15.0841.01000

FISCAL NOTE STATEMENT

Senate Bill or Resolution No. HB 1352

This bill or resolution appears to affect revenues, expenditures, or fiscal liability of counties, cities, school districts, or townships. However, no state agency has primary responsibility for compiling and maintaining the information necessary for the proper preparation of a fiscal note regarding this bill or resolution. Pursuant to Joint Rule 502, this statement meets the fiscal note requirement.

Sheila Sandness
Senior Fiscal Analyst

2015 HOUSE ENERGY AND NATURAL RESOURCES

HB 1352

2015 HOUSE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee
Pioneer Room, State Capitol

HB1352
1/30/2015
Job # 22909

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature	Steph Schadl

Explanation or reason for introduction of bill/resolution:

Relating to eliminating the expiration date for special assessments for irrigation by the Garrison diversion conservancy district.

Minutes: Attachments 1

Chairman Porter opens hearing.

Rep. Curt Hofstad: District 15
This is a simple bill, a couple sessions ago we expanded the authority of the Garrison Diversion Conservancy District to have the power to enforce, or to expand, or to make a special assessment district and we did primarily because they were involved in irrigation. Irrigation is one of their purviews, that's what they do. Within that assessment district I think we have a failsafe. That fail safe is that you have to have 100 % of the participants vote in favor of that assessment district or it's not enforced. That is the fail safe, either you have 100% of the people involved voting for it. Or the special assessment district doesn't pass. We put a sunset that, last session we put another sunset on it. I think it's time to remove that, and go forth.

Duane DeKrey, General Manager Garrison Diversion Conservancy District
Just two of the reasons that it's important to us: When a land owner goes in to borrow money for irrigation what we are finding is that now days, these loans are not large enough that lenders want to take them on. What happens is that they come back to the district and ask us to use our money in reserves to finance they're irrigation system. We haven't got a lot of reserves. This special assessment works well because it assures us that the district will get their money back even if we do use our reserves or whether they go to a bank and we can use that to assure that the district will get its money back. If they can finance that way, it frees up our credit lines and frees up our reserves so we can expand irrigation along the canal. It's like a drainage system, where it's a 40/60 vote. Sixty percent can force forty percent of the people to do something they don't want to do. This is 100% of the vote, that's a pretty thought standard to meet. We've had no complaints, we've had no problems with it. We are asking that the sunset clause be removed, so that we can have the certainty of this financing option available to the district for financing irrigation projects.

Chairman Porter: So, the removal of the sunset clause put it to 60/40?

DeKrey: No, it stays at 100%.

Chairman Porter: If we enact this bill, what happens to the percentage required?

DeKrey: For a vote, it stays at 100%.

OPPOSITION:

None

Chairman Porter: closes hearing.

2015 HOUSE STANDING COMMITTEE MINUTES

Energy and Natural Resources Committee
Pioneer Room, State Capitol

1352
2/5/2015
Job # 23315

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature	

Explanation or reason for introduction of bill/resolution:

"Click here to type reason for introduction of bill/resolution"

Minutes:

Attachments 0

Chairman Porter opens hearing

Chairman Porter: Asks Rep. Curt Hofstad to explain the bill.

Rep. Curt Hofstad: This allows the Garrison Conservancy District to have within their purview an opportunity to set up an assessment district. When we wrote the code we provided a provision that the people within that district would have to have a 100% vote before they could establish the district. We also put in a sunset clause make sure everything was going as it should have. We did it again last year; it's time to put this into law. All this does is repeal the sunset clause on the law.

Rep. Curt Hofstad: Moves a Do Pass.
Rep. George Keiser: Second.

Vote: Yes 12, No 0, Absent 1

Carrier: Rep. Dick Anderson

Date: 2/5/15
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1352

House Energy and Natural Resources Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation:
☐ Adopt Amendment
☑ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Rep Hofstad Seconded By Rep Keiser

Representatives	Yes	No	Representatives	Yes	No
Chairman Porter	✓		Rep Hunskor	✓	
Vice Chairman Damschen	✓		Rep Mock	A	
Rep D Anderson	✓		Rep Muscha	✓	
Rep Brabandt	✓				
Rep Devlin	✓				
Rep Froseth	✓				
Rep Hofstad	✓				
Rep Keiser	✓				
Rep Lefor	✓				
Rep Nathe	✓				

Total (Yes) 12 No Ø

Absent 1

Floor Assignment Rep D. Anderson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1352: Energy and Natural Resources Committee (Rep. Porter, Chairman) recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1352 was placed on the Eleventh order on the calendar.

