The ag research budget received a 13.5 percent decrease and the Extension budget received a 14 percent decrease resulting in a reduction of 22 research and 11 Extension full-time employees (FTEs). Finally, none of the 2017-2019 SBARE priorities were funded. The House sought to remove the FTE for soil conservation, but it was added back into the budget during conference committee.

QUALITY OF LIFE AND EDUCATION

HB 1012, the Human Services budget bill, includes the continuation of Medicaid Expansion and more than \$3.7 billion in total funding. This continuation allows the state to receive its 95 percent federal funding match to assist in the expense of covering vulnerable individuals. Currently, almost 20,000 North Dakotans receive health insurance through Medicaid Expansion.

HB 1324 and **HB 1310** are the bills that dealt with education policy and funding. This \$2.3 billion budget was largely held harmless due to the passage of Measure 2. Although transportation funding looked to be facing a significant cut, it was eventually restored in the amount of \$4.1 million in the Senate.

The Department of Transportation budget was housed in **SB 2012**. The amended budget has a \$66.4 million reduction – a 22-percent decrease in operating expenses from the \$295.8 million budget. The budget includes the closing of eight maintenance shops: Starkweather, Finley, Fessenden, Gackle, Litchville, New England, Courtenay and Mayville. Lawmakers tried to attach an amendment to require the DOT to keep the shops through mid-2019. That amendment ultimately failed. In conference committee, amendments required a study of maintenance shops' services and language that states that, "if an employee continues to live near a closed shop, they will place a snowplow there during the months of November through March." Finally, property at these shops cannot be sold by the DOT for the next two years.

LANDOWNER RIGHTS

SB 1151, also known as the "Spill Bill" was amended to ensure that oil sites without impermeable liners beneath would not be included in the bill, and that oil site inspection reports would be listed on the Department of Mineral Resources

website. The ND Petroleum Council introduced an amendment to remove "impermeable," and instead cite rules written on the definition of impermeable liners. As a result of this amendment, NDFU once again opposed the bill citing its favor of writing the definition into the law, as agency rules are easier changed without legislative action. The bill ultimately passed and was signed by the governor.

SB 2225, in its original form, removed the requirement of a landowner to post his/her private property. It was amended to create a pilot project in which an electronic registry was to be developed by N.D. Game and Fish for five counties selected by the governor. The bill ultimately failed in the Senate.

SB 2236 made the North Dakota Pipeline Restoration and Reclamation Oversight Program a continuing program. It also made those surface owners and renters who use the program exempt from open public records. This program started as a pilot session during the 2015 session. It's also funded through the ND Ag Commissioner's budget, which is where the program is housed. The bill ultimately passed and was signed by the governor.

PROPERTY TAX RELIEF

SB 2206 was a bill that addressed the delivery of permanent property tax relief to the citizens of North Dakota through the state picking up the expense of funding county social services. The bill originally provided relief for the existing 12-percent property tax buy-down, and then removed those county mills, which delivers permanent property tax reform. Governor Burgum also included this policy priority in his budget as the mechanism to deliver property tax relief. The bill passed.

A "hog house" amendment, introduced in the House, replaced the entire bill's language with a study over the 2017-18 interim. While the bill was eventually replaced with a pilot program of the state picking up social service costs, the "hold harmless" dollars for counties were left out. The bill ultimately passed and was signed by the governor.

STATE AG POLICY

HB 1009 included the Agriculture Commissioner's budget. While the department did lose four FTEs, it did receive dollars for the National Agricultural Genotyping Center in Fargo. The Pipeline Restoration and Reclamation program received \$200,000.

SB 2013 contained the land department budget. In this bill, the Outdoor Heritage Fund is capped at \$10 million. It also contains amendments that would reduce dollars to the townships in oil country by \$17 million, and transfer those dollars to non-oil townships. That provision was ultimately vetoed by Governor Doug Burgum.