2015 SENATE ENERGY AND NATURAL RESOURCES

HB 1352

2015 SENATE STANDING COMMITTEE MINUTES

Energy and Natural Resources
Fort Lincoln Room, State Capitol

HB 1352
3/26/2015
25487

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature Katie Olsen

Explanation or reason for introduction of bill/resolution:

Relating to eliminating the expiration date for special assessments for irrigation by the Garrison diversion conservancy district

Minutes: 1 Attachment

Chairman Schaible opened the public hearing on HB 1352. Duane DeKray was on hand to introduce the bill.

Duane DeKray: General Manager of the Garrison Diversion Conservancy District. See attachment #1. (:20-3:14)

Senator Triplett: Can you describe in more detail how the assessment process works.

Duane DeKray: You have a checklist of things that need to be done by law. If there is going to be a special assessment you need to publish that in the local paper, hold the hearing, take comments from interested parties, people need to vote in the special assessment then we go down to the courthouse and register with the auditor so it gets added to a person's taxes.

Senator Triplett: Are the special assessments put on for 20 year?

Duane DeKray: They would be put on for the length of time that it would take to pay for whatever they are financing through the special assessment authority.

Senator Triplett: What is the division of cost between irrigators and the Garrison Diversion?

Duane DeKray: The Garrison Diversion's responsibility goes up to the landowners property line, anything before that is called the waterworks and they are eligible for a grant from the water commission anything beyond the property line is there.

Senator Triplett: You make special assess for both parts of that against their land?

Duane DeKray: The part on their land.

Senator Murphy: Aren't most of the water works on the banks of the canal?

Duane DeKray: Yes.

Senator Triplett: Why was the sunset in the first place?

Duane DeKray: The legislature with the district wanted to see is there would be any further legislation and there has been no problems.

There was no further testimony on HB 1352 and Chairman Schaible closed the hearing.

2015 SENATE STANDING COMMITTEE MINUTES

Energy and Natural Resources
Fort Lincoln Room, State Capitol

HB 1352
3/26/2015
25488

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature Katie Oliver

Explanation or reason for introduction of bill/resolution:

Relating to eliminating the expiration date for special assessments for irrigation by the Garrison diversion conservancy district

Minutes:

Chairman Schaible opened committee work on HB 1352.

Senator Hogue: If you look at the bill and see the session laws and they are both sunset clauses for this chapter of the law that we have created to allow the district to have and oppose special assessments. The biggest safeguard for this special assessment district is that they need to have 100% concurrence so there is no imposition of special assessment on an unwilling landowner. I haven't had any feedback from anybody but we have been doing it for 4 years. Section 5 and 6 repeals the sunset clauses.

Senator Armstrong made a motion for a do pass on HB 1352 with a second by Senator Laffen there was no further discussion, roll was taken, the motion passed 7-0-0 count with Senator Laffen carrying the bill to the floor.

Chairman Schaible then closed the committee work on HB 1352

Date: 3/26/2015
Roll Call Vote #: 1

2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1352

Senate Energy and Natural Resources Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken Do Pass

Motion Made By Senator Armstrong Seconded By Senator Laffen

Senators	Yes	No	Senators	Yes	No
Chairman Schaible	X		Senator Murphy	X	
Vice Chair Unruh	X		Senator Triplett	X	
Senator Armstrong	X				
Senator Hogue	X				
Senator Laffen	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Senator Laffen

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1352: Energy and Natural Resources Committee (Sen. Schaible, Chairman) recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1352 was placed on the Fourteenth order on the calendar.