SB 2014, the North Dakota Industrial

SESSION FINISHES

Commission budget bill, includes the appropriations for the North Dakota State Mill and Elevator. While the Senate made minor changes to the bill, the House removed authority for the Mill and Elevator to continue to use its employee profit-sharing program and changed the percentage of dollars going into the general fund to 90 percent of revenue, with the remaining 10 percent to be used at the elevator. In conference committee, the compromise was made for 70 percent of profits to go to the general fund, 30 percent to stay with the elevator, and for profit-sharing to remain untouched.

SB 2019 was the budget for the State Board for Career and Technical Education and contained the budget for Adult Farm Management. Although conversations around this program slated cuts to be more substantial, the Senate and House ultimately agreed to cut the program at \$80,000.

SB 2263 simplified the drainage and water management process in North Dakota to make it equitable for producers across the state by reducing roadblocks related to permits and fees. A similar bill, HB 1390, ended up being the vehicle for this legislation and passed.

Because hemp growing still requires a significant amount of regulation in order to grow it, the costs of those regulations have risen dramatically. **SB 1240** adds an industrial hemp applicant fee of \$250 and increases the per acre fee from \$5 to \$40 to grow hemp in North Dakota. The Ag Department says that this cost is due to expenditures to oversee industrial hemp growing and harvest seasons and processing. Expenditures will be primarily for laboratory testing, travel, supplies, printing and postage.

Many hemp producers attended the hearing and opposed the bill due to the significantly increased fees and urged the state to look at loosening up program rules. The bill was eventually amended to include a \$150 applicant fee and a per acre fee of \$25. The bill ultimately passed and was signed by the governor.

SB 1282 sought to make changes to the way that North Dakota commodity groups function. The original bill regulated who commodity groups could contract with for program work, how they could determine use for checkoff dollars and gave the Agriculture Commissioner the ability to recommend to the governor the removal of a commodity group board member for cause. It was eventually turned into a study and then killed in the House.

SB 1321 defines the movement of commodities at harvest time for the purpose of overweight permits. Amendments have been introduced to further the define where the truck is traveling to in order to allow for more movement than simply traveling from field to elevator. The bill ultimately passed and was signed by the governor.

OTHER BILLS OF INTEREST

SB 2135 created a committee to study the initiated measure process in North Dakota. The committee will be made up of House and Senate members, representatives from the Secretary of State's office, citizens of North Dakota and member organizations. Farmers Union is one of the membership organizations named in the bill that will be allowed to appoint an individual to the committee.

In conference committee, the House and Senate spent most of its time discussing the makeup of the committee. While the House conferees were against adding a labor and a tribal appointee, the committee finally added a member from "an organization that represents employees." A tribal appointee was not added. The bill ultimately passed and was signed by the governor.

SB 2289 was heard in front of the House Agriculture Committee. This bill created protections for North Dakota implement dealers and addresses such issues as mandatory equipment and parts purchases, payment chargebacks, unfair performance requirements and dealership terminations. In testimony, NDFU said it believed that this bill would prevent further consolidation of implement dealers in the state, leading to guarantees of service at vital times of the year. The National Association of Manufacturers cited their opposition of government getting in the middle of contractual relationships. John Deere also provided testimony against the bill. The bill ultimately passed overwhelmingly.

SB 2327 is the bill that would remove the environmental section from the health department and create its own agency. NDFU testified that while the board make-up acknowledges the many sectors of energy by their number of allotted seats on the advisory council, agriculture is similarly affected and will only receive one. NDFU asked for additional seats similar to energy's number of seats, and agriculture was eventually awarded those seats. The bill ultimately passed and was signed by the governor.

HB 1348 dealt with the seizure of animals. Once a law enforcement officer consults a licensed veterinarian that is approved by the board of animal health, they can petition for a court order or act without notice to remove an animal they believe is being neglected, abused or treated cruelly. The bill ultimately passed and was signed by the governor.

SCR 4009 is a concurrent resolution requesting the legislative management to consider studying the formation of an independent, nonpartisan redistricting commission for the decennial redrawing of legislative district boundaries in North Dakota. The resolution received a "do not pass" recommendation and ultimately failed to be adopted.