2015 TESTIMONY

HB 1352

1352
1/30/15

#1

Testimony by Duane DeKrey, General Manager

Garrison Diversion Conservancy District

To the

House Energy and Natural Resources Committee

Bismarck, North Dakota
January 30, 2015

Chairman Porter, members of the committee, my name is Duane DeKrey; I am the General Manager of the Garrison Diversion Conservancy District. I am here to urge you pass HB1352 which gives the Garrison Diversion Conservancy District permanent special assessment authority.

Over the last several years, the Garrison Diversion Conservancy District has played an important role in the expansion of irrigation opportunities along the McClusky Canal, located in central North Dakota. As the interest in irrigation development along the McClusky Canal has grown, the Garrison Diversion Conservancy District has helped develop multiple projects, yet to be constructed.

The Special Assessment Authority is advantageous, as it allows the Garrison Diversion Conservancy District to develop irrigation projects without putting up its reserves. In addition, it allows an irrigator to maximize financing capabilities by not tying up his line of credit at the bank.

The removal of the sunset clause from the Special Assessment Authority would allow the Garrison Diversion Conservancy District to continue to help fund additional irrigation development along the McClusky Canal. Additional irrigation development will

only benefit North Dakota as land values increase, risk decreases, and crop production increases. The positive economic impact is tremendous with irrigation.

The Special Assessment Authority is set to sunset in 2017. I support the removal of the sunset clause, as the Garrison Diversion Conservancy District continues to work with farmers as they develop irrigation projects that would benefit from the Special Assessment Authority.

Thank you for allowing my testimony to be heard today.

Testimony by Duane DeKrey, General Manager
Garrison Diversion Conservancy District

To the

Attachment 1

Senate Energy and Natural Resources Committee

Bismarck, North Dakota
March 26, 2015

Chairman Schaible, members of the committee, my name is Duane DeKrey; I am the General Manager of the Garrison Diversion Conservancy District. I am here to urge you pass House Bill 1352 which gives the Garrison Diversion Conservancy District permanent Special Assessment Authority.

The Garrison Diversion Conservancy District was formed in 1955 and charged with using the water behind the Garrison Dam for the "prosperity and general welfare of all the people of North Dakota." The mission to provide a reliable, high quality and affordable water supply to benefit the people of North Dakota has defined the work of our organization. Garrison Diversion has several focus areas including irrigation, MR&I water supply, recreation, and operations and maintenance. Through several initiatives, the Garrison Diversion Conservancy District has committed to the investment of irrigation development and enhancement in North Dakota.

Over the last several years, the Garrison Diversion Conservancy District has played an important role in the expansion of irrigation opportunities along the McClusky Canal, located in central North Dakota. As the interest in irrigation development along the McClusky Canal has grown, the Garrison Diversion Conservancy District has helped develop multiple projects. A 3,500-acre irrigation project came online in 2011, and two smaller projects around 200 acres each will also begin delivering Missouri River water from the McClusky Canal this coming growing season.

The Special Assessment Authority is advantageous, as it allows the Garrison Diversion Conservancy District to develop irrigation projects without putting up its reserves. In addition, it allows an irrigator to maximize financing capabilities by not tying up his line of credit at the bank.

The Garrison Diversion Conservancy District's Special Assessment Authority is unique in that it requires a 100% vote to participate, so no farmer is unwillingly forced into a district they do not want to be a part of. In other irrigation districts, 60% of landowners can force the other 40% to participate.

We currently have two signed contracts utilizing the special assessment, with a third irrigator also interested in accessing the special assessment benefit. Irrigators need to be assured the special assessment will continue to finance irrigation in order for irrigation development to continue.

The removal of the sunset clause from the Special Assessment Authority would allow the Garrison Diversion Conservancy District to continue to help fund additional irrigation development along the McClusky Canal. Additional irrigation development will benefit North Dakota as land values increase, risk decreases and crop production increases. The positive economic impact is tremendous with irrigation.

The Special Assessment Authority is set to sunset in 2017. I support the removal of the sunset clause, as the Garrison Diversion Conservancy District continues to work with farmers as they develop irrigation projects that would benefit from the Special Assessment Authority.

Thank you for allowing my testimony to be heard today.